DECLARATION OF BHAVESH PATEL

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. My name is Bhavesh Patel. I am over twenty-one years of age and have personal knowledge of the matters set forth herein.

2. I first heard of Jay Peak in or about March 2012 after doing a computer search for EB-5 investment programs.

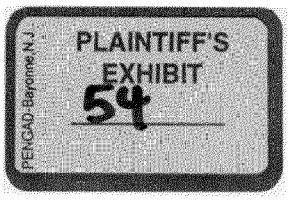
3. My understanding is that the EB-5 Visa program allows foreign investors seeking permanent resident status to invest in a business and obtain a conditional green card. I believe that after approximately two years, I would be able to seek to have the conditions removed from my green card if I could show that my investment created a certain amount of jobs.

4. After researching Jay Peak's EB-5 investment opportunities online, I called the company and spoke briefly with William Stenger and Karen Bennett in or about April 2012.

5. Mr. Stenger told me about an EB-5 investment program that was being offered by Jay Peak called Jay Peak Hotel Suites Stateside L.P. ("Stateside"). He and Ms. Bennett said they would send me information about the offering, and Mr. Stenger told me I could call back if I had any questions.

6. After speaking with Mr. Stenger and Ms. Bennett, I received documents in the mail from Jay Peak. Copies of the materials are attached as Exhibit A.

7. In May 2012, I wired a $10,000 deposit to an escrow account at People's United Bank, as a deposit for the Stateside EB-5 investment. Afterwards, I received offering materials for Stateside. Copies of those materials are attached as Exhibit B.



8. The next month, in June 2012, I wired a total of $540,000, consisting of $500,000 for my investment in Stateside, plus an additional $40,000 toward an administrative fee, to an escrow account at People's United Bank.

9. It is my understanding from the offering materials that my $500,000 investment in Stateside would be used specifically for the Stateside project.

10. It is also my understanding that my investment is combined with those of other investors, and that at some point in the future, I may be receiving returns on my investment.

I declare under penalty of perjury that the foregoing is true, correct, and made in good faith.

Bhavesh Patel

Executed on this 30th day of November, 2014.

A

karen bennett | Search Mail | Search Web | bb | Profile | Go | Sign Out | Home

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Baker College
How Many People Actually Have Jobs After College?

www.BeenVerifieWe Found Karen Bennett | B
1) Karen Bennett/bamp; More. Search
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Jay Peak Brochures Monday, April 23, 2012 7:09 PM

From: "Karen Bennett" <kbennett@jaypeakresort.com>
To: "Bhavesh Patel" <bhaveshpatel_2000@yahoo.com>

Full Headers Printable View

2 Files 4 MB Download All

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Mr. Patel,

Mr. Stenger asked me to forward you the attached information regarding our EB-5 program.

Sincerely,

Karen Bennett
Executive Assistant to
Bill Stenger, President & CEO
Jay Peak Resort
Rt. 242
Jay, VT 05859
802-327-2179
Web: jaypeakresort.com

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EXHIBIT
A

Available Now

STATE OF VERMONT REGIONAL CENTER

JAY PEAK
VERMONT

NEW EB-5 VISA PROJECT - In a Targeted Employment Area (TEA)

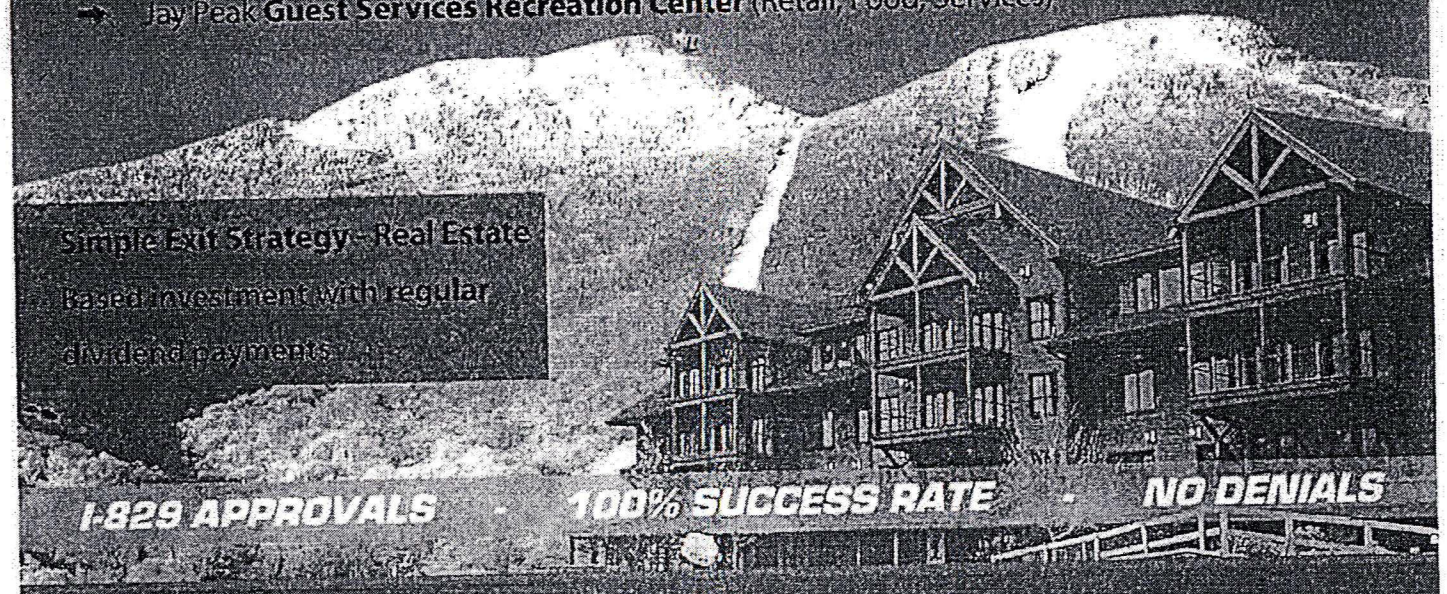
Jay Peak Hotel Suites Stateside

With over 400 investors subscribed to date, no denials and many I-829 approvals received, Jay Peak continues its evolution into a 4 season resort by expanding the bedbase and resort facilities at the Stateside base area (East side) of the Jay Peak Mountain. This base area was the original ski area when Jay Peak Resort opened in 1955.

We are pleased to announce a new EB-5 Visa project available now at Jay Peak Resort.

Project Developments

- **Stateside Hotel Suites** – Comprising up to **84 Units**
- **Stateside Cottages** – Up to **84 Units**
- Jay Peak **Medical Center**
- Jay Peak **Guest Services Recreation Center** (Retail, Food, Services)



Simple Exit Strategy – Real Estate based investment with regular dividend payments

I-829 APPROVALS - 100% SUCCESS RATE - NO DENIALS

Bill Stenger, Jay Peak Resort: 802-988-2611
James Candido, Vermont Regional Center: 802-828-3637

IMPORTANT NOTICE: This is not an offer or a solicitation to invest. Offerings will only be made subject to Jay Peak Hotel Suites Stateside L.P. Offering Memorandum and Limited Partnership Agreement, pursuant to exemptions from registration requirements set out in applicable securities laws. Subject to errors, omissions, change and withdrawal without prior notice.

JAY PEAK
VERMONT

Project Overview and Exit Information

STATESIDE ALL SUITES HOTEL - UP TO 84 UNITS

The Stateside All Suites Hotel is to be situated at the base of the ski slopes known as the Stateside base area, this area is on the East side of the Jay Peak Mountain. The Stateside ski area at Jay Peak Resort represents the initial ski area when the resort first opened for business in 1955, and to this day offers some of the most scenic and challenging skiing and snowboarding available to the Jay Peak vacationing public.

The Stateside Hotel will consist of up to 84 accommodation units and will offer highly desirable ski-in/ski-out access.

Amenities within the hotel will include high speed wireless internet and extensive in-room services. All units are individually furnished and provide kitchen, dining and living space with one, two or more bedrooms each.

Conceptual Stateside All Suites Hotel

STATESIDE COTTAGES - UP TO 84 UNITS

Conceptual Stateside Cottages

The Stateside Cottages are situated in a fantastic location near to the challenging slopes of the Stateside ski terrain. The cottages will provide quick access to ski terrain, golf and resort facilities.

Amenities in the Stateside Cottages will include high speed wireless internet and extensive in-room services. All units are individually furnished and include a fully equipped kitchen, living and dining area with one, two or more bedrooms and each with separate bath facilities.

The Jay Peak Resort architectural style of these properties will be featured throughout and will include natural stone, pine and cedar shingle outer surfaces, tastefully designed interiors with hardwood floors, yellow pine paneling and exposed beams, all blends into the natural surroundings of the Resort.

JAY PEAK MEDICAL CENTER

This Medical Center / Clinic facility is intended to be used by both resort guests and local residents in the Jay, North Troy and Montgomery Center area.

Initial use of the facility would be for first aid and minor clinical procedures, with future growth of facility operations projected.

GUEST SERVICES RECREATION CENTER

This approximately 15,000 square feet indoor recreation center is to serve resort guests who have a penchant for recreational activities that can be accomplished without worry of being generally affected by adverse weather conditions.

The recreation center is to also feature snack food service and beverages.

Investment Overview - Jay Peak Hotel Suites Stateside L.P.

See Important Notice below

Project Overview

Jay Peak Hotel Suites Stateside L.P. is open to **134 investor positions** and will involve the construction of **an 84 Unit all suites Hotel at the Stateside Base Area and a Cottages complex** that comprises 84 total units at the resort with each Cottage unit having one, two or more bedrooms in each and built on prime real estate adjacent to Jay Peak's Stateside Area Ski trails system and Championship Golf Course. Jay Peak Resort has no mortgage and is a successfully operating business since 1955. The Hotel Suites Stateside project is the sixth EB-5 project to be offered at Jay Peak Resort with 100% track record for all prior projects including investor I-829 petition approvals within both the Phase I and Phase II projects.

The Hotel Suites Stateside project will also construct ancillary amenities including a **Guest Services Indoor Recreation Center** and **Medical Center**.

When operating, return on investment for the Hotel Suites Stateside project is projected to provide up to **6% per year** from Partnership rental incomes (when rental income from the ancillary amenities is factored).

Projects at Jay Peak Resort are each structured to assist foreign investors to meet EB-5 Visa regulations and to assist in obtaining Lawful Permanent Residency in the US. The projects are real estate based and provide an investment income with a clearly defined exit strategy. Jay Peak projects are in the form of Limited Partnership.

An investor would be purchasing a limited partnership interest and once subscribed will receive a certificate of ownership for that interest. The limited partners as investors would collectively own 100% of that Partnership equity and thereby 100% of that Partnership assets. Limited Partners are entitled to 100% of the net capital proceeds after closing costs and realtor commission. In similar EB-5 projects, you may generally find that the promoter retains 30% or more of the partnership income and assets, which is not the case with Jay Peak EB-5 Projects.

There is **ZERO** debt or mortgage on the project real estate, this provides for a low risk, income producing, secure real estate investment opportunity for each investor that is not reliant on a third party element or high-risk loan for repayment of capital.

Partnership funds committed to the project are held in US Treasury Bills, the partnership will earn interest on those funds until fully expended with any accrued interest distributed to partnership on a quarterly basis. When construction is complete and the operating projects come on line, the partnership rental income projections provide up to 6% annual return. The partnership profits are distributed as a dividend on a monthly basis in arrears to the partnership pursuant to the terms of the offering.

Project Timelines

While overall Planning is as contained within the approved resort Master Development Plan Planning and permitting review and state and county regulatory applications for the individual project components will commence in early 2012. The State of Vermont land development laws determine when and how much land may be opened for development at any one time and subject thereto the project is anticipated to begin preliminary ground breaking in Spring of 2012, subject to approval and issuance of the governmental and regulatory permits.

Exit Strategy

Upon approval of I-829 removal of condition applications for all partners in the project there is an exit strategy available whereby the limited partners would be provided an equity allocation of the condominium style Suites within the Stateside Hotel and Cottage units by way of fractional ownership of deeded real property.

Jay Peak Real Estate Division will manage the sale or rental of the fractional ownership shares on behalf of the limited partner with all proceeds being returned to the limited partner less any closing costs or realtor commission. This will provide for capital repayments to investors, and the possibility and potential of a capital gain.

The General Partner does not share in those sales or rental proceeds.

In addition investors may sell their partnership interests to third party purchasers with the caveat that conditions must first be removed before any sale of those interests might occur.

The quick approval times of the project and the State of VT governmental oversight give substantive assurance to prospective investors to the project.

Important Notice: Information and Projections referenced herein for General Guidance Only. All Prospective Investors must at all times rely solely upon the Jay Peak Hotel Suites Stateside L.P. Private Placement Offering Memorandum.

JAY PEAK
VERMONT

Application of Funds

JAY PEAK VERMONT

JAY PEAK HOTEL SUITES STATESIDE L.P.
134 EB-5 INVESTORS $67,000,000

Stateside Hotel, Cottages Complex, Guest Services Recreation Center and Medical Center
$87m Project Financed by $67m from EB-5 Investors, $20m from Jay Peak

		UNITS		COST	TOTALS
OWNED BY L.P.					
VACATION RENTAL COTTAGES: Approx 1,100 sq ft average each unit			Total Living Units	84	
		Cost Sq. ft.			
	1100 sq ft	$185		$8,547,000	
	1100 sq ft	$185		$8,547,000	
Fit Out	$27,500 per each res.unit	$55,000		$2,310,000	$19,404,000
Unit Infrastructure	$15,000 Pad:	84	15000	$1,260,000	$1,260,000
Utilities, Stormwater, Arch. Etc. Fees, Permits, Roads					$1,800,000
				TOTAL	$22,464,000
Construction Supervision Costs:		Based upon:	$22,464,000		
Supervision			10%		$2,246,400
Supevision Expenses			5%		$1,123,200
				SUB-TOTAL	$25,833,600
STATESIDE HOTEL SUITES					
72,000 sq.ft building on three floors (1 or 2 Buildings)		72000			
	12 Units Studio Apartments approx 600 sq ft. unit	7200	300	$2,160,000	
Residential Second Floor	36 Units Studio Apartments approx 600 sq ft. unit	21600	300	$6,480,000	
Residential Third Floor	36 Units Studio Apartments approx 600 sq ft. unit	21600	300	$6,480,000	
		50400			
	Common Areas	7200	245	$1,764,000	
	Indoor Swimming Pool and Leisure Area	3600	385	$1,386,000	
		61200			
Fit Out	Fixtures and Equipment	84	30000	$2,520,000	$20,790,000
Construction Supervision Costs:		Based upon:	$20,790,000		
Supervision			15%		$3,118,500
Supevision Expenses			5%		$1,039,500
Sub-total					$24,948,000
10800 sq ft commercial	Commercial Retail, Restaurant, and Services	10800	200	$2,160,000	$2,160,000
			HOTEL COMPLEX	TOTAL	$27,108,000
OWNED BY JAY PEAK: LEASED TO L.P.					
MEDICAL CENTER: Stage 1		5000	Cost Sq. ft.	$295	$1,475,000
Square Feet					$600,000
Fit Out					$250,000
Groundworks and Utilities					$2,325,000
TOTAL					
OWNED BY JAY PEAK: LEASED TO L.P.					
GUEST RECREATIONAL SERVCES CENTER		15000	Cost Sq. ft.	$300	$4,500,000
Square Feet			Cost Sq. ft.	$150	$2,250,000
Fit Out and recreational elements and units					$500,000
Groundworks and Utilities					$7,250,000
TOTAL					
OTHER COSTS:					
LAND: Golf Cottages - per duplex pad	84	$30,000	$2,520,000	$2,520,000	
Hotel Suites Bonaventure per unit	84	$25,000		$2,100,000	
Credit for commercial areas owned/operated by Jay Peak Inc.				$2,160,000	
				$2,460,000	$2,460,000
Hotel Infrastructure				$525,000	$525,000
PARKING, PATHWAYS etc.					$1,340,000
Working Capital					$158,400
					$4,483,400
SUB-TOTAL OTHER COSTS					$67,000,000
INVESTOR/PROJECT COSTS					
JAY PEAK PROJECT CONTRIBUTIONS					$1,500,000
New Access Rd: #3 and #4	$1,500,000				$2,500,000
Main Drainage, Storm Water Allocation.	$2,500,000				$4,000,000
Commercial Areas Build out	$4,000,000				$1,500,000
General infrastructure, Waste Management	$1,500,000				$3,000,000
New Snowmaking Facilites	$3,000,000				$7,500,000
Lift relocations	$7,500,000				$20,000,000
FUNDS FROM JAY PEAK INC.					$87,000,000
TOTAL PROJECT INVESTMENT FUNDS					10/31/2011

Report prepared by Rapid USA Visas, Inc. Naples FL : K Douglas Hulme FCCA Tel: 239.594.5400

See Disclaimer "Forward looking Statements"

JAY PEAK
VERMONT

Structure of Business Operations

JAY PEAK HOTEL SUITES STATESIDE L.P. - STRUCTURE OF OPERATIONS

PROJECT:

LP BUILDS/OWNS STATESIDE HOTEL – 84 SUITES AND COTTAGES – 84 UNITS (168 TOTAL UNITS)

JAY PEAK, INC. OWNS RECREATION CENTER AND MEDICAL CENTER WHICH ARE LEASED TO THE L.P. for 10 YRS RENT FREE.

INVESTMENT:

$87 MILLION

$67 million – from 134 EB-5 investors at $500,000 per investor

$20 million in cash, land or other value from Jay Peak to provide

JAY PEAK HOTEL SUITES STATESIDE L.P.

- Develops and Creates Jobs, Builds real estate to rent out to third party tenants.
- LP Income source: partnership acts as landlord and receives rents from tenants
- Lease rentals structured to provide a projected rental return of 4.2% pa for the first full year of business operations to the partnership.

Jay Peak Inc. cash, land or other value applied to:

Jay Peak Inc. Stateside commercial area build out

And-

General Resort Infrastructure – Access road, Drainage, Wetlands etc. Snowmaking facilities and lift relocations etc.

LP builds and owns **Stateside Hotel** which contains 84 suites to be leased to approved tenant

LP builds and owns **Cottages Complex** which contains 84 units leased to approved tenant

Develops and constructs a **Medical Center.** JP, Inc owns building, 10 yr lease.

Develops and constructs **Guest Services Recreation Center.** JP, Inc owns building, 10 yr lease.

Stateside Hotel is leased out to pre-approved tenant who operates the hotel. Pays rental to partnership and tenant creates jobs at the Resort.

Cottages are leased out to pre-approved tenant who operates vacation rentals. Pays rental to partnership and tenant creates jobs at Resort.

Leased out to pre-approved tenant who operates, pays rental to LP and tenant creates jobs at the Resort.

Leased out to pre-approved tenant who operates, pays rental to LP and tenant creates jobs at the Resort.

JOB CREATION

Requisite jobs created by:

- The money invested into the project
- Tenants lease occupancy, activities and use of premises
- Increased visitor spending at the Resort

EXIT STRATEGY & RETURNS:

JP, INC HAS EXCLUSIVE RIGHT OF SALE AND RENTAL. ALL UNITS MUST BE IN RENTAL POOL

- EB-5 Investors stay invested for until such time as all I-829 applications have been decided by USCIS, at this time fractional ownership units will be allocated to 134 investors.
- Each investor will receive deeded equity allocation at fair market value.
- JP has exclusive right of sale, or will be exclusive rental agent.

Financial Projections

JAY PEAK VERMONT

JAY PEAK HOTEL SUITES STATESIDE L.P. 134 INVESTORS $67,000,000

PROJECTED STATEMENT OF PARTNERSHIP RENTAL INCOME

	YEAR 1		YEAR 3	YEAR 4	YEAR 5			YEAR 8	YEAR 9	YEAR 10
FINANCED BY 134 EB-5 INVESTORS $67m										
REVENUES										
COTTAGES										
BASE RENTAL INCOME	898,560	916,531	934,862	953,559	972,630	992,083	1,011,925	1,032,163	1,052,806	1,073,862
PERCENTAGE RENT	493,060	522,063	551,067	580,070	585,871	597,589	609,540	667,066	687,078	707,690
STATESIDE HOTEL SUITES										
BASE RENTAL INCOME	753,324	768,390	783,758	799,433	815,422	831,731	848,365	865,332	882,639	900,292
PERCENTAGE RENT	327,919	354,152	364,777	375,720	386,992	427,626	464,855	478,800	497,952	500,216
MOUNTAIN CLINIC										
BASE RENTAL INCOME	94,500	96,390	98,318	100,284	102,290	104,336	106,422	108,551	110,722	112,936
GUEST RECREATION CENTER										
BASE RENTAL INCOME	140,000	142,800	145,656	148,569	151,541	154,571	157,663	160,816	164,032	167,313
PERCENTAGE RENT	90,234	98,784	101,096	103,474	105,920	108,437	129,530	136,180	143,993	145,131
SUMMARY										
BASE RENTAL INCOME	1,886,384	1,924,112	1,962,594	2,001,846	2,041,883	2,082,720	2,124,375	2,166,862	2,210,200	2,254,403
PERCENTAGE RENT	911,212	975,000	1,016,940	1,059,265	1,078,783	1,133,651	1,203,925	1,282,046	1,329,023	1,353,036
PARTNERSHIP NET OPERATING INCOME	$2,797,596	$2,899,112	$2,979,534	$3,061,111	$3,120,666	$3,216,372	$3,328,300	$3,448,908	$3,539,223	$3,607,440
UNIT INVESTOR INCOME	$20,877.58	$21,635.16	$22,235.33	$22,844.11	$23,288.55	$24,002.77	$24,838.06	$25,738.12	$26,412.11	$26,921.19
Annual % Return on Investment	4.18%	4.33%	4.45%	4.57%	4.66%	4.80%	4.97%	5.15%	5.28%	5.38%

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. data provided by W Stenger, President and CEO Jay Peak Resort. 9/29/2011

See Disclaimer "Forward looking Statements"

Dividends paid monthly, subject to the limited partnership agreement, to Investors based upon available cash funds.

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Application Procedures

Client Investment Process – Jay Peak Resort EB-5 Visa Program

Initial Deposit and Commence Due Diligence Period

- To commence the process and begin the due diligence period, a prospective Investor is required to make a $10,000 deposit to the Jay Peak Escrow account at People's United Bank in Vermont.
- Within the up to 30-day review period following the initial deposit your client (or representative) is offered a complimentary stay at the Resort to meet with the Resort CEO and review the project.

Review Project Documentation and Questionnaire to Jay Peak

- Once deposit is received, you are provided with the Offering Memorandum, Business Plan and Limited Partnership Agreement. Investor Questionnaires are also included for the investor to complete and return to Jay Peak.
- If you choose not to proceed within the up to 30 day review period, the deposit is fully refundable.

Return Investor Questionnaire to Jay Peak

- Return completed Investor Questionnaire to determine Investor eligibility.
- Return completed subscription documents to Jay Peak for acceptance and inclusion in your
- I-526 petition.
- Provide us details of your immigration attorney, or one can be recommended.

Complete Investment and Return Subscription Documents

- Balance of investment funds to be paid within 45 days or sooner, at which point subject to acceptance of Investor Subscription Documents, the investment funds are released into the project.
- Investor I-526 petition cannot be submitted to USCIS without full investment funds invested.

Regional Center Documentation Issued

- Once full balance has been received and subscription documents signed, the Regional Center documentation is released to the acting attorney to include in clients Investor petition.

Attorney to Prepare I-526 Petition

- Acting attorney will prepare your petition, Jay Peak may, if required, review and provide assistance with documentation to validate Investor's source of funds.
- Approximate time to complete petition is 3 weeks.

Submit I-526 Petition to USCIS

- The petition is sent to USCIS and the attorney is to provide Jay Peak with the USCIS receipt number for USCIS auditing purposes. Attorney is also to inform Jay Peak of subsequent USCIS decision on petition.
- Average petition approved in 150 days from time of submission but may take up to 180 days or more.

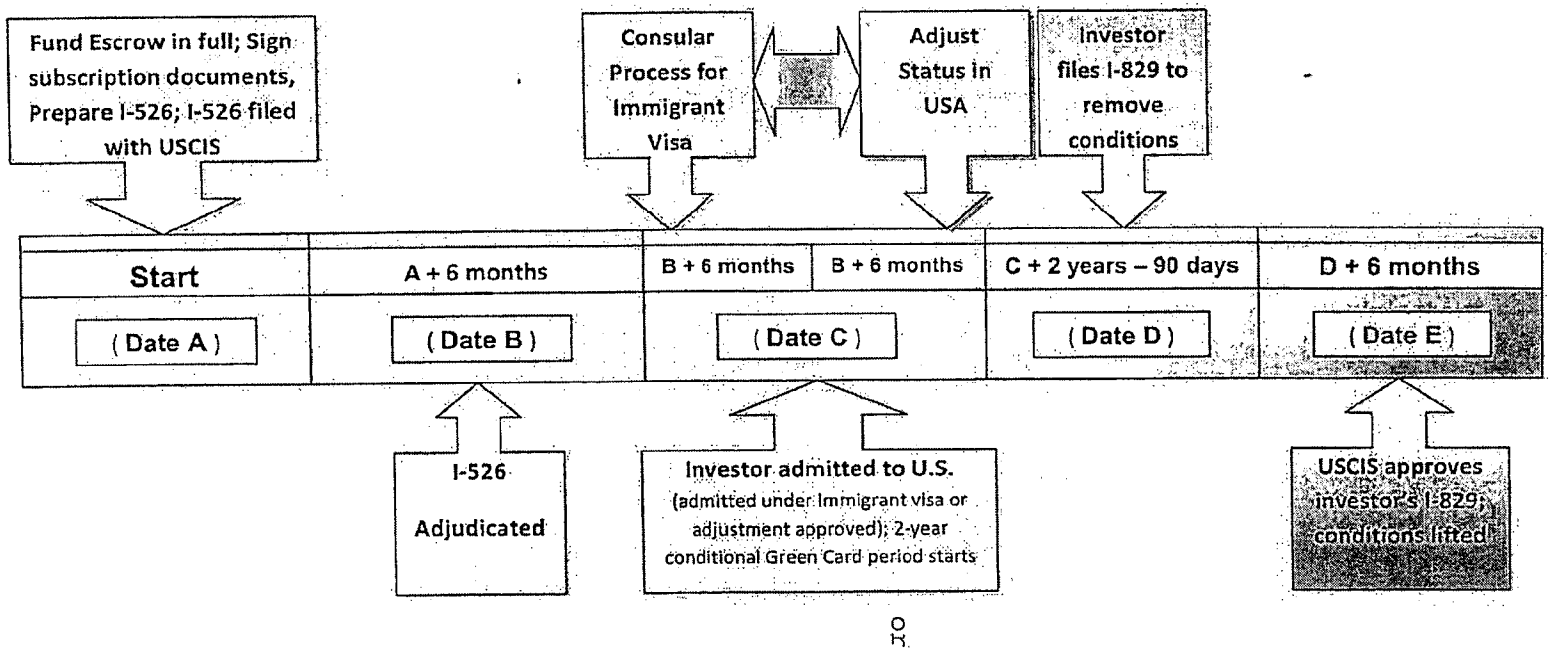
I-526 Adjudicated and Forward for Immigrant Visa Application

- The petition is approved by USCIS. Your attorney is to provide Jay Peak with approval notice.
- Approved petition is now sent forward for either adjustment of status or consular processing.
- Form I-485 or DS-260 is submitted, approval from this point can take 1 to 6 months or more.

JAY PEAK
VERMONT

EB-5 Visa Processing Times

(Approximated)



Rough EB-5 Process Timeline – State of Vermont Regional Center Projects

Note 1: After consulate process for Immigrant Visa the Immigrant Investor now has up to 6-months in which to enter the U.S.

Note 2: Approximately 3-years after "Date E" the EB-5 investor may now be eligible to apply for U.S. citizenship.

Subject to errors omissions and change without prior notice.

JAY PEAK
VERMONT

Initial Application Procedure

Formal Application Procedure

To review the project in further detail, we request that a person interested in conducting further due diligence transfers an initial cash deposit of $10,000 to be held with the Escrow agent, People's United Bank.

Upon receipt of this deposit, the prospective investor will be provided with a copy of the Private Offering Memorandum and related documents for the project.

Completing the Initial Deposit

To commence the due diligence period, a prospective investor is required to make a minimum $10,000 deposit to the trust account held at People's United Bank in Vermont, this initial deposit amount is fully refundable for up to 30 days as stated within the Investor Escrow agreement, this time frame allows for your due diligence.

Upon receipt of the initial deposit, you will be provided with the Private Offering Memorandum consisting of the Offering, the Business Plan, Limited Partnership Agreement, Subscription Document and related exhibits.

To start the process, you will find the following files contained within:

1. Wire Instructions
2. Investor Financial Commitments
3. Investor Escrow Agreement
4. Investment Procedure Flow Chart

To proceed, please return the signed 'Investor Escrow Agreement' and 'Financial Commitments' documents to us and wire the initial refundable deposit of $10,000 as per the 'Wire Instructions' document.

To return the above documents please fax them to 802-988-4049, attention Karen Bennett or scan and e-mail to Karen at kbennett@jaypeakresort.com.

JAY PEAK
VERMONT

Investor Escrow Agreement

Investor Escrow Agreement

JAY PEAK HOTEL SUITES STATESIDE L.P.

THIS INVESTOR ESCROW AGREEMENT (the "Agreement"), is made by and between the undersigned (the "Investor") and

People's United Bank
2 Burlington Square
Burlington, VT 05401

a savings bank chartered under the laws of the United States of America (the "Escrow Agent"), as of the date the Escrow Agent signs the Agreement.

Recitals

A. Offering. Jay Peak Hotel Suites Stateside L.P., a Vermont limited partnership (the "Limited Partnership"), is in the process of offering to sell limited partnership interests to investors (collectively, the "Investors" and individually, an "Investor"), pursuant to a Private Offering Memorandum of contemporaneous date hereof (the "Offering Memorandum") and a Limited Partnership Agreement to be attached thereto as an exhibit (the "LP Agreement"), as a means to securing funds to purchase and lease land and develop and construct the Hotel Suites at the Stateside area of the resort, Cottages / Mountain Chalets, medical center, recreation center and other amenities at Jay Peak Resort in Jay, Vermont. The general partner of the Limited Partnership is Jay Peak GP Services Stateside Inc. (the "General Partner"). The business of the Limited Partnership and the use of Investor monies (the "Project") will be fully explained in the LP Agreement and Offering Memorandum. The required minimum subscription amount of investment funds for each unit in the Project per Investor to meet EB-5 regulations and requirements is US$500,000 (the "Investment"). Though not part of the Investor's EB-5 Investment, under the terms of the Private Offering Memorandum each Investor is also to pay Offering issuance expenses herein defined as "Administrative Fees" of US$50,000 to Jay Peak, Inc. (the "Company"), to partially reimburse the Company for all costs incurred by the Company in business planning, creating and structuring the Project and producing, issuing and distributing the Private Offering Memorandum and coordination with interested parties and their professional advisors.

B. Purpose of Agreement. The Escrow Agent has been retained by the Company to hold on deposit, in an account for the benefit of the Investors and the Limited Partnership, monies received from Investors to reserve a place in the Project while conducting due diligence.

Terms and Provisions

In consideration of the respective covenants and agreements hereinafter set forth, and other good and valuable consideration now paid by each party to the other (the sufficiency and receipt of which is hereby acknowledged), the parties hereto agree as follows:

Partnership Interests are available on a first-come, first-serve basis, but subject at all times to the sole discretion of the General Partner. Prospective Investors may also remit the full investment amount total in one payment to help expedite their subscription.

1. Acknowledgment of Escrow Agent and Ratification of its Duties. As of the date of this Agreement, the Escrow Agent acknowledges receipt from the Investor of US$10,000 to request a place in the Offering (the "Minimum Deposit"). Any monies deposited by the Investor with the Escrow Agent in excess of the Minimum Deposit and allocated towards the Investor's Investment or Administrative Fees, whether simultaneously hereof or subsequent to the date of this Agreement, shall also be subject to this Agreement, and all funds deposited with the Escrow Agent shall be defined herein as the "Escrow Funds". The Escrow Agent agrees with the Investor to hold the Escrow Funds in an account (the "Escrow Account") and disburse the Escrow Funds as set forth herein.

2. Acknowledgements of Investor.

(a) The Investor acknowledges that the Minimum Deposit is tendered to reserve a place in the Offering and that all Escrow Funds shall be subject to this Agreement.

(b) The Investor represents that he or she is a bona fide, qualified investor seeking to invest into the Project, and that the Escrow Agent and the Limited Partnership are relying on this representation in accepting the Escrow Funds into Escrow and into the Project upon release of the Escrow Funds. The Investor also acknowledges that the Limited Partnership and the Company are third party beneficiaries of this Agreement.

3. Refund of Escrow Funds to Investor. At any time up to thirty (30) days after payment of the Minimum Deposit, or up to thirty (30) days after the Investor's receipt of the Offering, whichever is the last to occur, unless such period is extended in writing by the Limited Partnership with a copy of such extension sent to Escrow Agent (the "Due Diligence Period"), the Investor upon written notice received by Escrow Agent prior to the expiration of such Due Diligence Period, with a copy to the General Partner, shall be entitled to a full refund of the Escrow Funds.

4. Release of Escrow Funds to Limited Partnership.

(a) After the expiration of the Due Diligence Period, unless refunded pursuant to the notice set forth in section 3 above, the Minimum Deposit is strictly non-refundable and will automatically be released by the Escrow Agent to the Limited Partnership. Thereafter, the Investor shall have an additional forty-five (45) days to complete payment of his or her Investment and payment of Administrative Fees, if not already done, by depositing the balance owed into the Escrow Account.

(b) Notwithstanding the above, at such time that the Investor deposits the balance of the Investment and Administrative Fees into the Escrow Account and the Escrow Agent receives a copy of the Subscription Documents executed by Investor and accepted by the Limited Partnership, the Escrow Agent shall immediately release all Escrow Funds received by the Investor to the Limited Partnership, as to the Investment, and to the Company, as to the Administrative Fees, pursuant to the executed Subscription Documents.

5. Effect of Release of Escrow Funds to the Limited Partnership. The Investor confirms that upon release of the Escrow Funds to the Limited Partnership pursuant to the terms of section 4 above, the Escrow Funds shall be committed by the Investor to the Project and be available by the Project immediately and irrevocably upon such release; subject, however, to the refund provisions of the Offering Memorandum, including the LP Agreement.

6. Duties and Responsibilities of Escrow Agent.

(a) As Escrow Agent hereunder, Escrow Agent, acting in such capacity, shall have no duties or responsibilities except for those expressly set forth herein.

(b) The Limited Partnership and the Investor shall jointly and severally indemnify and hold harmless the Escrow Agent against any loss, damage or liability, including, without limitation, attorney's fees which may be incurred by the Escrow Agent in connection with this Agreement, except any such loss, damage or liability incurred by reason of the negligence or misconduct of the Escrow Agent.

(c) The Escrow Agent, acting as such, shall not be liable to anyone by reason of an error in judgment, a mistake of law or fact, or for any act done or step taken or omitted, in good faith, and this provision shall survive the termination of this Agreement.

(d) At the time the Escrowed Funds are released by Escrow Agent in accordance with this Agreement, Escrow Agent shall be discharged from any obligation under this Agreement.

7. Rights of Escrow Agent Upon Dispute.

(a) In the event of any disagreement between the Escrow Agent and the Investor or between them and any other person, resulting in adverse claims or demands being made in connection with the Escrow Funds, or in the event that the Escrow Agent, in good faith, shall be in doubt as to what action it should take hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it or refuse to take any other action hereunder, so long as such disagreement continues or doubt exists, and in any such event, the Escrow Agent shall not be or become liable in any way or to any person for its failure or refusal to act, and the Escrow Agent shall be entitled to continue so to refrain from acting until (i) the rights of the Escrow Agent and the Investor shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjusted and all doubt resolved by agreement between the Escrow Agent and the Investor, and the Escrow Agent shall have been notified thereof in writing.

(b) In the event Escrow Agent becomes involved in litigation in connection with this Agreement, the Investor and Limited Partnership agree to jointly and severally indemnify and hold the Escrow Agent harmless from all losses, costs, damages, expenses, liabilities, judgments and reasonable attorney's fees suffered or incurred by Escrow Agent as a result thereof, except that this indemnity obligation shall not apply to any litigation in which relief is sought for the negligence or misconduct of the Escrow Agent.

(c) The Escrow Agent may consult with independent legal counsel in the event of any dispute or questions as to the construction of any of the provisions hereof or its duties hereunder and it shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of counsel. The Escrow Agent shall have the right to file legal proceedings, including interpleader, to determine the proper dispositions of assets hereunder, all costs thereof constituting an expense of administration of this Agreement.

8. Notices. All notices, instructions and other communications required or permitted to be given hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been duly given if delivered personally or telexed or mailed, postage prepaid, registered or certified mail, as follows:

(a) If to the Investor:

Name: _____

Address: _____

_____

Email: _____

(b) If to Escrow Agent:

People's United Bank
2 Burlington Square
Burlington, VT05401 Attn: Institutional Trust

With a copy to:

Jay Peak GP Services Stateside Inc.
4850 VT Route 242
Jay, Vermont 05859 Attn: William Stenger, President

Any notice delivered or telexed as aforesaid shall be deemed to have been received by the party or parties to whom it is sent on the date of its being so delivered or telexed. Any notice mailed as aforesaid shall be deemed to have been received by the party or parties hereto to whom it is so mailed five business days after the date of its being so mailed.

9. Generally. (a) This Agreement shall be governed by and construed and in accordance with the laws of the State of Vermont, United States of America.

(b) The section headings are for reference purposes and shall not affect the meaning or interpretation of this Agreement.

(c) This Agreement shall be binding upon, and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

(d) The terms and provisions of this Agreement may only be amended, modified, waived, superseded or canceled by written instrument executed by both of the parties hereto or, in the case of a waiver, by the party or parties waiving compliance. Notwithstanding the foregoing, no term which affects the Investor's rights or responsibilities may be amended, modified, superseded or canceled without the prior express written consent of the Investor.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the dates set forth below.

THE INVESTOR (Dated _____)

BY _____
(signature)

Print Name:_____

THE ESCROW AGENT
PEOPLE'S UNITED BANK (Dated _____)

BY_____
Name: _____
Duly Authorized Agent

STATE OF VERMONT
CHITTENDENCOUNTY, SS.

At Burlington, Vermont, this _____ day of _____, 201__, personally appeared _____, a person known to me and a duly authorized agent of People's United Bank, and acknowledged the foregoing instrument to be his/her free act and deed, and the free act and deed of People's United Bank.

Before me, _____
Notary Public
Comm. Exp. 2/10/15 **(affix seal here)**

Insert notary verification (if required) here:

THE PARTIES TO THIS AGREEMENT ACKNOWLEDGE THAT JAY PEAK HOTEL SUITES STATESIDE L.P. AND JAY PEAK, INC. HAVE CONSENTED TO THE TERMS HEREOF AND ARE THIRD PARTY BENEFICIARIES.

Wiring Instructions

Institutional Trust

Please use these wire instructions for **wires originating from United States Banks** (Continental United States):

Bank Name: **People's United Bank**
Address: **2 Burlington Square, Burlington, Vermont, 05402**
ABA/Routing Number: **221172186**
Account Number: **0019100316**
Reference (REF): **Institutional Trust Department**
For Further Credit (FFC): **Jay Peak Hotel Suites Stateside LP, Investor [Name]**

Please use these wire instructions for **International wires** (through our **corresponding beneficiary bank**):
Please Note: When sending the wire from outside the United States, the wire must first go to the Bank of New York Mellon, *and then will be forwarded to* Peoples United Bank.

Corresponding Beneficiary Bank: **Bank of New York Mellon**
Corresponding Beneficiary Bank Address: **1 Wall Street, New York NY, 10286**
Corresponding Beneficiary Bank SWIFT Code: **IRVTUS3N**
Corresponding Beneficiary Bank Account#: **8900684356**

For Further Credit to:

Beneficiary Name: **People's United Bank – The Institutional Trust Department**
Beneficiary Account Number: **0019100316**
Reference: **Jay Peak Hotel Suites Stateside LP, Investor [Name]**

**Note: In order to guarantee timely and correct proceeding, please notify Jay Peak Inc. of the amount and date of the incoming wire(s).

Sincerely,

Patrice K Clark

Patrice K Clark
Sr. Institutional Trust Administrator

Investor Financial Commitments

JAY PEAK EB-5 PROJECTS

Financial Commitments and Preliminary Application Procedures

Prospective Investors are required to make an initial deposit of $10,000 into an escrow account. This deposit is to allow the prospective investor a period of up to 30 days due diligence, and is refundable within that time pursuant to the terms of the escrow agreement in the event the Investor decides not to proceed; otherwise it is applied to the Subscription amount for the Project. The deposit requests a place in the project in accordance with the date of receipt on a first come basis, but subject to the following condition: Please note: There is a heavy demand for Investor places within the Jay Peak Projects which tend to quickly sell out, and therefore at all times Investors who are fully subscribed will take precedence.

Prospective Investors who have made the initial deposit have the opportunity of a complimentary stay (accommodations, meals and resort facilities only) if desired at Jay Peak resort (www.jaypeakresort.com) for two nights (subject to availability) to review the Project and meet the Company President and management team.

Please contact us at Jay Peak Resort at 802-327-2222.

The following procedures and guidelines have therefore been adopted:

1. Submit Escrow Deposit and Confirmation of Wire Transfer of $10,000* to Jay Peak Escrow Account.
2. Complete and Sign Investor Agreement

Upon receipt of initial deposit and above documents, we will provide the Private Offering Memorandum together with an investor suitability questionnaire for your review and completion, and various additional project documents and agreements. You have up to 30 days to provide confirmation that you wish to proceed with the investment, during which time the initial deposit of $10,000 is fully refundable. If you wish to proceed with your EB-5 visa investment please note the further requirements as under:

1. Investors may complete the balance of the subscription amount of $540,000 at any time prior to the time limits stated below; otherwise . . .
2. Increase deposit to $50,000 within the 30 days review period, with the . . .
3. Balance of investment funds of $450,000 plus the Administrative fee* of $50,000 (see note 4 below) to be paid within 45 days thereafter, at which point the investment funds are released and invested into the partnership project to produce the economic impact as planned, the partnership investment funds as available may commence earning interest until expended into the project.
4. *Administrative fee is separate from the project capital investment of $500,000 and constitutes an additional expense of $50,000.00. This fee is to be paid to Jay Peak Inc., or as may be otherwise directed by Jay Peak Inc.

5. Promptly return all documents signed as requested for the Jay Peak Offering Memorandum.
6. Instruct Legal Counsel, enter into Attorney Retainer Agreement, pay Attorney fee. Jay Peak will, if requested, provide a schedule of attorneys know to them familiar with the EB-5 program.
7. Provide any additional supporting documents as per list provided by Attorney.
8. Attorney will prepare your application upon receipt of all documents from you directly.
9. The original application documents will be emailed to you as a PDF document for printing, signing and returning to Attorney.
10. The Attorney files your application/petition with USCIS.

Important Note. To expedite the process, the Investor may pay the full balance or amount of funds due, at any time prior to the timescales outlined above. Please note that your application/petition CANNOT be filed with USCIS until the full balance of funds have been received and fully subscribed into the Partnership.

Financial Summary

The accrued costs to participate in this program are summarized below:

Capital Investment	**$500,000**
Administrative Fee	**$50,000**

In addition to the cost to participate, the Investor is responsible for their attorney fees, consulting fee if applicable, USCIS application fees, and other costs. The amount of the legal fees is dependent upon the fee terms agreed independently by you with the attorney(s) acting on your behalf, the USCIS fees applicable at the time of filing, and other matters. Please contact Jay Peak for further information. Jay Peak will, if requested provide a list of up to three law firms experienced in EB-5 visa matters.

Refunds

- The initial deposit of $10,000 will be refunded to the bona fide prospective investor upon request without reason at any time up to 30 days after payment and receipt into escrow if the applicant does not elect to proceed with the investment, and provides written notice thereof to Jay Peak Inc. Thereafter the initial deposit of $10,000 is non-refundable, and is immediately released to Jay Peak Inc.

- If the Investor is rejected by USCIS, the $500,000 investment will be returned in full within 90 days of USCIS notice of denial. On occasion USCIS will issue an RFE (Request for Evidence) and if so the investment would continue until resubmission review and a final adjudication is determined by USCIS. If USCIS issues Notice of Denial, the $500,000 would be returned to the Investor pursuant to the terms of the Offering Memorandum.

- Administrative Fee: I understand in the event my I-526 petition is denied at any time, my rights are limited solely to the return of my $500,000 Capital Contribution (and 50% of the administrative fee) within ninety (90) days of written request therefore to the General Partner.

How long will the whole process take?

Processing times at various stages can vary from a few weeks to many months, it is not possible to predict any more accurately. Investors should refer for guidelines to the processing dates as stated on the USICS web site: www.uscis.gov.

As a general guideline we detail the procedures and some estimated timelines:

a.	Submit initial deposit, questionnaires	up to 30 days
b.	Submit balance of deposit, appoint attorney	up to 45 days
c.	Investor's Attorney – Estimated average file preparation time:	approx. 30 – 60 days

Issuance of conditional green card estimated processing time from date of Attorney filing with USCIS:

While there are many variables, as a general guideline 9 to 12 months is a possible overall time frame dependent upon Nationality of Investor and personal circumstances, and availability of required information, although these times may be substantially longer dependent upon circumstances.

- Application for Removal of Conditions to Permanent Green Card – can apply after 21 months.
- If desired, subject to CIS regulations, apply for Naturalization to become a US Citizen after 5 years from issuance of conditional Green Card.

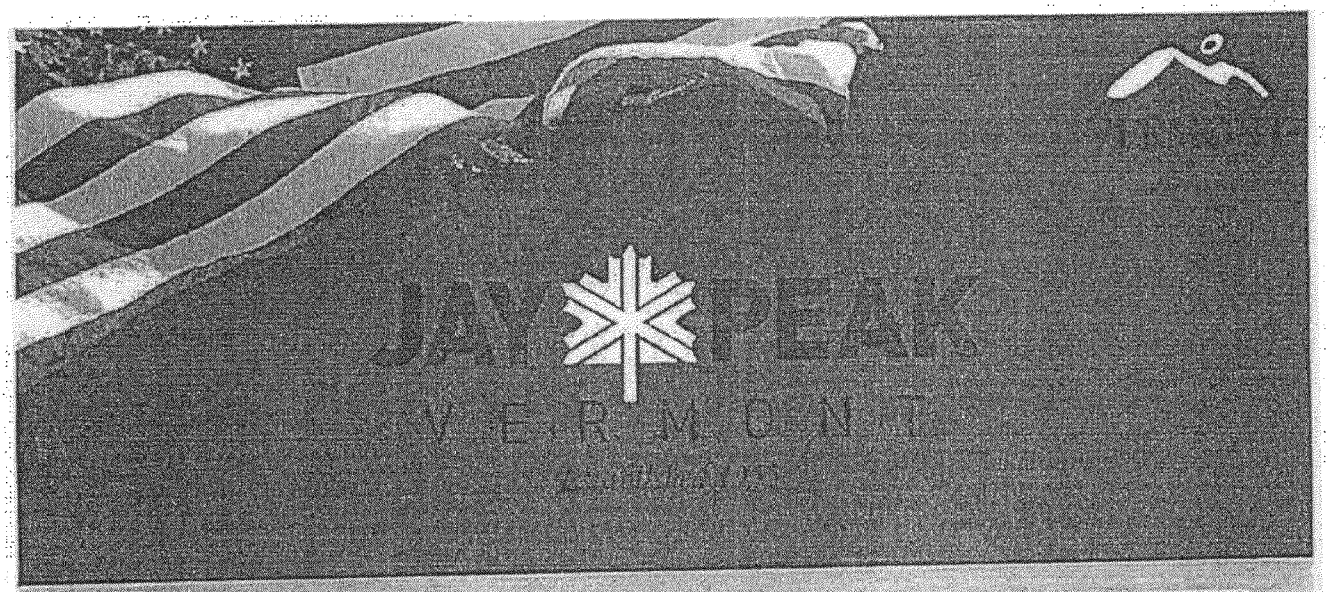
I have read, understand and accept the contents herein:

Signed _____

Date _____

Subject to Errors, Omission, Change and Withdrawal without prior notice.

October 2011



STATE OF VERMONT EB-5 REGIONAL CENTER

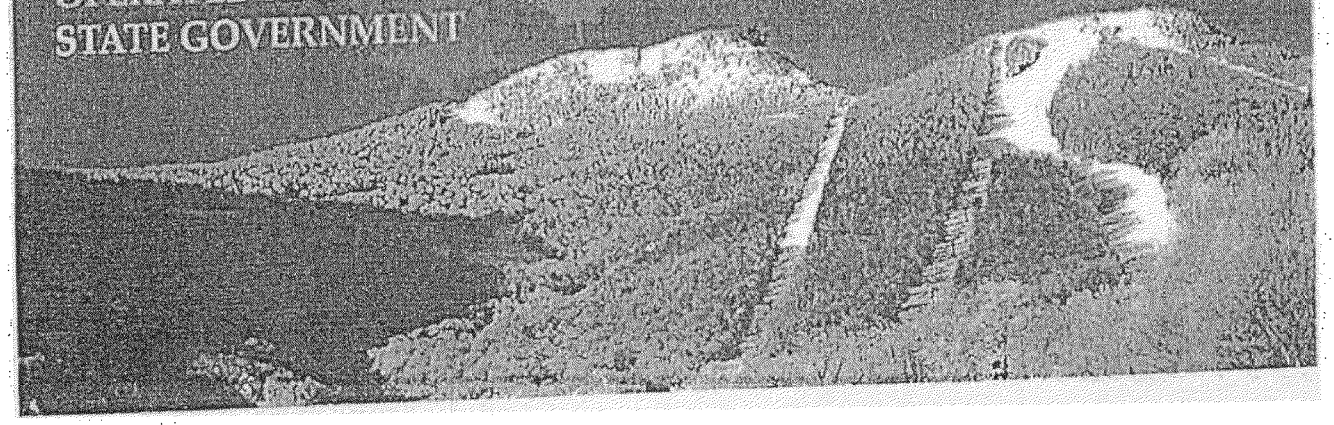
Federal Designated Center Since 1997

Jay Peak Resort EB-5 Visa Program

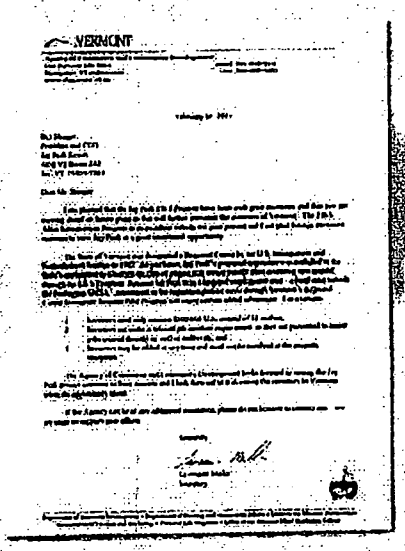
www.eb5jaypeakresort.com

- $500,000 Investment in a Targeted Employment Area (TEA)
- Debt Free Equity Real Estate Investment
- 100% Success with I-526 and I-829 Approvals
- EB-5 Projects are each part of a State Approved, Resort Master Development Plan

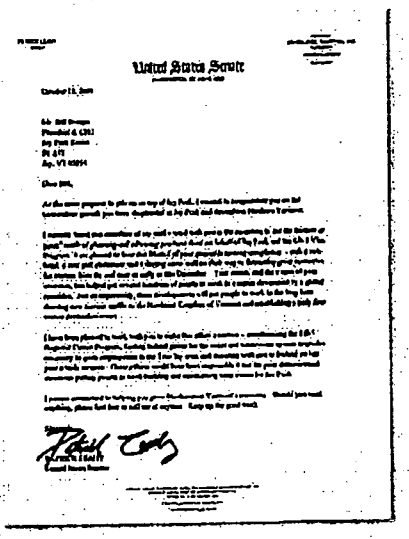
THE ONLY US DESIGNATED
REGIONAL CENTER OWNED,
OPERATED AND SUPERVISED BY
STATE GOVERNMENT



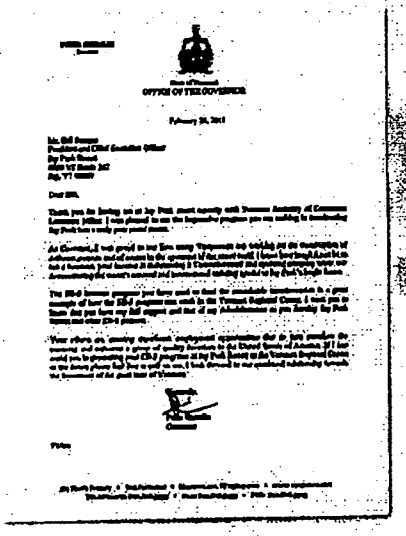
Government Support



Support from Lawrence Miller, Secretary State of Vermont

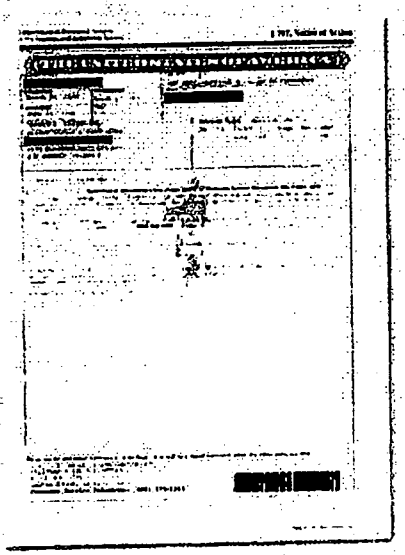


Support from United States Senator (D, Vt), Patrick Leahy

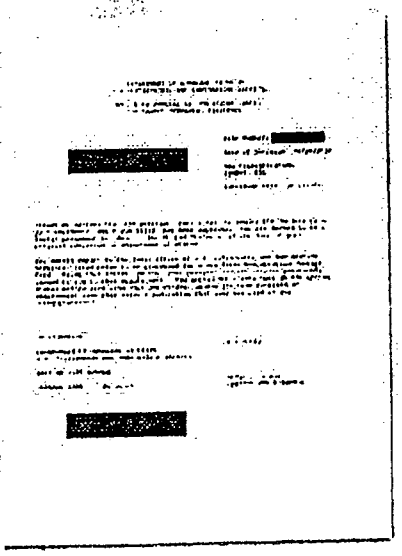


Support from Peter Shumlin, Governor of Vermont

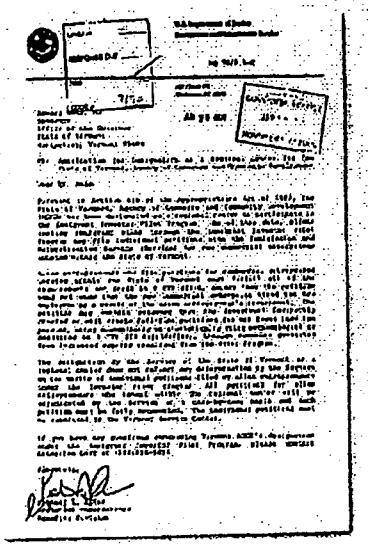
Approved Immigration Notices



I-526 Petition Approval



I-829 Removal of Conditions Approval Notice



State of Vermont Regional Center Designation

State Government and Project Officials

United States Senator, Patrick Leahy (D, Vt)

United States Senator, Patrick Leahy (D, Vt): Senator Leahy is a Senior elected official to the United States Senate as Senator for the State of Vermont, and is also Chairman of the Senate Judiciary Committee, one of the most powerful committees in the US Congress. Senator Leahy has been in office since January 3rd, 1975 and was recently elected to serve a seventh term. Senator Leahy has a keen interest in the EB-5 visa program on both the State and Federal level and has championed the program in Congress.

81st Governor of Vermont, Peter Shumlin

Governor Shumlin was elected on November 2nd, 2010 and commenced his Governorship on January 6th, 2011. Since his inauguration Governor Shumlin has recognized the significant progress and economic impact that EB-5 visa investment has brought to the State of Vermont and addressed that in his inauguration speech*. Governor Shumlin is enthusiastic to continue the EB-5 efforts paved by Governor's Jim Douglas and Howard Dean who preceded him.

Excerpt from Governor Shumlin's inaugural address of January 6th, 2011

"Let me give you an exciting example of what I mean by innovation in financing and venture capital. The EB-5 program, championed in Congress by Senator Leahy, is an established means of generating capital that is creating jobs. Thousands of them, right here in Vermont. We must take this program to levels not imagined by its creators. EB-5 gives us a vehicle not only to raise essential capital but also to spread Vermont's stellar reputation from one end of the globe to another.

We have a pioneer in this effort, Bill Stenger, of Jay Peak, deep in the Northeast Kingdom, who joins us today. Bill has plumbed this federal program to its fullest potential. Through this initiative he has created over a thousand new jobs in the highest unemployment area of the state that would not otherwise exist."

Vermont Secretary of Commerce, Lawrence Miller

Lawrence Miller takes over from the fine work performed by outgoing Secretary of Commerce, Kevin Dorn. Mr. Miller was appointed on November 22nd 2010 by Governor Shumlin as Secretary to the Vermont Agency of Commerce and Community Development (VACCD). Mr. Miller's department is the State Agency responsible for the administration and supervision of the State of Vermont Regional Center. Lawrence Miller brings a strong business background to his appointment and has vowed to further expand the State EB-5 visa program working closely with Jay Peak and business leaders throughout the State.

Vermont ACCD General Counsel, John W. Kessler, Esq

John W. Kessler since 1997 has served as the General Counsel for the Vermont Agency of Commerce and Community Development, providing advice to the Agency Secretary and a diverse set of clients, including the departments of Economic Development. Mr. Kessler also serves as General Counsel for the State owned and supervised EB-5 Regional Center and has been General Counsel since the Regional Center was designated by USCIS in 1997.

Vermont ACCD EB-5 Director, James Candido

James Candido is employed by the Vermont Agency of Commerce and Community Development to direct the day to day operations for the State of Vermont EB-5 Regional Center. Mr. Candido and his staff visit the individual approved EB-5 projects in the Regional Center on an almost monthly basis and conduct quarterly audits to report on the activities of those individual EB-5 projects.

Jay Peak Resort President and Owner, Bill Stenger

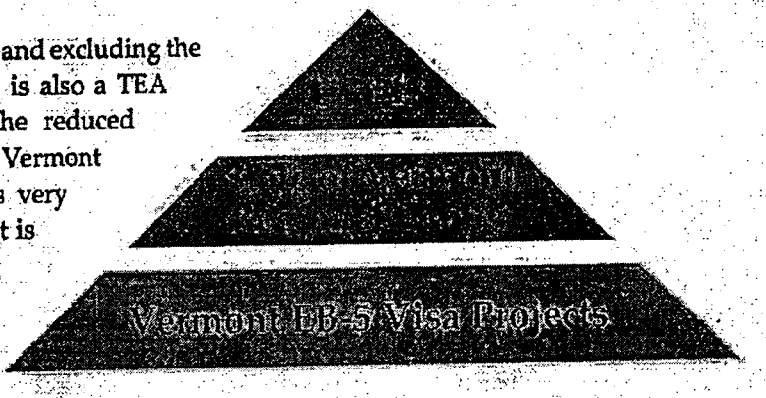
Bill Stenger has been President of Jay Peak Resort for over 25 years first being appointed President of the Resort in April, 1985. Bill later became part owner of the Resort and under his vision and guidance has dramatically increased the size and scope of the Resort activities. Bill continues to work very closely with State officials and Senator Leahy on EB-5 matters and was invited to testify before the US Senate as to the positive effects seen from EB-5 investment. Bill was also instrumental in the formation of the Vermont Regional Center with then Governor, Howard Dean in 1997.

The Only USCIS Designated Regional Center in the United States Owned, Controlled And Supervised Directly by State Government

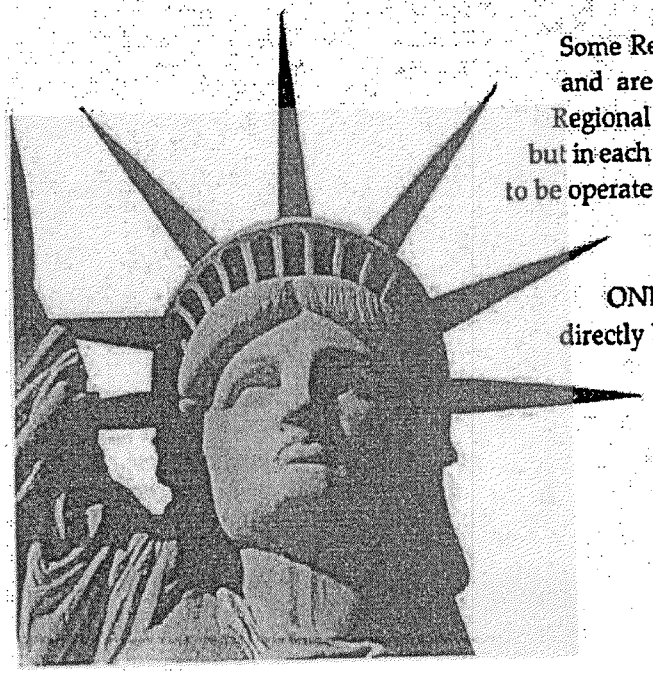
The State of Vermont is the only designated Regional Center in the United States that is owned, operated and supervised by a government department within the State - the Vermont Agency of Commerce and Community Development (VACCD).

The Vermont Regional Center operated by the State of Vermont providing foreign investors, via approved projects with an attractive option for international investment through the EB-5 Visa Program, with the State providing the independent and qualified Government oversight and infrastructure required by USCIS without the added cost or administrative burden.

The entire State has regional center status, and excluding the MSA of Burlington area, the entire State is also a TEA (targeted employment area) allowing the reduced EB-5 investment of $500,000. The State of Vermont has a population of only 625,000 and is very rural by nature thus providing a TEA that is robust and free of concern for meeting high unemployment levels often required by other centers.



Are There Any Other State Regional Centers?



Some Regional Centers cover the geographical area of a state and are owned and operated by private enterprise. Other Regional Centers may have some manner of state designation, but in each instance the State obligations have been subcontracted to be operated and administered by private enterprise.

The Vermont Regional Center is unique in that it is the ONLY Regional Center owned, operated and administered directly by State Government officials.

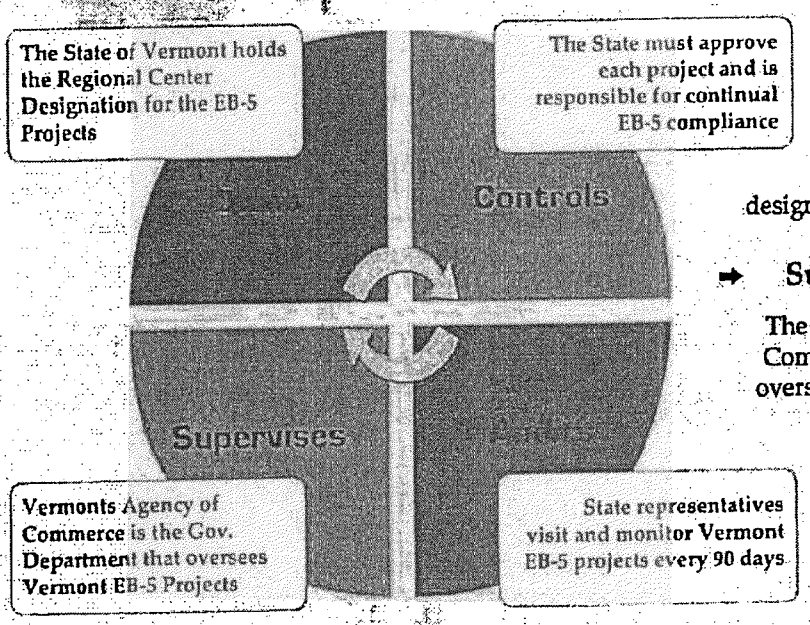
Independent and Qualified Government oversight of EB-5 Projects

➡ Owns

The State of Vermont Regional Center was designated by USCIS in 1997 with then Governor, Howard Dean being instrumental in obtaining the State designation. The State now holds the designation and authority for all EB-5 Projects. The State also benefits at Federal level in the US Senate, with Senator Patrick Leahy of Vermont having a keen interest in the EB-5 program and related USCIS regulations, being enthusiastically supportive of the State's EB-5 Projects. Senator Leahy is also Chairman of the Senate Judiciary on Capitol Hill in Washington DC.

➡ Controls

The State must review and approve each and every EB-5 Project to utilize the State Regional Center designation. Upon State approval of each EB-5 Project, the State requires the Promoter to enter into a "Memorandum of Understanding" with the State which imposes strict duties and obligations upon the Promoter. Failure to comply, if not remedied, could result in the Project losing the State approval and use of the Regional Center designation.



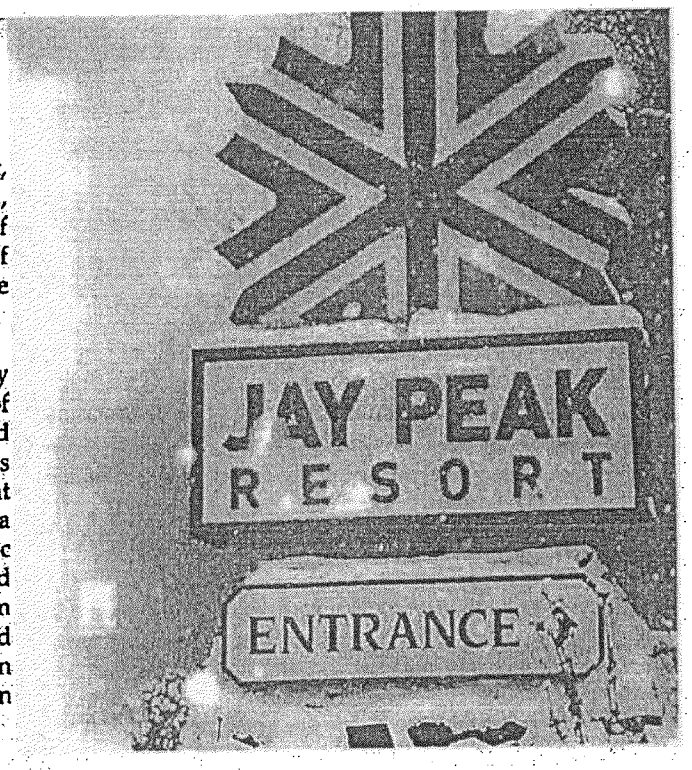
➡ Supervises

The State Agency of Commerce and Community Development supervises, oversees and administers the Vermont EB-5 projects for compliance with USCIS EB-5 regulations. The State Secretary of Commerce Lawrence Miller has overall responsibility for the EB-5 program reporting to Governor Peter Shumlin; the State EB-5 director of projects is James Candido; Attorney John Kessler is the State Commerce Department attorney with one of his primary functions being the legal oversight and acting as intermediary for legal and USCIS matters for EB-5 projects. The State Governor and his EB-5 staff make regular visits, both in Vermont and on overseas trips to educate and inform prospective investors of the benefits of the State of Vermont EB-5 Visa Program.

➡ Audits

State officials visit the EB-5 projects on an almost monthly basis to monitor not only the progress of development but also to provide any kind of help and support at both State and Federal level that an EB-5 project may need to further implement the program. The State audits each EB-5 Project on a quarterly basis, requiring the Project to provide written reports to the State covering issues such as investor activity, job creation, status of alien investor capital, compliance with regulatory requirements, progress of project pursuant to business plan and the expertise of personnel operating the project.

Jay Peak Resort

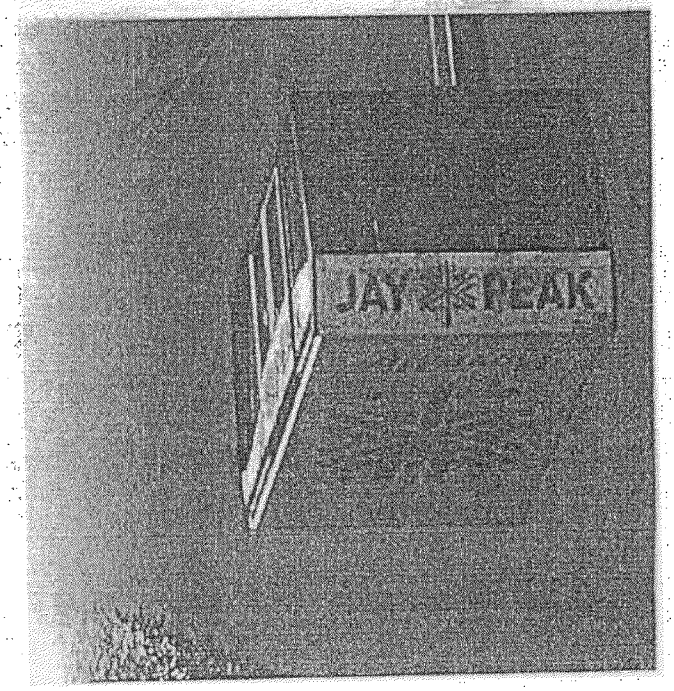


Jay Peak Resort is located in northeast Vermont, approximately 65 miles northeast of Burlington, Vermont and approximately 90 miles southeast of Montreal, Quebec. The resort is located in the town of Jay, Vermont in Orleans County, two air miles from the Canadian border.

The resort opened in 1955, is privately owned by Jay Peak Inc., and is debt free. The resort covers an area of some 4,000 acres (over 6 square miles) and had evolved as a solely winter alpine ski resort until some 10 years ago, when major expansion commenced.. In recent years, Jay Peak has been developing the resort as a year-round, all-season destination so that economic viability is strengthened and the resort, its investors and job creation throughout the region has prospered from this 4-season economic structure. The resort has enjoyed over 50 years of successful ski operations, and is known to be one of the most attractive and successful resorts in Eastern North America.

Jay Peak is one of the four largest ski mountains and ski resort facilities in all of New England and being within the Vermont USICS Regional Center provides an opportunity to foreign investors to participate in substantial real estate development to devlop the bed base and ancillary facilities at the Resort. Jay Peak currently has the smallest bed base of any major resort having less than 1,500 beds at present. Resorts that Jay Peak competes with have no less than 10,000 beds per resort and some as high as 20,000 beds, thus providing Jay Peak with an exciting opportunity to expand its hospitality operations.

With ongoing investment by the Jay Peak organization adding extensive resort infrastructure and the opening in 2006 of an 18 hole championship golf course, and with the enormous economic stimulus from foreign EB-5 investors, Jay Peak's bed base growth is now rapidly expanding. The continued expansion of resort amenities on the three mountains of Jay Peak include facilities that few if any other ski resorts in eastern North America have available, in particular the signature championship golf course designed by renowned golf course architect Graham Cooke, a luxurious Golf Clubhouse, Bar and Restaurant with golf academy and practice facilities, a themed Ski lodge hotel, full service day spa, Olympic size indoor ice arena, a Nordic ski center and many other recreational and entertainment venues all encompassed by world class Alpine and Nordic skiing facilities, serviced by the only high speed cable car (tram) in Eastern North America.



Jay Peak Resort EB-5 projects embrace probably the largest and most successful individual single location EB-5 visa program in the United States. Jay Peak's EB-5 Visa Program has been extensively featured throughout the media, including feature programs on US cable TV and broadcast networks such as CNN, FOX, ABC and TV Stations in Korea, China, Japan and Vietnam, and many countries in Central and South America and Europe. Jay Peak Resort and the EB-5 visa programs at the Resort have also been prominently featured in many printed publications as well as via many internet and radio channels.

Jay Peak Resort is surrounded by a primary market of 100 million people in Eastern North America and being only 5 miles from the province of Quebec directly benefits from the over 6 million people who reside in the greater Montreal community which is only a 90 minute drive from the resort. Of the near 400,000 persons who visit the Resort each year approximately half of those are Canadian citizens whose economy has remained relatively stable despite decline elsewhere. This coupled with US tourists on the eastern seaboard choosing to vacation closer to home more recently, has seen an ongoing annual increase in attendance at the Resort.

In November 2011, Jay Peak Resort will open Vermont's only indoor water park. The project is being financed primarily by EB-5 Investors and is projected to substantially increase annual visitation and year round hotel occupancy levels. The water park will feature a retractable sliding glass roof, numerous specialty slides, wave machines and a lazy river all built slope-side at the heart of the resort. The water park maintains the quintessential "Jay Peak" theme and is sensitive to conserving energy employing several state of the art green technologies.

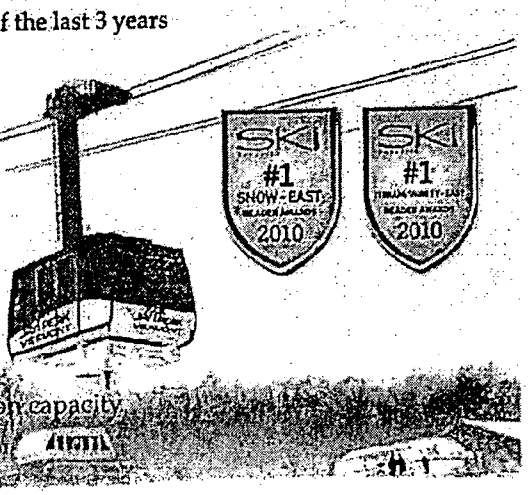
By 2015 Jay Peak Resort itself anticipates it will have invested well over $50 million in cash land or other value to assist in the resort expansion in accordance with a State of Vermont approved Master Development Plan. Each EB-5 project released by Jay Peak is a further component of the approved Master Development Plan with that component being carefully assessed by both the Jay Peak organization for market viability and the State of Vermont Department of Commerce for EB-5 qualification before being released. The following pages indicate the Resort map for the approved master development plan highlighting the areas of completed, ongoing and upcoming construction that has been financed by EB-5 investors.

Key Information:

Established since 1955
Established management team in place since 1985
Currently almost 400,000 visitors per year
375 inches of average annual snowfall - heaviest snowfall of any ski resort in the East
76 ski trails, glades and chutes covering 450 acres
Jay Peak consists of approximately 4,000 acres
18 hole Championship golf course with luxury Club House
100 million population within 8 hours drive
Rated No. 1 Ski Resort in the East each of the last 3 years
Rated No. 1 in marketing and guest services by the NSAA each of the last 3 years

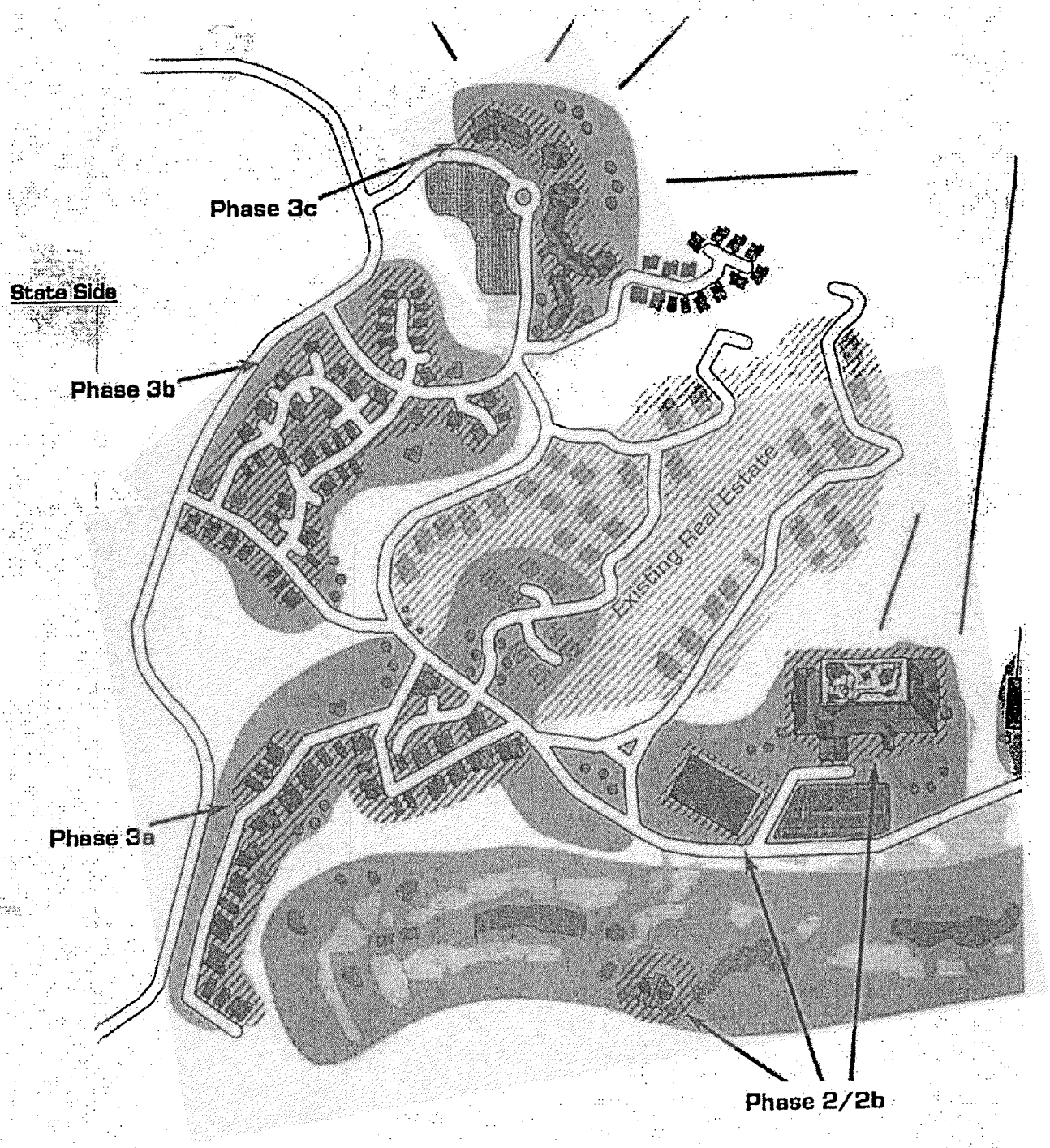
Jay Peak Statistics:

Summit Elevation: 3968 Feet
Skiable terrain: 385 + acres
Gladed terrain: 100+ acres
Trails: 76
Terrain Parks: 4
Miles of Trails: 50
Longest trail: 3 miles
Lifts: 8 - including Vermont's only aerial tram with 60 person capacity

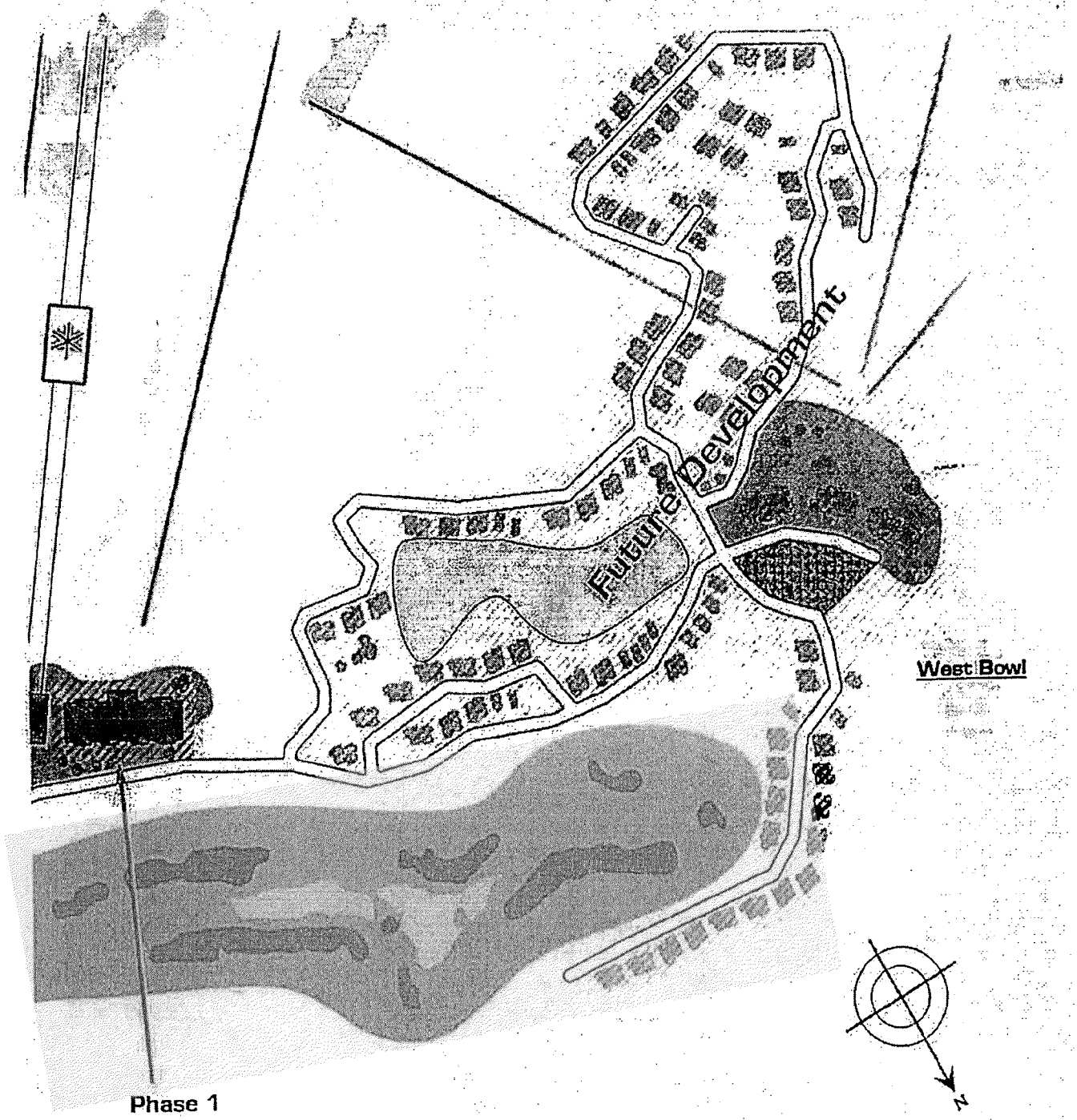


JAY PEAK
VERMONT

Jay Peak Resort Developi



nent Map



Benefits seen by choosing Jay Peak EB-5 projects

- 100% track record both at the I-526 stage and the I-829 stage
- Oversight of all projects by State Government Officials to ensure EB-5 compliance
- Investors collectively own 100% of the limited partnership they are invested in
- Regular income from dividends
- Simple, clearly defined exit strategy
- No third party funds to be relied upon to meet job creation goals
- No third party to be relied upon for capital repayment via loans made from EB-5 Investor funds
- Long established track record of business operations since 1955 at Jay Peak Resort
- Almost 1000 Jay Peak EB-5 investors and their family members from more than 50 countries around the world enjoy lawful permanent residency in the US.
- Investors and their family members receive 2 weeks complimentary stay at the Resort each year* for skiing and golf

*subject to availability

What is a Targeted Employment Area (TEA)?

Targeted Employment Area is defined by law as "at the time of the investment, a rural area or an area that has experienced high unemployment (of at least 150 percent of the national average)."

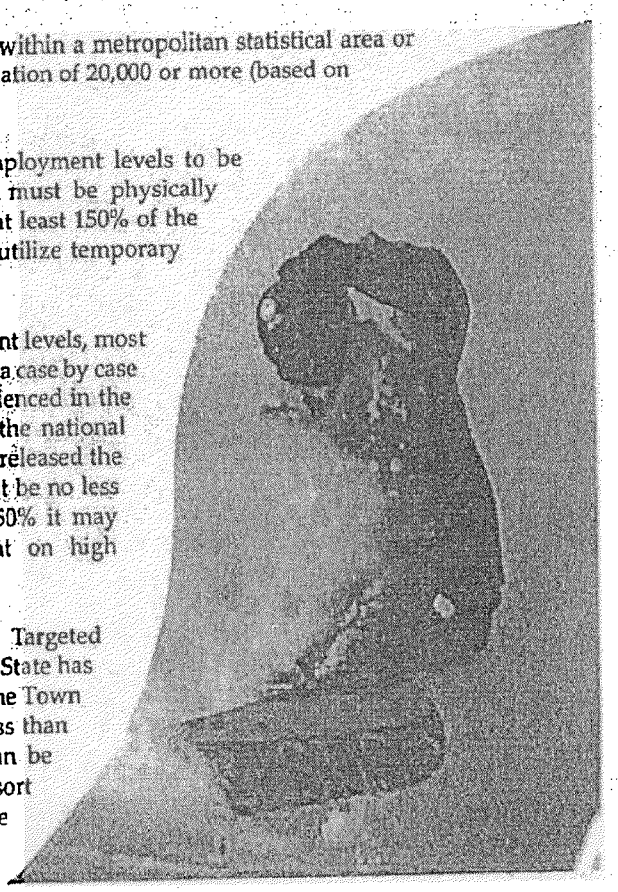
As noted the law states that one of two factors may constitute a Targeted Employment Area so let's explore the continued viability of each:

Rural Area – "rural area" means any area other than an area within a metropolitan statistical area or within the outer boundary of any city or town having a population of 20,000 or more (based on the most recent decennial census of the United States).

High unemployment – when a project is using high unemployment levels to be considered a Targeted Employment Area then that project must be physically located in an area that is experiencing unemployment levels at least 150% of the national average. It is often the case that EB-5 projects will utilize temporary census tracts to achieve requisite unemployment levels.

Unlike rural areas, TEA's that are reliant on high unemployment levels, most commonly found in temporary census tracts, must be tested on a case by case basis to determine that the unemployment levels being experienced in the vicinity of the project location remain at 150% or more of the national average. With 2009 average national unemployment data now released the unemployment levels at the time an investment is made must be no less than 13.95%. If unemployment levels were to dip below 150% it may jeopardize the entirety of an EB-5 project that is reliant on high unemployment levels adding further risk to an investment.

Almost the entire State of Vermont is designated as a Targeted Employment Area based on the rural nature of the State. The State has only one Metropolitan Statistical Area, the Burlington MSA. The Town of Jay is home to Jay Peak Resort and has a population of less than 600. People who are considering Jay Peak EB-5 projects can be confident that under existing legislation the projects at the resort qualify for a $500,000 investment now and for the foreseeable future.



Jay Peak EB-5 Project Structure

Projects at Jay Peak Resort are each structured to assist foreign investors to meet EB-5 Visa regulations and to assist in obtaining Lawful Permanent Residency in the US. The projects are each based on secured real estate and are projected to provide an investment income with a clearly defined exit strategy. Jay Peak EB-5 projects are each in the form of Limited Partnership. Each investor will receive a certificate of limited partnership on subscription to the selected project they choose; and the limited partners collectively will then own 100% of that particular partnership equity and thereby 100% of the partnership assets.

With zero partnership debt, and no high risk loans or leverage on the real estate for Jay Peak EB-5 projects, this provides for a very low risk, income producing, secure real estate investment for each investor. The investor is not reliant on for example, as in loan based projects, on any third party entity for the repayment of capital or job creation.

The partnership will earn interest on available funds within a project until funds are fully expended. Partnership funds committed to a project are held as US treasury bills and are expended into a project pursuant to the business plan provided in a Private Placement Offering Memorandum* for each project and as defined by the limited partnership agreement for that project. Upon completion of a project and commencement of full business operations, limited partners are eligible to receive all dividends earned by that project. Generally each project provides an annual projected return of up to between 4% and 6% per annum. Available net profits after reserves etc. are distributed to the limited partners by way of a monthly dividend; the general partner does not share in those net profits.

Upon removal of condition for all eligible limited partners in the project there is an exit strategy available whereby the limited partners will own individual fractional residential units within the deeded real property of the partnership. Jay Peak will manage the sale or rental of those units on behalf of the limited partners with all sales or rental proceeds being paid to the limited partner less any closing cost, realtor commission or management fee. In addition limited partners may at any time sell their limited partnership interest to third parties at market value with the caveat that for limited partners who are utilizing their investment for immigration benefit they must first have their residency condition removed before any sale of that partnership interest might occur.

Jay Peak Job Creation Methodology

Jay Peak EB-5 job creation methodology is currently based on the most recent input-output multipliers obtained from the RIMS II matrix tables issued by the US Bureau of Economic Analysis (BEA). USCIS has stated both in recent memoranda and in recent engagement meetings a familiarity and preference for RIMS II job creation methodology. The data used in determining the econometric report is derived from expenditure of capital into a project and the projected revenues when that project commences business operations.

Econometric reports for each project feature combination of direct full time jobs at the Resort and indirect and induced jobs to be created in the region and throughout the regional center from the economic impacts derived from Resort expansion. Job creation required for removal of condition may need therefore rely only upon sufficient indirect full time equivalent (FTE) jobs.

Milestones for adjudication of indirect jobs will be evidenced by providing accounting reports on capital expenditure into a project and revenues generated by operation of that project.

Jay Peak job creation methodology is transparent and easily reproducible by reviewing entities. Unlike many other projects, Jay Peak is not reliant on third party funds to meet job creation goals.

All Year, All Season Trar

Jay Peak Ski and Golf Resort has evolved from a winter ski resort over the past 50+
has evolved from a winter ski resort to the creation of a year-round, all season resort

Tram Haus Lodge - 4 Star, 57 unit All Suite Hotel

- The Phase I EB-5 Visa Project at Jay Peak Resort welcomed 35 EB-5 Visa investors.
- Raised $17.5 million from EB-5 investors
- This project involved the construction of a 57 Unit Condominium Hotel named 'Tram Haus Lodge' in the strategic center of the resort
- The Phase I development 'Tram Haus Lodge' opened for business in December 2009.
- Investors receiving dividends of projected 6% pa

- **100% I-526 Petition Approval Record**
- **Successful 'Removal of Conditions' (I-829 Applications) for many investors**

ısformation at Jay Peak...

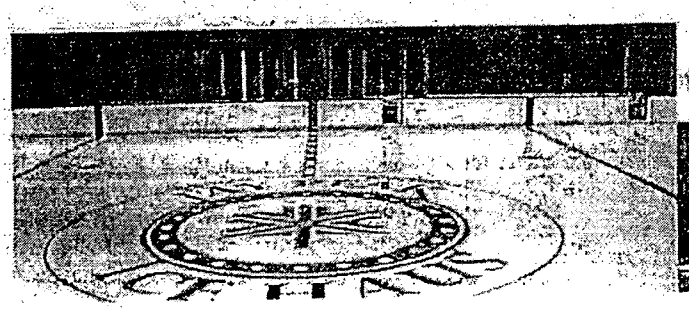
years. In recent years, with the success of the EB-5 Program at Jay Peak, the resort t. Here are the past and current EB-5 Projects at the Resort.

Past EB-5 Projects

175 Unit All Suite Hotel Jay, Ice Arena, Golf Club House, Indoor/Outdoor Water Park, Mountain Learning Center including Cafe, Conference & Meeting facilities.

- The Phase II EB-5 Programs welcomed 215 investors
- Raised $107.5 million from foreign investors and $17 million infused by Jay Peak
- Constructed the only NHL size and quality Ice Arena in Northern Vermont
- Constructed 20,000 sqft Golf Club House used as a Nordic Center in the winter months
- Under construction - Vermont's only Indoor Water Park that features retractable roof
- Under construction - 175 Unit All Suite Hotel at the strategic center of the Resort

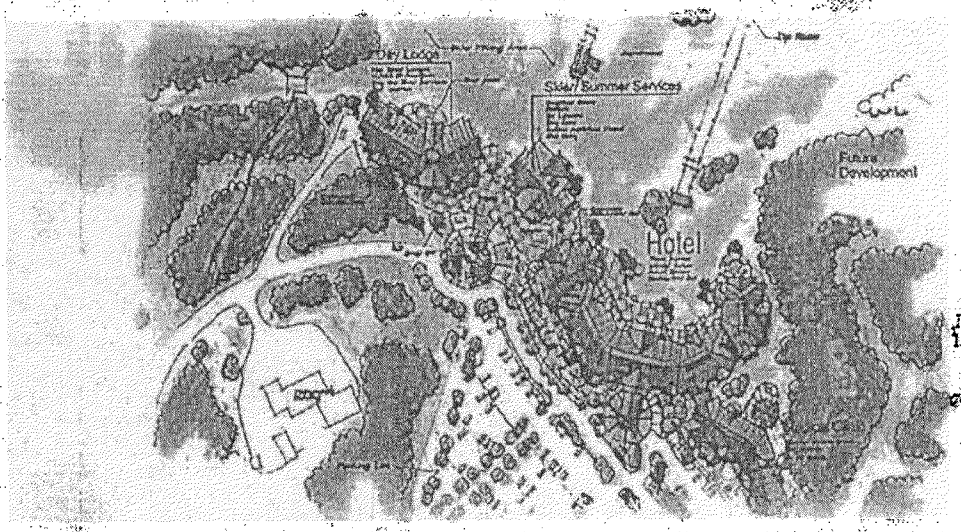
- **100% I-526 Petition Approval Record to date**
- **100% Conditional Green Card approval to date**



Jay Peak Resort Phase III projects which comprise the Golf and Mountain Suites, Lodge and Townhouses and Stateside Hotel Suites were released on December 22nd, 2010. The Golf and Mountain Suites project is anticipated to commence construction in Spring of 2011 and has a projected construction schedule of approximately 12 months.

All 3 components of the Phase III facilities have been reviewed and approved by the State of Vermont with Memorandum of Understanding agreement between the State of Vermont and Jay Peak Resort being entered into on November 22nd, 2010.

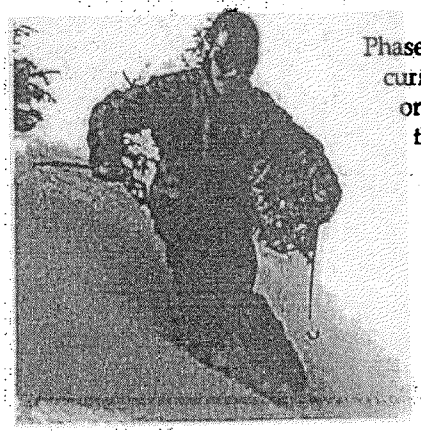
The Phase III facilities each provide extensive new Resort accommodations and recreational and entertainment facilities and also provide an exciting new venue for wedding parties to exchange their vows at the resort.



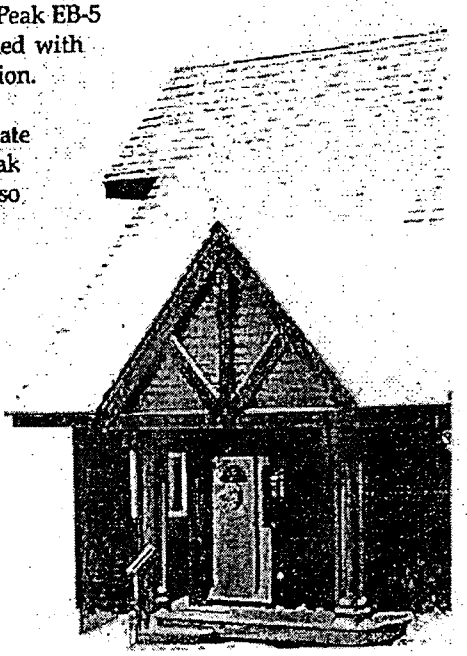
Conceptual: Stateside Hotel Artist Impression

With the Golf and Mountain Suites project now nearly fully subscribed Jay Peak EB-5 projects will have welcomed 340 foreign EB-5 investors who when combined with investment from Jay Peak itself have infused $200 million in to Resort expansion.

Remaining components of the planned Phase III Stateside projects anticipate nearly 200 more EB-5 investors will be welcomed to the Jay Peak Phase III EB-5 program and Jay Peak is expected to also invest more than $30 million.



Phase IV EB-5 project development is currently being assessed by the Jay Peak organization and is being reviewed by the State of Vermont. Phase IV projects in planning have the capacity to welcome nearly 500 new foreign EB-5 investors. Jay Peak Resort anticipate a capital investment of their own in the Phase IV EB-5 projects that may total $100 million or more.



Is an EB-5 visa right for you?

You likely already know what an EB-5 visa is and some of the benefits it can provide but is the EB-5 visa right for you?

Who uses EB-5?

EB-5 visas are suitable for a variety of people that have the means to qualify for the minimum investment. Investors in the State of Vermont Regional Center projects are a diverse group and currently represent more than 50 different countries around the world. While their backgrounds might be diverse and their homes continents apart each person ultimately had a similar goal in mind.

Professionals: from all walks of life looking to further their field via the resource offered to them in the USA. Engineers, entertainers, architects, sporting personalities and their kin can fast-track their route to permanent residency via EB-5.

Foreign Students: either currently studying in the USA or preparing to study in the US. Foreign students currently on non-immigrant F1 or M1 visas may be nearing graduation and facing the daunting task of job hunting and being granted an alternate visa to remain in the USA. Those fortunate students whose parent or relative has the means may be gifted the monies to be used for investment.

Doctors: from many foreign countries are provided great opportunity in the USA and can enter on a variety of visas but to remain in the US those doctors will eventually need to seek permanent residency.

Retirees: Eliminate the need to have to leave the USA and the worry of reentry by becoming a permanent resident and enjoy your retirement on your terms.

Current non-immigrant visa holders: facing time constraints, visa quota shortages, have been denied extension or adjustment of their non-immigrant visa, business owners tired of the day-to-day grind required to maintain their visa are some examples of people that have chosen the EB-5 route to gain their green cards.

There are a myriad of other reasons that people choose to utilize the EB-5 whether it be just to the benefit of their unmarried dependent children approaching their 21st birthday or because they have found new wealth and want to begin a new life with all the opportunity available in the USA. Ultimately it's your decision to make and the EB-5 visa has proven itself to be a relatively quick and reliable option.

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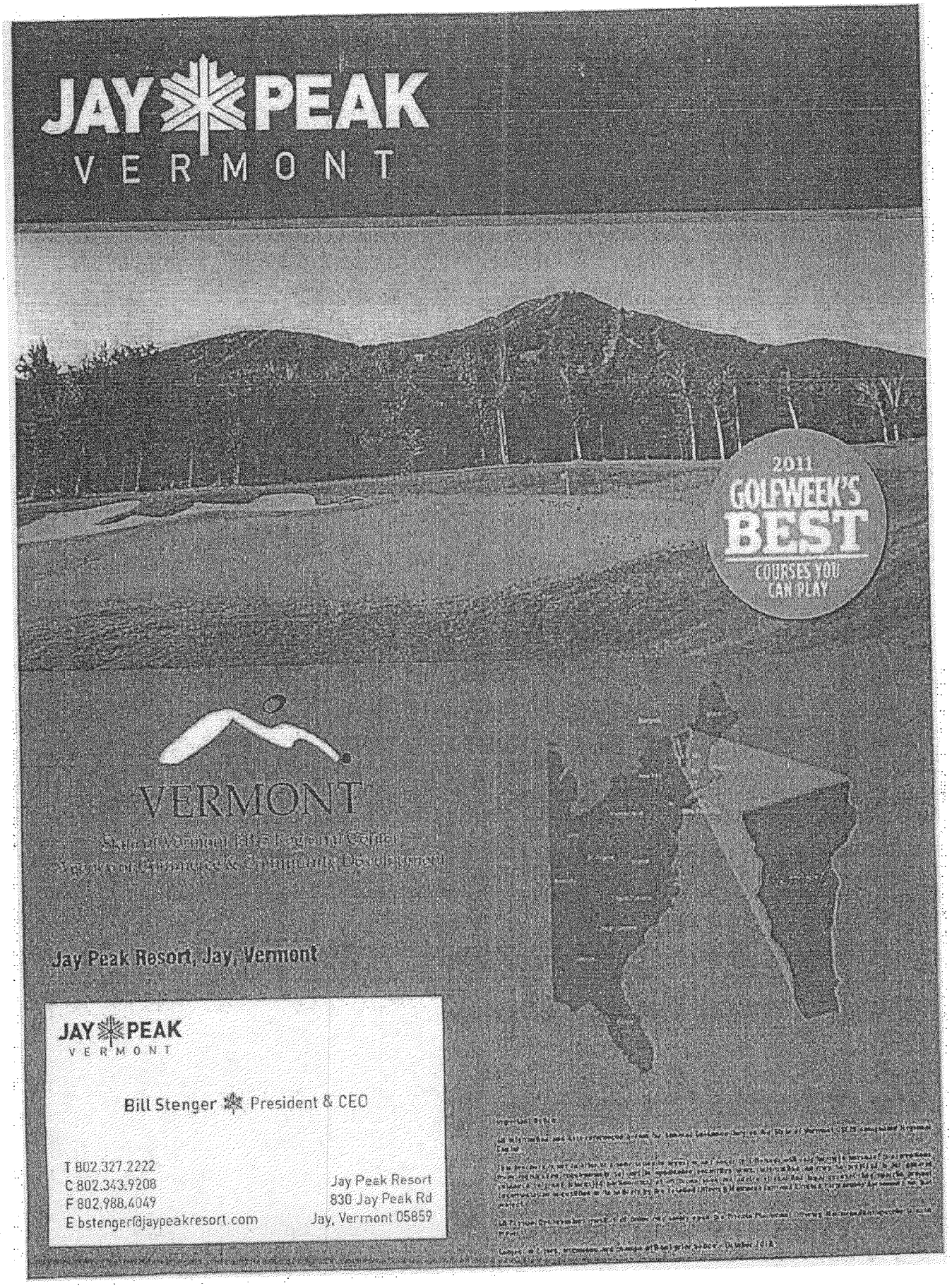

JAY PEAK
VERMONT

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Jay, Vermont 05859

B

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VERMONT

EXHIBIT
B

Jay Peak Hotel Suites Stateside L.P.

A Limited Partnership Chartered in the State of Vermont

An investment opportunity within a Ski & Golf Resort located in the State of Vermont, a US Government Designated Regional Center, structured to assist investors obtain EB-5 Visa giving Lawful Permanent Residency in the United States.

Completed Phase 1 EB-5 Project

Private Offering Memorandum

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Legal Counsel
Carroll & Scribner, P.C.
Attorneys at Law

131 Church Street, Suite 300
Burlington, Vermont
Tel: 802.862.2855
www.cslaw.us

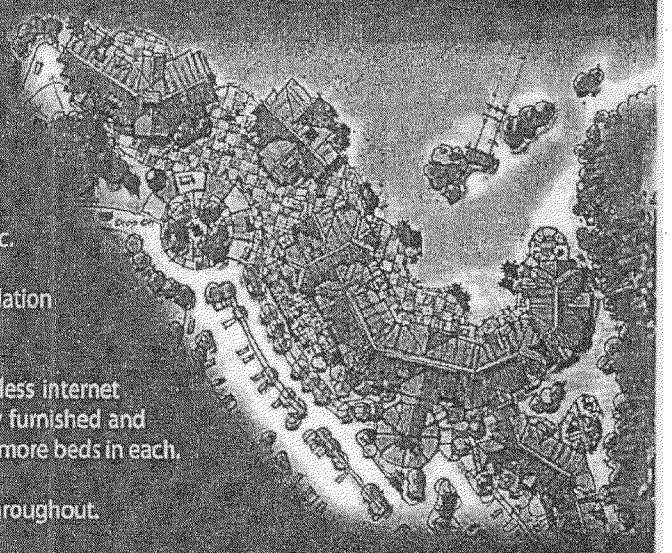
STATESIDE ALL SUITES HOTEL - Up to 84 UNITS

The **Stateside All Suites Hotel** is to be situated at the base of the ski slopes known as the 'Stateside' base area, this area is on the East side of the Jay Peak Mountain. The 'Stateside' ski area at Jay Peak Resort represents the initial ski area when the resort first opened for business in 1955, and to this day offers some of the most scenic and challenging skiing and snowboarding available to the Jay Peak vacationing public.

The **Stateside Hotel** will consist of up to 84 accommodation units and will offer highly desireable ski-in/ski-out access.

Amenities within the hotel will include high speed wireless internet and extensive in-room services. All units are individually furnished and provide kitchen, dining and living space with one, two or more beds in each.

The "Jay Peak Resort" architectural style will be featured throughout.



Conceptual: Stateside Base Area

STATESIDE COTTAGES - Up to 84 UNITS

Conceptual: Stateside Cottages

The **Stateside Cottages** are situated in a fantastic location near to the challenging slopes of the 'Stateside' ski terrain. The cottages will provide quick access to ski terrain, golf and resort facilities.

Amenities in the **Stateside Cottages** will include high speed wireless internet and extensive in-room services. All units are individually furnished and include a fully equipped kitchen, living and dining area with one, two or more bedrooms and each with separate bath facilities.

The "Jay Peak Resort" architectural style of these properties will be featured throughout and will include natural stone, pine and cedar shingle outer surfaces, tastefully designed interiors with hardwood floors, yellow pine paneling and exposed beams, all blends into the natural surroundings of the Resort.

JAY PEAK MEDICAL CENTER

This **Medical Center / Clinic facility** is intended to be used by both resort guests and local residents in the Jay, North Troy and Montgomery Center area.

Initial use of the facility would be for first aid and minor clinical procedures, with future growth of facility operations projected.

GUEST SERVICES RECREATION CENTER

This approximately 15,000 square feet indoor recreation center is to serve resort guests who have a penchant for recreational activities that can be accomplished without worry of being generally affected by adverse weather conditions.

The recreation center is to also feature snack food service and beverages.

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VERMONT

JAY PEAK HOTEL SUITES STATESIDE L.P.

A Limited Partnership Chartered In the State Of Vermont

SECTION 1	THE OFFERING
SECTION 2	THE BUSINESS PLAN
SECTION 3	THE LIMITED PARTNERSHIP AGREEMENT
SECTION 4	THE SUBSCRIPTION DOCUMENTS
SECTION 5	THE EXHIBITS

This Offering Memorandum contains important information about the Limited Partnership to which Investors should become familiar prior to making investment therein. Please read all information and retain this Offering Memorandum for future reference.

THESE SECURITIES ARE SUBJECT TO A HIGH DEGREE OF RISK – SEE "RISK FACTORS"

THE DATE OF THIS MEMORANDUM IS OCTOBER 31ST 2011

CONFIDENTIALITY AGREEMENT AND COPYRIGHT ACKNOWLEDGEMENT

A prospective investor into Jay Peak Hotel Suites Stateside L.P. (the "Partnership"), by accepting receipt in what ever manner or form, of this Private Offering Memorandum (the "Memorandum"), agrees not to duplicate, disseminate or to furnish copies of the Memorandum or any part thereof in any form whatsoever, including but not limited to electronic means, or to divulge information gamered from this Memorandum to persons other than such investor's investment and tax advisors, accountants and legal counsel instructed solely to assist the investor in the evaluation, and such advisors, accountants and legal counsel together with the prospective investors and any other persons to which this Memorandum comes into their possession (i) are prohibited from duplicating, disseminating or using the Memorandum and any information contained herein in any manner other than to determine whether the investor wants to invest into the Partnership, (ii) acknowledge the copyright of the authors in the Memorandum, and that copyright violators may be prosecuted and (iii) acknowledge that written translation of this Memorandum, or any part thereof, into any other language is not authorized. The agreements made herein shall survive if the investor withdraws from the Jay Peak Hotel Suites Stateside project for whatever reason, whenever said withdrawal should occur, and shall continue in full force and effect regardless of the eventual result of any application for lawful permanent residence in the United States of America made in conjunction with investment in this project. If the investor withdraws from the project for whatever reason, then prior to release of any escrow deposit as may be due the investor shall immediately return to the General Partner of the Partnership his or her copy of this Private Offering Memorandum, together with any copies furnished by the investor to such investor's advisors or counsel.

IMPORTANT NOTICE – NO LEGAL ADVICE

The contents of this Memorandum are not intended as an interpretation of immigration law or legal advice for any purpose, and any prospective investor should not consider anything in this Memorandum as such advice or as a legal opinion or investment advice on any matters, and should seek independent professional advice.

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VERMONT

Section 1

The Offering

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SECTION 1

JAY PEAK HOTEL SUITES STATESIDE L.P.
(A VERMONT LIMITED PARTNERSHIP)
4850 VT ROUTE 242 JAY, VERMONT 05859

A PRIVATE OFFERING OF LIMITED PARTNERSHIP INTERESTS

ALL OF THE LIMITED PARTNERSHIP INTERESTS ARE BEING OFFERED BY JAY PEAK HOTEL SUITES STATESIDE L.P., THE ISSUER. THERE IS NO PUBLIC MARKET FOR THESE INTERESTS. SEE RISK FACTORS, P. 17

THE OFFERING

US$67,000,000; MINIMUM INVESTMENT FOR EACH LIMITED PARTNERSHIP INTEREST IS $500,000

JAY PEAK HOTEL SUITES STATESIDE L.P. (THE "PARTNERSHIP" OR "LIMITED PARTNERSHIP") WILL, WITHIN THE STRATEGIC CENTER OF THE STATESIDE BASE AREA OF JAY PEAK RESORT, A SKI AND GOLF RESORT COMPLEX ESTABLISHED FOR OVER 50 YEARS, LOCATED IN JAY, VERMONT (THE "RESORT") AND OWNED BY JAY PEAK, INC. (THE "RESORT OWNER"), UNDERTAKE CERTAIN REAL ESTATE DEVELOPMENT AND BUSINESS ACTIVITIES WHICH WILL INCLUDE:

(1) ACQUISITION OF TITLE TO ONE (1) OR MORE PARCELS OF REAL ESTATE AT THE RESORT FROM THE RESORT OWNER, AND CONSTRUCTING AND ERECTING A NEW HOTEL BUILDING WITH SEPARATE CONDOMINIUM UNITS COMPRISED OF ONE OR MORE COMMERCIAL UNITS OWNED BY THE RESORT OWNER AND OFFERING AN INDOOR POOL AND LEISURE AREA, AS WELL AS COMMERCIAL RETAIL AND OTHER SERVICES, AS WELL AS A HOTEL UNIT WITH UP TO 84 UNITS AT THE STATESIDE BASE AREA OF THE RESORT THAT WILL BE OWNED BY THE PARTNERSHIP AND LEASED TO AND OPERATED AS A HOTEL BY A TENANT TO BE APPROVED BY THE PARTNERSHIP (REFERRED TO HEREIN AS THE "STATESIDE HOTEL BUILDING" OR THE "STATESIDE HOTEL"); AND

(2) ON LAND RETAINED BY THE RESORT OWNER THAT SITS ADJACENT OR NEAR TO THE STATESIDE BASE AREA AT THE RESORT, AND LEASED TO THE PARTNERSHIP UNDER ONE OR MORE GROUND LEASES, CONSTRUCTING AND ERECTING UP TO EIGHTY FOUR (84) MOUNTAIN COTTAGES WITH ONE, TWO OR MORE BEDROOMS IN EACH THAT WILL BE OWNED BY THE PARTNERSHIP AND LEASED TO AND OPERATED AS VACATION RENTAL UNITS BY A TENANT TO BE APPROVED BY THE PARTNERSHIP (THE "COTTAGES"); AND

(3) ON LAND RETAINED BY THE RESORT OWNER AT THE RESORT, DEVELOPING A GUEST RECREATION CENTER (THE "RECREATION CENTER"), TO BE LEASED BY THE LIMITED PARTNERSHIP FOR NOMINAL CONSIDERATION FROM THE RESORT OWNER AND SUBLEASING THE RECREATION CENTER AND ITS OPERATIONS FOR MARKET RENT TO A TENANT TO BE APPROVED BY THE PARTNERSHIP; AND

(4) AT THE LOCATION OF THE STATESIDE BASE AREA, SNOWLINE LODGE AREA OR ELSEWHERE AT THE RESORT, CREATING AND DEVELOPING A MEDICAL CENTER, TO BE LEASED FOR NOMINAL CONSIDERATION TO THE LIMITED PARTNERSHIP AND SUBLEASED FOR MARKET RENT TO ONE OR MORE SUBTENANTS APPROVED BY THE PARTNERSHIP (THE "MEDICAL CENTER" AND TOGETHER WITH THE STATESIDE HOTEL BUILDING, COTTAGES, RECREATION CENTER, IS THE "PROJECT").

IT IS PROJECTED THAT THE RESORT OWNER WILL INVEST $20 MILLION IN CASH, LAND OR OTHER VALUE INTO THE PROJECT TO CREATE AND UPGRADE CERTAIN RESORT FACILITIES, INCLUDING LIFT RELOCATIONS, ADDING ACCESS ROADS, SNOW MAKING FACILITIES, COMMERCIAL AREAS BUILD OUT AND RESORT/PROJECT INFRASTRUCTURE.

THE JAY PEAK HOTEL SUITES STATESIDE L.P. PROJECT, AMOUNTING TO $67 MILLION OF DEVELOPMENT COSTS TO BE FINANCED PURSUANT TO THIS OFFERING MEMORANDUM, AND THE ADDITIONAL INVESTMENT IN CASH, LAND OR VALUE OF $20 MILLION PROJECTED TO BE PROVIDED BY THE RESORT OWNER, EQUATES TO THE ESTIMATED OVERALL DEVELOPMENT COSTS OF $ $87,000,000 (SEE PROJECT SUMMARY).

CREATING THE STATESIDE HOTEL, COTTAGES, RECREATION CENTER AND MEDICAL CENTER WILL AID THE FURTHER EXPANSION OF JAY PEAK AS AN "ALL SEASONS RESORT." JAY PEAK HOTEL SUITES STATESIDE L.P. WILL FURTHER STIMULATE ECONOMIC DEVELOPMENT AND IS PROJECTED TO CREATE MANY NEW JOBS AT THE RESORT, IN THE GREATER JAY PEAK REGION, WITHIN THE STATE OF VERMONT REGIONAL CENTER, AND IN THE REST OF THE UNITED STATES.

ALL LIMITED PARTNERSHIP INTERESTS ARE PAYABLE IN FULL UPON SUBSCRIPTION (THE "OFFERING"). THE MINIMUM CAPITAL CONTRIBUTION TO INVEST INTO THE PARTNERSHIP SHALL BE $500,000 (SUBJECT TO THE GENERAL PARTNER'S DISCRETION FOR INVESTORS WHO ARE NOT SEEKING QUALIFICATION AS AN "ALIEN ENTREPRENEUR", AS DEFINED BELOW). IN ADDITION, THOUGH NOT PART OF THE INVESTOR'S EB-5 INVESTMENT, UNDER THE TERMS OF THE PRIVATE OFFERING MEMORANDUM EACH INVESTOR MUST ALSO PAY AN ADMINISTRATIVE FEE OF $50,000 TO JAY PEAK, INC. (THE "COMPANY"), TO PARTIALLY REIMBURSE THE COMPANY FOR ALL COSTS INCURRED BY THE COMPANY IN BUSINESS PLANNING, CREATING AND STRUCTURING THE PROJECT AND PRODUCING, ISSUING AND DISTRIBUTING THE PRIVATE OFFERING MEMORANDUM AND COORDINATION WITH INTERESTED PARTIES AND THEIR PROFESSIONAL ADVISORS. THERE IS NO MINIMUM SALE REQUIREMENT, EXCEPTING FOR FOREIGN INVESTORS SEEKING QUALIFICATION AS AN "ALIEN ENTREPRENEUR" UNDER THE EB-5 PROGRAM UNDER THE ACT (AS THOSE TERMS ARE DEFINED BELOW), WHERE THE MINIMUM AMOUNT, CURRENTLY $500,000, IS SET BY LAW (BECAUSE THE INVESTMENT IS SITUATED IN A TARGETED EMPLOYMENT AREA (TEA). SEE PAGE 22). THE GENERAL PARTNER MAY IN ITS SOLE DISCRETION WAIVE THE MINIMUM SUBSCRIPTION AMOUNT AND RAISE THE MINIMUM AMOUNT IN THE FUTURE. THE OFFERING WILL CONTINUE UNTIL IT HAS RAISED $67,000,000 UNLESS TERMINATED SOONER BY THE GENERAL PARTNER IN ITS SOLE DISCRETION. THIS OFFERING SUPERSEDES IN ITS ENTIRETY ALL PRIOR OFFERINGS MADE BY THE ISSUER, IF ANY.

WHILE THIS INVESTMENT OFFERING HAS BEEN STRUCTURED SO THAT INVESTORS MAY MEET THE REQUIREMENTS UNDER 8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) OF THE IMMIGRATION & NATIONALITY ACT (THE "ACT") AND QUALIFY UNDER THIS PROGRAM (THE "PROGRAM" OR "EB-5 PROGRAM") TO BECOME ELIGIBLE FOR ADMISSION TO THE UNITED STATES OF AMERICA AS LAWFUL PERMANENT RESIDENTS AND CONFER THIS BENEFIT UPON THEIR SPOUSES AND UNMARRIED, MINOR CHILDREN, THE INVESTMENT OFFERING IS ALSO OPEN TO INVESTORS NOT SEEKING IMMIGRATION BENEFITS.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. YOU SHOULD DEPEND SOLELY ON THE WRITTEN INFORMATION CONTAINED IN THIS PRIVATE PLACEMENT MEMORANDUM. THESE SECURITIES HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THESE AUTHORITIES HAVE NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE U.S. SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OF ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR SELLING LITERATURE. THESE SECURITIES ARE OFFERED UNDER ONE OR MORE EXEMPTIONS FROM REGISTRATION, HOWEVER THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THESE SECURITIES ARE EXEMPT FROM REGISTRATION.

UK INVESTORS: THIS OFFERING DEFINED AS A PROMOTION IN THE UNITED KINGDOM HAS NOT BEEN APPROVED BY AN AUTHORIZED PERSON WITHIN THE MEANING OF THE FINANCIAL SERVICES AND MARKETS ACT OF 2000. RELIANCE ON THIS OFFERING (PROMOTION) FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED.

INVESTMENT IN SMALL BUSINESSES INVOLVES A HIGH DEGREE OF RISK. AN INVESTMENT IN INTERESTS OF THE LIMITED PARTNERSHIP INVOLVES SUBSTANTIAL RISKS INCLUDING BUT NOT LIMITED TO RELIANCE AND CONTINUITY OF MANAGEMENT, THIRD PARTY SERVICES, GENERAL MARKET FORCES AND RISKS, AND COMPLEX TAX ISSUES. INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFERING UNLESS THEY CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT. SEE THE "RISK FACTORS" SECTION OF THE "SUMMARY OF THE OFFERING" AND THE "RISK FACTORS"

SECTION OF THE FINANCIAL DATA FOR THE RISK FACTORS THAT MANAGEMENT BELIEVES PRESENT THE MOST SUBSTANTIAL RISKS TO AN INVESTOR IN THIS OFFERING. THERE IS CURRENTLY NO PUBLIC MARKET FOR THE INTERESTS AND TRANSFERABILITY OF THE INTERESTS WILL BE LIMITED.

THIS OFFERING IS MADE ONLY TO "ACCREDITED INVESTORS", AS DEFINED IN RULE 501(A) OF REGULATION D, AND THOSE WHO ARE SOPHISTICATED IN FINANCIAL AND BUSINESS MATTERS, UNLESS THE INVESTOR IS NOT RESIDENT IN THE UNITED STATES AT THE TIME OF THE OFFERING NOR AT THE TIME OF SALE OF A LIMITED PARTNERSHIP INTEREST TO THE INVESTOR, WHEREUPON REGULATION S OF THE 1933 SECURITIES ACT MAY APPLY. EACH INTENDING INVESTOR SHOULD OBTAIN THE ADVICE OF THEIR OWN PROFESSIONAL ADVISORS INCLUDING LEGAL, FINANCIAL, TAX, INVESTMENT AND OTHER ADVISORS INCLUDING IMMIGRATION IF APPLICABLE BEFORE DECIDING TO INVEST.

	PRICE TO INVESTORS	PROCEEDS TO LIMITED PARTNERSHIP
MINIMUM INVESTMENT	$ 500,000.00	$ $67,000,000
		PROCEEDS TO JAY PEAK, INC.
ADMINISTRATIVE FEE	$ 50,000.00	$ $6,700,000

ALL INVESTED FUNDS ARE STATED AND PAYABLE IN US DOLLARS.

NOTES:

1. SEE "RISK FACTORS." POSSIBLE ACQUISITION OF INTERESTS BY OTHERS.
2. THOUGH NOT PART OF THE INVESTOR'S EB-5 INVESTMENT, UNDER THE TERMS OF THE PRIVATE OFFERING MEMORANDUM EACH INVESTOR IS ALSO TO PAY OFFERING ISSUANCE EXPENSES HEREIN DEFINED AS "ADMINISTRATIVE FEES" OF FIFTY THOUSAND DOLLARS (US$50,000) TO JAY PEAK, INC. (THE "COMPANY"), TO PARTIALLY REIMBURSE THE COMPANY FOR ALL COSTS INCURRED BY THE COMPANY IN BUSINESS PLANNING, CREATING AND STRUCTURING THE PROJECT AND PRODUCING, ISSUING AND DISTRIBUTING THE PRIVATE OFFERING MEMORANDUM AND COORDINATION WITH INTERESTED PARTIES AND THEIR PROFESSIONAL ADVISORS.
3. INVESTORS FROM THE UNITED KINGDOM: JAY PEAK HOTEL SUITES STATESIDE L.P IS A LIMITED PARTNERSHIP REGISTERED IN VERMONT USA, AND DOES NOT FALL WITHIN THE DEFINITION OF A "COLLECTIVE INVESTMENT SCHEME" FOR THE PURPOSES OF THE UK FINANCIAL SERVICES AND MARKETS ACT OF 2000 AS RECITED, AND AS AMENDED. THIS OFFERING HAS ADDITIONALLY BEEN PREPARED IN COMPLIANCE WITH SECTION 21 OF THE SAID ACT, AND CONTAINS ADDITIONAL RISK WARNINGS ARISING THEREFROM. SEE RISK FACTORS PAGE: 17

THE DATE OF THIS MEMORANDUM IS OCTOBER 31, 2011.

THIS MEMORANDUM # HS133 HAS BEEN PROVIDED TO: Bhavesh Patel

IMPORTANT INFORMATION

REVIEW ALL INFORMATION — A POTENTIAL INVESTOR SHOULD CAREFULLY REVIEW ALL THE INFORMATION AND EXHIBITS CONTAINED IN THIS MEMORANDUM INCLUDING THE LIMITED PARTNERSHIP AGREEMENT, THE FINANCIAL AND OPERATING DATA OF THE PARTNERSHIP ATTACHED HERETO, WHICH IS INCORPORATED HEREIN BY REFERENCE, AND THE SUBSCRIPTION AGREEMENT IN MAKING AN INVESTMENT DECISION. INVESTORS MUST RELY ON SUCH INVESTORS' OWN EXAMINATION OF THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. EACH PROSPECTIVE INVESTOR IS INVITED TO ASK QUESTIONS OF, AND UPON REQUEST MAY OBTAIN ADDITIONAL INFORMATION FROM JAY PEAK GP SERVICES STATESIDE INC. ("THE GENERAL PARTNER") CONCERNING THE LIMITED PARTNERSHIP, ITS CONTEMPLATED BUSINESS, THE TERMS AND CONDITIONS OF SUCH OFFERING AND ANY OTHER RELEVANT MATTERS TO THE EXTENT THE GENERAL PARTNER POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE.

SOURCES OF INFORMATION — THE INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE LIMITED PARTNERSHIP. NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IS MADE AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND NOTHING CONTAINED IN THIS MEMORANDUM IS OR SHALL BE RELIED ON AS A PROMISE OR REPRESENTATION AS TO THE PAST OR FUTURE. THIS MEMORANDUM IS PROVIDED SUBJECT TO AMENDMENT AND SUPPLEMENTATION BY THE GENERAL PARTNER IN ITS SOLE DISCRETION, AND THE TRANSACTION CONTEMPLATED HEREIN MAY BE MODIFIED OR WITHDRAWN AT ANY TIME, WITH NOTICE TO PROSPECTIVE INVESTORS WHO HAVE RECEIVED THIS MEMORANDUM AND INVESTORS WHO HAVE ALREADY SUBSCRIBED. THE OBLIGATIONS OF THE PARTIES TO THIS TRANSACTION WILL BE SET FORTH AND GOVERNED BY THE DOCUMENTS REFERRED TO IN THIS MEMORANDUM.

AUTHORIZED STATEMENTS — THIS OFFERING MEMORANDUM CONTAINS ALL OF THE REPRESENTATIONS BY THE PARTNERSHIP CONCERNING THIS OFFERING, AND NO PERSON SHALL MAKE DIFFERENT OR BROADER STATEMENTS THAN THOSE CONTAINED HEREIN. INVESTORS ARE CAUTIONED NOT TO RELY UPON ANY INFORMATION NOT EXPRESSLY SET FORTH IN THIS MEMORANDUM.

MEMORANDUM NOT LEGAL ADVICE — PROSPECTIVE INVESTORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATIONS FROM THE PARTNERSHIP AS LEGAL OR TAX ADVICE. EACH INVESTOR MUST RELY SOLELY UPON HIS OR HER OWN REPRESENTATIVES (INCLUDING HIS OR HER LEGAL COUNSEL, ACCOUNTANT AND OTHER PERSONAL ADVISORS) AS TO LEGAL, TAX, IMMIGRATION, BUSINESS AND RELATED MATTERS CONCERNING A PROSPECTIVE INVESTMENT IN THE PARTNERSHIP.

PRIVATE MEMORANDUM — THIS MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE INFORMATION OF PERSONS AND ENTITIES INTERESTED IN THE PRIVATE PLACEMENT OF THE INTERESTS OFFERED HEREBY AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE. ANY REPRODUCTION OR DISTRIBUTION OF THIS MEMORANDUM, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE PARTNERSHIP IS PROHIBITED. BY ACCEPTING THIS MEMORANDUM, PROSPECTIVE INVESTORS AGREE THAT THEY WILL NOT DISCLOSE ITS CONTENTS TO ANYONE OTHER THAN THEIR PROFESSIONAL ADVISERS, OR REPRODUCE IT, IN WHOLE OR IN PART, WITHOUT THE PRIOR WRITTEN CONSENT OF THE PARTNERSHIP.

DETERMINATION OF OFFERING PRICE — THE PRICE OF THE MINIMUM INTEREST WAS DETERMINED BY THE PARTNERSHIP TO ASSIST INVESTORS WHO WISH TO MEET THE REQUIREMENTS UNDER THE ACT.

BEST EFFORTS OFFERING — ALL INTERESTS ARE OFFERED BY THE PARTNERSHIP ON A "BEST EFFORTS" NON-MINIMUM BASIS. THERE IS NO ASSURANCE THAT ALL OR ANY OF THE DESIRED CAPITAL WILL BE RAISED THROUGH THE OFFERING. THE OFFERING HAS NO MINIMUM AMOUNT AND THE PARTNERSHIP WILL UTILIZE PROCEEDS AS THEY ARE RECEIVED. *SEE PAGE 16 COMPLETION OF PROJECT.*

LIQUIDITY AND CAPITAL RESOURCES — MANAGEMENT BELIEVES THAT THE MAXIMUM PROCEEDS OF THIS OFFERING WILL GENERATE SUFFICIENT CAPITAL TO CONDUCT THE BUSINESS OF THE PARTNERSHIP UNTIL THE PLANNED OPENING OF THE STATESIDE HOTEL, COTTAGES, GUEST SERVICES RECREATION CENTER AND MEDICAL CENTER.

MISCELLANEOUS — THE DESCRIPTION IN THIS MEMORANDUM OF ANY AGREEMENT, DOCUMENT, STATUTE, RULE, REGULATION, OR PROPOSED LEGISLATION IS NOT DESIGNED TO BE COMPLETE AND IS, THEREFORE, QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE RESPECTIVE AGREEMENT, DOCUMENT, STATUTE, RULE, REGULATION OR PROPOSED LEGISLATION.

FORWARD-LOOKING STATEMENTS AND PROJECTIONS — THIS OFFERING MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS AND PROJECTIONS THAT MAY ADDRESS, AMONG OTHER THINGS, SKI RESORT DEVELOPMENT STRATEGY, PROJECTED CONSTRUCTION TIMES, EXPANSION STRATEGY, DEVELOPMENT OF SERVICES, USE OF PROCEEDS, PROJECTED REVENUE AND CAPITAL EXPENDITURES, OPERATING COSTS, LIQUIDITY, DEVELOPMENT OF ADDITIONAL REVENUE SOURCES, DEVELOPMENT AND MAINTENANCE OF PROFITABLE MARKETING AND MANAGEMENT AND MAINTENANCE ALLIANCES, ABILITY TO DEVELOP "RESORT" IDENTIFICATION, AND NATIONAL AND INTERNATIONAL EXPANSION. THESE STATEMENTS MAY BE FOUND IN THE SECTIONS OF THIS PRIVATE PLACEMENT MEMORANDUM ENTITLED "SUMMARY OF OFFERING," "RISK FACTORS," "USE OF PROCEEDS," "THE PARTNERSHIP'S BUSINESS PLAN" AND IN THIS PRIVATE PLACEMENT MEMORANDUM GENERALLY. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THESE FORWARD-LOOKING STATEMENTS AND PROJECTIONS AS A RESULT OF VARIOUS FACTORS, INCLUDING ALL THE RISKS DISCUSSED IN "RISK FACTORS" AND ELSEWHERE IN THIS PRIVATE PLACEMENT MEMORANDUM.

SPECULATIVE OFFERING AND RISK — THE INTERESTS OFFERED HEREBY SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN AFFORD TO SUSTAIN A LOSS OF THEIR ENTIRE INVESTMENT. INVESTORS WILL BE REQUIRED TO REPRESENT THAT THEY ARE FAMILIAR WITH AND UNDERSTAND THE TERMS OF THIS OFFERING, AND THAT THEY OR THEIR PURCHASER REPRESENTATIVES HAVE SUCH KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS THAT THEY ARE CAPABLE OF EVALUATING THE MERITS AND RISKS OF THIS INVESTMENT. INVESTORS SHOULD BE AWARE THAT THEIR INVESTMENT IN THE LIMITED PARTNERSHIP MAY BE ILLIQUID INDEFINITELY, UNLESS PORTIONS OR ALL OF THE PARTNERSHIP PROPERTY IS SOLD OR ANOTHER OPTIONAL EXIT STRATEGY IS EMPLOYED SUCCESSFULLY, AS SET FORTH FURTHER IN THE FINANCIAL DATA AND LIMITED PARTNERSHIP AGREEMENT.

RESTRICTIONS ON TRANSFERS — NO INTERESTS MAY BE RESOLD OR OTHERWISE DISPOSED OF BY AN INVESTOR UNLESS, IN THE OPINION OF COUNSEL TO THE PARTNERSHIP, REGISTRATION UNDER THE APPLICABLE FEDERAL OR STATE SECURITIES LAWS IS NOT REQUIRED OR COMPLIANCE IS MADE WITH SUCH REGISTRATION REQUIREMENTS. RESTRICTIONS ON TRANSFER OF INTERESTS AND REDEMPTION OF INTERESTS MAY ALSO ARISE FROM THE REQUIREMENTS OF AND COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS AND THE LIMITED PARTNERSHIP AGREEMENT (SEE LIMITED PARTNERSHIP AGREEMENT).

LIMITS ON DISCLOSURE — THE OFFERING MATERIALS ARE SUBMITTED IN CONNECTION WITH THE PRIVATE OFFERING OF THE INTERESTS AND DO NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH AN OFFER OR SOLICITATION IS NOT AUTHORIZED. ANY REPRODUCTION OR DISTRIBUTION OF THE OFFERING MATERIALS IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF THEIR CONTENTS, WITHOUT THE PRIOR WRITTEN CONSENT OF THE PARTNERSHIP IS PROHIBITED. ANY PERSON ACTING CONTRARY TO THE FOREGOING RESTRICTIONS MAY PLACE HIMSELF AND THE PARTNERSHIP IN VIOLATION OF FEDERAL OR STATE SECURITIES LAWS.

VOIDABILITY OF SALES – THE INTERESTS OFFERED HEREIN WILL BE SOLD TO AND ACQUIRED BY A PURCHASER IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER FEDERAL AND CERTAIN STATES SECURITIES LAWS AND REGULATIONS, AND MAY NOT BE OFFERED FOR SALE OR RESOLD EXCEPT IN A TRANSACTION EXEMPT FROM SAID SECURITIES LAWS AND REGULATIONS, OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT HEREUNDER. SALES MADE PURSUANT TO EXEMPTIONS FROM FEDERAL AND STATE SECURITIES LAWS ARE VOIDABLE BY EACH SUBSCRIBER UPON NOTICE TO THE GENERAL PARTNER GIVEN WITHIN THREE DAYS FOLLOWING THE LATER OF RECEIPT BY THE SUBSCRIBER OF THIS MEMORANDUM OR THE RECEIPT AND ACCEPTANCE BY THE GENERAL PARTNER OF THE SUBSCRIBER'S EXECUTED SUBSCRIPTION AGREEMENT. THE LIMITED PARTNERSHIP WILL OFFER SUCH RESCISSION RIGHT TO EACH SUBSCRIBER, IRRESPECTIVE OF THE SUBSCRIBER'S STATE OR COUNTRY OF RESIDENCY, NOTWITHSTANDING THE LACK OF SUCH REQUIREMENTS UNDER FEDERAL OR STATE SECURITIES LAWS.

OFFERING BEING MADE PURSUANT TO CERTAIN STATES SECURITIES LAW REGISTRATION EXCEPTIONS —ANY AND ALL NOTICES UNDER THIS SECTION SHOULD BE SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE LIMITED PARTNERSHIP IN CARE OF WILLIAM STENGER, 4850 VT ROUTE 242, JAY, VERMONT 05859.

RESTRICTIVE INFORMATION:

INTERESTS WILL BE OFFERED WITHOUT REGISTRATION UNDER THE SECURITIES ACT OR STATE SECURITIES ACTS, AS SUMMARIZED BELOW, AND MORE SPECIFICALLY DETAILED HEREUNDER:

WITHIN THE UNITED STATES, IN RELIANCE UPON RULE 506 OF REGULATION "D" PROMULGATED BY THE SEC, ONLY TO PERSONS WHO ARE "ACCREDITED INVESTORS" WITHIN THE MEANING OF RULE 501 PROMULGATED BY THE SEC; AND,

OUTSIDE THE UNITED STATES, IN RELIANCE UPON REGULATION "S" PROMULGATED BY THE SEC ONLY TO PERSONS WHO ARE NOT "U.S. PERSONS" WITHIN THE MEANING OF SUCH REGULATIONS.

FOR THE PURPOSES OF THIS MEMORANDUM, "U.S. PERSON" MEANS ANY NATURAL PERSON RESIDENT IN THE UNITED STATES.

THE INCLUSION OF INFORMATION FOR EACH STATE IN THIS MEMORANDUM IS NOT INTENDED TO IMPLY THAT THE INTERESTS COVERED BY THIS MEMORANDUM ARE TO BE OFFERED FOR SALE IN EVERY STATE, BUT IS MERELY A PRECAUTION IN THE EVENT THIS MEMORANDUM MAY BE TRANSMITTED INTO ANY STATE OTHER THAN BY THE ISSUER.

FOR RESIDENTS IN ALL STATES:

THE SECURITIES OFFERED HEREBY HAVE NEITHER BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 SECURITIES ACT"), NOR PURSUANT TO THE SECURITIES LAWS OF ANY STATE, AND ARE THEREFORE BEING OFFERED AND WILL BE SOLD TO AND ACQUIRED BY PURCHASERS IN TRANSACTIONS WHICH THE PARTNERSHIP BELIEVES TO BE EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE 1933 SECURITIES ACT PURSUANT, TO §§3(B) AND 4(2) OR OTHER APPLICABLE SECTION(S) THEREOF, AND OF THE SECURITIES LAWS OF THE STATES IN WHICH THE INTERESTS MAY BE OFFERED FOR SALE (PURSUANT TO THE EXEMPTIONS IDENTIFIED BELOW). ONCE PURCHASED BY A SUBSCRIBER, THESE SECURITIES MAY NOT BE RE-OFFERED FOR SALE OR RE-SOLD OTHER THAN BY AN EFFECTIVE REGISTRATION STATEMENT OR IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE APPLICABLE LAW. THE SECURITIES HAVE NEITHER BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES REGULATORY AUTHORITY, NOR HAS THAT COMMISSION OR ANY SUCH AUTHORITY PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR VERMONT RESIDENTS ONLY:

THE SALE OF LIMITED PARTNERSHIP INTERESTS OFFERED AND DESCRIBED IN THIS MEMORANDUM WILL ONLY BE SOLD TO AND ACQUIRED BY INVESTORS IN A TRANSACTION EXEMPT FROM REGISTRATION OF SECURITIES WITH THE VERMONT DEPARTMENT OF BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION UNDER SECTION 5202(13)(C) OR OTHER APPLICABLE SECTION(S) OF THE VERMONT UNIFORM SECURITIES ACT (2002) (THE "VERMONT ACT"). AS SUCH, THE LIMITED PARTNERSHIP INTERESTS HAVE NOT BEEN REGISTERED AS SECURITIES UNDER THE VERMONT ACT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

FOR CALIFORNIA RESIDENTS ONLY:

THE SALE OF THE INTERESTS DESCRIBED IN THIS MEMORANDUM HAVE NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF SUCH INTERESTS OR THE PAYMENT OR THE RECEIPT OF CONSIDERATION THEREFORE PRIOR TO SUCH QUALIFICATION IS UNLAWFUL, UNLESS THE SALE THEREOF IS EXEMPT UNDER APPLICABLE LAW. THE PARTNERSHIP IS RELYING ON THE EXEMPTION FROM SUCH QUALIFICATION PROVIDED BY SECTION 25102(F) OR OTHER APPLICABLE SECTION(S) OF THE CALIFORNIA CORPORATIONS CODE.

FOR FLORIDA RESIDENTS ONLY:

THE INTERESTS OFFERED HEREIN WILL BE SOLD TO AND ACQUIRED BY INVESTORS IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 517.061 OR OTHER APPLICABLE SECTION(S) OF THE FLORIDA SECURITIES ACT (THE "FLORIDA ACT"). THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE FLORIDA ACT. IN ADDITION, IF SALES ARE MADE TO FIVE OR MORE PERSONS IN FLORIDA, ALL PURCHASERS WHO ARE RESIDENTS OF FLORIDA HAVE THE PRIVILEGE OF VOIDING A PURCHASE OF INTERESTS WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION IS MADE BY THE PURCHASER TO THE ISSUER, AN AGENT OF THE ISSUER, OR AN ESCROW AGENT, OR WITHIN THREE DAYS AFTER THE AVAILABILITY OF THIS PRIVILEGE IS COMMUNICATED TO THE PURCHASER, WHICHEVER OCCURS LATER. THIS SALE IS BEING MADE IN FLORIDA.

FOR PERSONS RESIDENT OUTSIDE THE UNITED STATES OF AMERICA ONLY:

THE INTERESTS ARE BEING OFFERED IN ACCORDANCE WITH REGULATION "S" PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE SECURITIES ACT OF 1933. THIS OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN THE UNITED STATES OF AMERICA OR ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT PERMITTED UNDER APPLICABLE LAW OR TO ANY U.S. PERSON OR INDIVIDUAL WHO DOES NOT POSSESS THE QUALIFICATIONS DESCRIBED IN THIS MEMORANDUM.

FOR UK CITIZENS RESIDENT IN THE UNITED KINGDOM:

JAY PEAK HOTEL SUITES STATESIDE L.P. IS A LIMITED PARTNERSHIP ORGANIZED IN VERMONT, USA, AND DOES NOT FALL WITHIN THE DEFINITION OF A "COLLECTIVE INVESTMENT SCHEME" FOR THE PURPOSES OF THE UK FINANCIAL SERVICES AND MARKETS ACT OF 2000 AS RECITED, AND AS AMENDED. THIS OFFERING HAS ADDITIONALLY BEEN PREPARED IN COMPLIANCE WITH SECTION 21 OF THE SAID ACT, AND CONTAINS ADDITIONAL RISK WARNINGS ARISING THEREFROM, AND DIFFERS TO RISK WARNINGS RELEVANT TO INVESTORS FOR THE SAME INVESTMENT FROM OUTSIDE THE UNITED KINGDOM.

INTERESTS WILL NOT BE OFFERED TO ANY PERSON EXCEPT AS SET FORTH ABOVE. ANY PERSON WISHING TO BUY AN INTEREST WILL BE REQUIRED TO DEMONSTRATE THAT HE OR SHE IS AN ELIGIBLE INVESTOR IN ACCORDANCE WITH THE FOREGOING. THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL TO, OR A SOLICITATION OF AN OFFER TO BUY FROM, ANY PERSON IN ANY JURISDICTION TO WHOM SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL.

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INVESTOR SUITABILITY STANDARDS

A PURCHASE OF INTERESTS IN THIS OFFERING INVOLVES A HIGH DEGREE OF RISK AND IS NOT A SUITABLE INVESTMENT FOR ALL POTENTIAL INVESTORS. SEE "RISK FACTORS." ACCORDINGLY, THE PARTNERSHIP WILL OFFER AND SELL INTERESTS ONLY TO INVESTORS WHO ARE "ACCREDITED INVESTORS" AS THAT TERM IS DEFINED IN REGULATION D AS PROMULGATED UNDER THE 1933 SECURITIES ACT, UNLESS THE INVESTOR IS NOT RESIDENT IN THE UNITED STATES AT THE TIME OF THE OFFERING NOR AT THE TIME OF SALE OF A LIMITED PARTNERSHIP INTEREST TO THE INVESTOR, WHEREUPON REGULATION S OF THE 1933 SECURITIES ACT SHALL APPLY. ANY PERSON WISHING TO BUY AN INTEREST WILL BE REQUIRED TO DEMONSTRATE THAT HE OR SHE IS AN ELIGIBLE INVESTOR IN ACCORDANCE WITH THE FOREGOING. THE PARTNERSHIP HAS THE UNCONDITIONAL RIGHT TO REJECT ANY SUBSCRIPTION.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL TO, OR A SOLICITATION OF AN OFFER TO BUY FROM, ANY PERSON IN ANY JURISDICTION TO WHOM SUCH AN OFFER OR SOLICITATION WOULD BE UNLAWFUL. IN ADDITION TO RESTRICTIONS ON TRANSFER IMPOSED BY THE PARTNERSHIP, AN INVESTOR SEEKING TO TRANSFER HIS INTERESTS SUBSEQUENT TO HIS INITIAL INVESTMENT WILL BE SUBJECT TO THE PROVISIONS OF THE FEDERAL AND STATE SECURITIES LAWS AND THE TRANSFER RESTRICTIONS WHICH MAY BE IMPOSED PURSUANT TO SAID LAWS.

THE OFFER AND SALE OF INTERESTS ARE EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE 1933 SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO EXEMPTIONS THEREIN. INVESTMENT IN THE INTERESTS IS SUITABLE ONLY FOR THOSE WHO HAVE ADEQUATE MEANS OF PROVIDING FOR THEIR CURRENT NEEDS AND PERSONAL CONTINGENCIES AND HAVE NO NEED FOR LIQUIDITY IN AN INVESTMENT OF THIS TYPE. PRIOR TO THE PURCHASE OF THE INTERESTS, EACH PROSPECTIVE PURCHASER WILL BE REQUIRED TO REPRESENT THAT HE MEETS EACH OF THE FOLLOWING REQUIREMENTS: (A) HE HAS THE REQUISITE KNOWLEDGE OR HAS RELIED UPON THE ADVICE OF HIS OWN PROFESSIONAL ADVISOR(S) WITH REGARD TO THE TAX AND OTHER CONSIDERATIONS INVOLVED IN MAKING SUCH AN INVESTMENT AND (B) HE IS ACQUIRING THE INTERESTS FOR INVESTMENT AND NOT WITH A VIEW TO RESALE OR DISTRIBUTION THEREOF.

PRIOR TO A PURCHASE OF INTERESTS, EACH PROSPECTIVE PURCHASER WILL BE REQUIRED TO REPRESENT THAT HE IS AN "ACCREDITED INVESTOR" AS DEFINED IN REGULATION D, UNLESS THE INVESTOR IS NOT RESIDENT IN THE UNITED STATES AT THE TIME OF THE OFFERING NOR AT THE TIME OF SALE OF A LIMITED PARTNERSHIP INTEREST TO THE INVESTOR, WHEREUPON REGULATION S OF THE 1933 SECURITIES ACT SHALL APPLY AND NO SUCH REPRESENTATION IS NECESSARY. AMONG OTHER CATEGORIES, AN "ACCREDITED INVESTOR" IS AN INVESTOR WHO, AT THE TIME OF PURCHASE OF THE INTERESTS, MEETS ONE OF THE FOLLOWING REQUIREMENTS:

(I) ANY NATURAL PERSON WHOSE INDIVIDUAL NET WORTH, OR JOINT NET WORTH WITH THAT PERSON'S SPOUSE, AT THE TIME OF THE PURCHASE EXCEEDS $ 1,000,000, NOT INCLUDING RESIDENCE, HOME FURNISHINGS AND AUTOMOBILES;

(II) ANY NATURAL PERSON WHO HAD AN INDIVIDUAL INCOME IN EXCESS OF $200,000 EACH OF THE TWO MOST RECENT YEARS OR JOINT INCOME WITH THAT PERSON'S SPOUSE IN EXCESS OF $300,000 IN EACH OF THE TWO MOST RECENT YEARS AND WHO REASONABLY EXPECTS TO REACH THE SAME INCOME LEVEL IN THE CURRENT YEAR; OR

(III) ANY ENTITY IN WHICH ALL OF THE EQUITY OWNERS ARE ACCREDITED INVESTORS.

IF, IN THE OPINION OF THE LIMITED PARTNERSHIP, A PROSPECTIVE PURCHASER LACKS THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS SO THAT HE IS NOT CAPABLE OF EVALUATING THE MERITS AND RISKS INVOLVED IN THE PURCHASE AND OWNERSHIP OF THE LIMITED PARTNERSHIP INTEREST, THE LIMITED PARTNERSHIP MAY REQUIRE THE PROSPECTIVE PURCHASER TO USE THE SERVICES OF A PURCHASER REPRESENTATIVE TO SERVE THE INVESTOR IN EVALUATING THE MERITS AND RISKS OF THE PROSPECTIVE INVESTMENT. IF SUCH A PURCHASER REPRESENTATIVE IS REQUIRED AND USED, THE LIMITED PARTNERSHIP WILL PROVIDE THE PROSPECTIVE INVESTOR THE APPROPRIATE FORMS FOR BOTH THE PROSPECTIVE INVESTOR AND PURCHASER REPRESENTATIVE TO SIGN AND RETURN TO THE LIMITED PARTNERSHIP.

PRIOR TO PURCHASE, AN INVESTOR QUESTIONNAIRE (EXHIBIT B) AND A SUBSCRIPTION AGREEMENT (EXHIBIT C), WHICH INCLUDES A CONSENT TO THE LIMITED PARTNERSHIP AGREEMENT, MUST BE SIGNED AND DELIVERED BY A PROSPECTIVE PURCHASER TO THE PARTNERSHIP.

IF THE PARTNERSHIP IS INCORRECT IN ITS ASSUMPTION AS TO THE CIRCUMSTANCES OF A PARTICULAR PROSPECTIVE INVESTOR, THEN THE DELIVERY OF THIS MEMORANDUM TO SUCH PROSPECTIVE INVESTOR SHALL NOT BE DEEMED TO BE AN OFFER AND THIS MEMORANDUM SHALL BE RETURNED TO THE PARTNERSHIP IMMEDIATELY.

THE SUITABILITY STANDARDS DEFINED ABOVE REPRESENT SUITABILITY STANDARDS FOR PROSPECTIVE INVESTORS. EACH PROSPECTIVE INVESTOR SHOULD DETERMINE WHETHER AN INVESTMENT IN THE PARTNERSHIP IS APPROPRIATE IN VIEW OF HIS OR HER PARTICULAR CIRCUMSTANCES.

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IMMIGRATION

THE IMMIGRATION INFORMATION CITED IN THIS OFFERING MEMORANDUM IS NOT IMMIGRATION ADVICE TO THE FOREIGN INVESTOR. EACH FOREIGN INVESTOR SHOULD CONSULT HIS OR HER OWN INDEPENDENT IMMIGRATION COUNSEL REGARDING IMPLICATIONS AND BENEFITS OR OTHERWISE OF INVESTING IN THE PARTNERSHIP.

OVERVIEW

THE EB-5, FIFTH EMPLOYMENT-BASED VISA PREFERENCE, IS INTENDED TO ENCOURAGE THE FLOW OF CAPITAL INTO THE U.S. ECONOMY AND TO PROMOTE EMPLOYMENT OF U.S. WORKERS. TO ACCOMPLISH THESE GOALS AND SO THAT FOREIGN INVESTORS MAY OBTAIN IMMIGRATION BENEFITS FOR HAVING MADE AN INVESTMENT, THE PROGRAM MANDATES THE MINIMUM CAPITAL THAT FOREIGN INVESTORS MUST CONTRIBUTE AND IT MANDATES THAT 10 FULL-TIME JOBS MUST BE CREATED ON ACCOUNT OF EACH INVESTMENT. IN ADDITION TO THE RETURN THAT INVESTORS HOPE TO ACHIEVE ON THEIR INVESTMENT, FOREIGN INVESTORS AND THEIR QUALIFYING FAMILY MEMBERS ARE OFFERED THE PROSPECT, BUT NOT THE GUARANTEE, OF LAWFUL PERMANENT RESIDENCE IN THE UNITED STATES.

THE JAY PEAK PROJECT HAS BEEN STRUCTURED SO THAT INVESTORS MAY MEET THE REQUIREMENTS OF THE EB-5 PROGRAM OF THE ACT AND QUALIFY UNDER THIS PROJECT (THE "PROJECT") TO BECOME ELIGIBLE FOR ADMISSION TO THE UNITED STATES OF AMERICA AS LAWFUL PERMANENT RESIDENTS WITH THEIR SPOUSES AND UNMARRIED, MINOR CHILDREN.

THE PROJECT HAS BEEN DESIGNED TO QUALIFY UNDER PROVISIONS IN THE LAW THAT PERMIT A REDUCED INVESTMENT AND PERMIT A BROADER ANALYSIS OF JOBS CREATED THAN WOULD OTHERWISE BE PERMITTED. WITH RESPECT TO THE MINIMUM INVESTMENT REQUIRED, THE PROJECT UTILIZES THE PROVISIONS OF THE ACT CONCERNING A TARGETED EMPLOYMENT AREA. TO MEET EMPLOYMENT CREATION REQUIREMENTS, THE PROJECT RELIES UPON THE FACT THAT JAYPEAK IS WITHIN A REGIONAL CENTER AUTHORIZED BY THE ACT CREATED UNDER A PILOT PROGRAM *(SEE IMMIGRATION RISK FACTORS, PAGE 28)*

FOR EB-5 INVESTORS

FOREIGN INVESTORS ARE ALSO SPECIFICALLY DIRECTED TO CERTAIN IMPORTANT MATTERS LISTED BOTH IN THE IMMIGRATION RISK FACTORS PAGE 29, AND HEREUNDER:

LEGAL COUNSEL: THE INVESTOR SHALL HIRE INDEPENDENT COUNSEL FOR IMMIGRATION PROCESSING AND OTHER LEGAL MATTERS. THE INVESTOR SHALL BE RESPONSIBLE FOR PAYMENT OF ALL LEGAL FEES AND COSTS INCLUDING UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES ("USCIS" OR "CIS") APPLICATION FEES.

FILING THE IMMIGRANT PETITIONS: JAY PEAK HOTEL SUITES STATESIDE L.P., THE GENERAL PARTNER AND THE RESORT OWNER SHALL USE THEIR REASONABLE BEST EFFORTS TO ASSIST THE FOREIGN INVESTORS' LEGAL COUNSEL WITH THE FILING OF INVESTORS' I-526 PETITIONS, AND SHALL USE THEIR REASONABLE BEST EFFORTS TO ASSIST FOREIGN INVESTORS' LEGAL COUNSEL WITH THE FILING OF INVESTORS' I-829 PETITIONS. THE PARTNERSHIP WILL INSTRUCT THE GENERAL PARTNER TO ENGAGE WITH, DELEGATE TO, AND THE PARTNERSHIP SHALL REASONABLY COMPENSATE QUALIFIED PERSONS IN THE ASSEMBLAGE AND PREPARATION OF DOCUMENTS, REPORTS AND REQUIRED VERIFICATION OF REQUISITE JOB CREATION IN CONNECTION WITH AND IN SUPPORT OF INVESTORS' I-829 PETITION TO REMOVE CONDITIONS TO OBTAINING PERMANENT RESIDENCY.

IN THE EVENT AN INVESTOR'S I-526 PETITION IS DENIED AT ANY TIME, THE INVESTOR'S RIGHTS ARE LIMITED SOLELY TO THE RETURN OF THE INVESTOR'S $500,000 CAPITAL CONTRIBUTION FROM THE PARTNERSHIP, PLUS 50% OF THE ADMINISTRATIVE FEE FROM THE RESORT OWNER, WITHIN NINETY (90) DAYS OF WRITTEN REQUEST THEREFOR TO THE GENERAL PARTNER. IN SUCH CASE BALANCE OF THE ADMINISTRATIVE FEE WILL BE KEPT BY THE RESORT OWNER TO PARTIALLY COMPENSATE IT FOR ITS COSTS INCURRED TO DATE.

UPON SUBSCRIBING TO THIS OFFERING AND BECOMING A LIMITED PARTNER, IT IS AT THE SOLE RESPONSIBILITY AND RISK OF THE FOREIGN INVESTOR TO PROMPTLY FILE THEIR I-526 PETITION. THERE IS NO REFUND OF THE CAPITAL CONTRIBUTION OF $500,000 OR THE ADMINISTRATIVE FEE FOR FAILURE OF THE FOREIGN INVESTOR TO FILE THE I-526 PETITION. IT IS FURTHER AT THE SOLE RESPONSIBILITY AND OBLIGATION OF THE LIMITED PARTNER TO TIMELY NOTIFY THE GENERAL PARTNER AT LEAST 90 (NINETY) DAYS PRIOR TO THE EARLIEST DUE DATE ELIGIBLE TO FILE OF THEIR I-829 PETITION SO TO ENABLE THE GENERAL PARTNER ADEQUATE TIME TO ENGAGE WITH AND DELEGATE TO QUALIFIED PERSONS IN THE ASSEMBLAGE AND PREPARATION OF DOCUMENTS, REPORTS AND REQUIRED VERIFICATION OF REQUISITE JOB CREATION. THE GENERAL PARTNER SHALL NOT BE LIABLE IN ANY MANNER, COST, OR FOR ANY OTHER LIABILITY FOR THE FAILURE OF LIMITED PARTNER TO TIMELY PROVIDE THE DUE FILING DATE OF THE I-829 PETITION FILING.

IF THE REGIONAL CENTER PILOT PROGRAM LAPSES, FOR EACH INVESTOR WHOSE CASE IS FILED WITH USCIS PRIOR TO THAT DATE THEIR $500,000 CAPITAL CONTRIBUTION SHALL REMAIN INVESTED IN THE PARTNERSHIP PROVIDED:

1. THE REGIONAL CENTER PILOT PROGRAM IS REAUTHORIZED RETROACTIVELY OR IS PENDING REAUTHORIZATION WITHIN A TWELVE MONTH PERIOD FOLLOWING ITS LAPSE, AND THE INVESTOR'S I-526 PETITION IS IN DUE COURSE ADJUDICATED;

   OR

2. LEGISLATION IS ENACTED OR PENDING PROVIDING SUBSTANTIALLY SIMILAR IMMIGRATION BENEFITS TO INVESTORS AS UNDER THE LAPSED REGIONAL CENTER PILOT PROGRAM AND EB-5 PROGRAM WITHIN A TWELVE MONTH PERIOD FOLLOWING THE REGIONAL CENTER PILOT PROGRAM'S LAPSE, AND THE INVESTOR'S I-526 PETITION IS IN DUE COURSE ADJUDICATED.

IF NEITHER OF THE EVENTS DESCRIBED UNDER 1 AND 2 OCCUR, THE INVESTOR AT HIS OPTION MAY EITHER REMAIN INVESTED IN THE PROJECT, OR REQUEST IN WRITING A REFUND OF THE CAPITAL CONTRIBUTION OF $500,000. UPON RECEIPT OF A REQUEST OF REFUND TO THE GENERAL PARTNER, THE CAPITAL CONTRIBUTION WILL BE REFUNDED BY THE LIMITED PARTNERSHIP WITHIN A PERIOD OF 90 DAYS FROM RECEIPT OF SUCH REQUEST AND THE INVESTOR'S INTEREST IN THE LIMITED PARTNERSHIP SHALL AUTOMATICALLY BE TERMINATED AND THE INVESTOR SHALL NO LONGER HAVE ANY OF THE RIGHTS AND BENEFITS OF OWNERSHIP OF AN INTEREST OR ANY RIGHT TO PARTICIPATE IN ANY MANNER WHATSOEVER IN THE AFFAIRS OF THE PARTNERSHIP. THE INVESTOR'S RIGHTS ARE LIMITED SOLELY TO THE RETURN OF THEIR CAPITAL CONTRIBUTION OF $500,000.

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SUMMARY OF THE OFFERING

INTRODUCTION

THIS SUMMARY HIGHLIGHTS AND OUTLINES CERTAIN INFORMATION REGARDING THE OFFERING AND MAY NOT CONTAIN ALL THE INFORMATION THAT IS IMPORTANT TO YOU. THE SUMMARY IS QUALIFIED IN ITS ENTIRETY BY THE INFORMATION APPEARING IN THE LIMITED PARTNERSHIP AGREEMENT, AND ELSEWHERE IN THIS MEMORANDUM, INCLUDING THE EXHIBITS AND THE FINANCIAL DATA OF THE LIMITED PARTNERSHIP ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE (THE "FINANCIAL DATA") WHICH CONTAINS MORE DETAILED INFORMATION WITH RESPECT TO EACH OF THE MATTERS SUMMARIZED HEREIN AS WELL AS OTHER MATTERS NOT COVERED BY THIS SUMMARY. PROSPECTIVE INVESTORS SHOULD READ THE MEMORANDUM AND THE FINANCIAL DATA IN THEIR ENTIRETY, ALONG WITH THE LIMITED PARTNERSHIP AGREEMENT, THE SUBSCRIPTION AGREEMENT AND ACCOMPANYING DOCUMENTS AND EXHIBITS.

SECURITIES BEING OFFERED

INVESTORS ARE BEING OFFERED THE OPPORTUNITY TO PURCHASE A LIMITED PARTNERSHIP INTEREST. ALL LIMITED PARTNERSHIP INTERESTS ARE PAYABLE IN FULL UPON SUBSCRIPTION (THE "OFFERING"). THERE IS NO MINIMUM SALE REQUIREMENT. IN ACCORD WITH THE PROVISIONS OF THE LIMITED PARTNERSHIP AGREEMENT, EXCEPTING FOR FOREIGN INVESTORS SEEKING QUALIFICATION AS AN "ALIEN ENTREPRENEUR", WHERE THE MINIMUM AMOUNT, CURRENTLY $500,000, IS SET BY LAW, THE GENERAL PARTNER MAY IN ITS SOLE DISCRETION BOTH WAIVE THE MINIMUM SUBSCRIPTION AMOUNT, AND MAY RAISE THE MINIMUM AMOUNT IN THE FUTURE. THE OFFERING WILL CONTINUE UNTIL IT HAS RAISED $67,000,000 UNLESS TERMINATED SOONER BY THE GENERAL PARTNER IN ITS SOLE DISCRETION. THE MINIMUM AMOUNT REQUIRED OF FOREIGN INVESTORS MAY INCREASE IF THE LAW OR REGULATIONS OF THE EB-5 PROGRAM CONTROLLING THE MINIMUM AMOUNT ARE AMENDED.

PURCHASE TERMS

THE MINIMUM CAPITAL CONTRIBUTION TO THE PARTNERSHIP TO PURCHASE A PARTNERSHIP INTEREST SHALL BE FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($500,000) USD$ (HEREIN REFERRED TO AS A "CAPITAL CONTRIBUTION"). THOUGH NOT PART OF THE INVESTOR'S EB-5 INVESTMENT, UNDER THE TERMS OF THE PRIVATE OFFERING MEMORANDUM EACH INVESTOR IS ALSO TO PAY OFFERING ISSUANCE EXPENSES HEREIN DEFINED AS "ADMINISTRATIVE FEES" OF FIFTY THOUSAND DOLLARS (US$50,000) TO JAY PEAK, INC. (THE "COMPANY"), TO PARTIALLY REIMBURSE THE COMPANY FOR ALL COSTS INCURRED BY THE COMPANY IN BUSINESS PLANNING, CREATING AND STRUCTURING THE PROJECT AND PRODUCING, ISSUING AND DISTRIBUTING THE PRIVATE OFFERING MEMORANDUM AND COORDINATION WITH INTERESTED PARTIES AND THEIR PROFESSIONAL ADVISORS. THE AMOUNTS OF $500,000 AND $50,000 ARE PAYABLE IN CASH AND IN FULL UPON APPLICATION TO BECOME A LIMITED PARTNER AND FULL PAYMENT MUST ACCOMPANY DELIVERY OF THE SUBSCRIPTION AGREEMENT. THE LIMITED PARTNERSHIP RESERVES THE RIGHT TO REJECT ANY SUBSCRIPTION IN WHOLE OR IN PART, IN ITS SOLE DISCRETION.

EXEMPTION FROM REGISTRATION

THE LIMITED PARTNERSHIP IS CLAIMING EXEMPTION FROM REGISTRATION REQUIREMENTS UNDER SECTION 4(2) OF THE SECURITIES ACT OF 1933, AS AMENDED, AND RULE 506 OF REGULATION D PROMULGATED THEREUNDER, AND FOR PERSONS OUTSIDE THE UNITED STATES UNDER REGULATION S PROMULGATED BY THE SEC ONLY TO PERSONS WHO ARE NOT "US PERSONS" WITHIN THE MEANING OF THE REGULATIONS. ACCORDINGLY, NO REGISTRATION STATEMENT WILL BE FILED WITH THE SEC IN CONNECTION WITH THIS OFFERING AND SALE OF THE INTERESTS PURSUANT TO THIS MEMORANDUM. IN ADDITION, THIS OFFERING IS BEING MADE WITHOUT REGISTRATION UNDER THE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION.

PROSPECTIVE INVESTORS ARE INVITED TO MAKE AN INDEPENDENT EXAMINATION OF THE BOOKS, RECORDS AND OTHER DOCUMENTS OF THE LIMITED PARTNERSHIP, AND MAY QUESTION THE APPROPRIATE OFFICERS AND DIRECTORS OF THE GENERAL PARTNER TO THE EXTENT THAT SUCH INVESTORS DEEM IT NECESSARY IN THEIR SOLE DISCRETION TO ANALYZE THE RISKS INVOLVED WITH THIS INVESTMENT. PROSPECTIVE INVESTORS SHOULD NOT RELY ON THE LIMITED PARTNERSHIP OR THE GENERAL PARTNER, OR ANY OF THEIR EMPLOYEES, AGENTS OR AUTHORIZED REPRESENTATIVES, WITH RESPECT TO THE JUDGMENTS RELATING TO THEIR INVESTMENT IN THE LIMITED PARTNERSHIP. PROSPECTIVE INVESTORS SHOULD RETAIN THEIR OWN PROFESSIONAL ADVISORS TO REVIEW AND EVALUATE THE ECONOMIC, TAX AND OTHER CONSEQUENCES OF AN INVESTMENT IN THE LIMITED PARTNERSHIP. THE LIMITED PARTNERSHIP WILL MAKE AVAILABLE, UPON REASONABLE NOTICE, BUT SHALL NOT INCUR ANY UNREASONABLE EXPENSES, TO PROVIDE ANY OTHER DOCUMENTS OR INFORMATION AVAILABLE TO THE LIMITED PARTNERSHIP CONCERNING THE AFFAIRS OF THE LIMITED PARTNERSHIP WHICH A PROSPECTIVE INVESTOR REQUESTS, SUBJECT TO RECEIPT OF REASONABLE ASSURANCES THAT SUCH MATTERS WILL BE MAINTAINED IN CONFIDENCE BETWEEN THE INVESTOR AND ITS PROFESSIONAL ADVISORS.

THE LIMITED PARTNERSHIP

JAY PEAK HOTEL SUITES STATESIDE L.P. IS A NEWLY FORMED VERMONT LIMITED PARTNERSHIP WITH ITS PRINCIPAL PLACE OF BUSINESS IN JAY, VERMONT. THE GENERAL PARTNER IS JAY PEAK GP SERVICES STATESIDE INC., A VERMONT CORPORATION.

THE GENERAL PARTNER

JAY PEAK GP SERVICES STATESIDE, INC. IS A VERMONT CORPORATION WITH ITS PRINCIPAL PLACE OF BUSINESS IN JAY, VERMONT (THE "GENERAL PARTNER"). THE GENERAL PARTNER WILL BE RESPONSIBLE FOR APPROVING LIMITED PARTNERS AS LIMITED PARTNERS IN THE PARTNERSHIP, FOR THE DAY TO DAY DECISIONS ON BEHALF OF THE LIMITED PARTNERSHIP AND FOR MANAGING THE CONSTRUCTION OF THE NEW BUILDINGS, INCLUDING THE STATESIDE HOTEL, COTTAGES, GUEST SERVICES RECREATION CENTER, MEDICAL CENTER AND ANY OTHER NECESSARY IMPROVEMENTS, INCLUDING APPLYING FOR AND OBTAINING ANY REQUIRED DEVELOPMENT AND CONSTRUCTION PERMITS. IN ADDITION, THE GENERAL PARTNER WILL BE RESPONSIBLE FOR MANAGING THE ASSETS OF THE PARTNERSHIP AND SUPERVISING THE TENANT COMPANIES LEASING PARTNERSHIP ASSETS AND OPERATING THE PROJECT IMPROVEMENTS, EITHER DIRECTLY OR THROUGH A CONTRACTED DESIGNEE. WILLIAM STENGER IS PRESIDENT OF THE GENERAL PARTNER.

PROJECT SUMMARY

THE PROJECTED OVERALL COST OF THE PROJECT IS $87,000,000, OF WHICH $67 MILLION OF DEVELOPMENT COSTS WILL BE FINANCED PURSUANT TO THIS OFFERING MEMORANDUM, WITH THE BALANCE OF FUNDS OR VALUE OF $20.0 MILLION PROVIDED BY THE RESORT OWNER (SEE BUSINESS PLAN SECTION 2). JAY PEAK HOTEL SUITES STATESIDE L.P. WILL UNDERTAKE CERTAIN REAL ESTATE DEVELOPMENT AND BUSINESS ACTIVITIES WHICH WILL INCLUDE:

(1) ACQUISITION OF TITLE TO ONE (1) OR MORE PARCELS OF REAL ESTATE AT THE RESORT FROM THE RESORT OWNER, AND CONSTRUCTING AND ERECTING A NEW HOTEL BUILDING COMPRISING A HOTEL UNIT WITH UP TO 84 SUITES. THE BUILDING TO INCLUDE SEPARATE CONDOMINIUM UNITS COMPRISED OF ONE OR MORE COMMERCIAL UNITS OWNED BY THE RESORT OWNER AND OFFERING AN INDOOR POOL AND LEISURE AREA, AS WELL AS COMMERCIAL RETAIL AND OTHER SERVICES, LOCATED AT THE STATESIDE BASE AREA OF THE RESORT. THE HOTEL UNIT WILL BE OWNED BY THE PARTNERSHIP AND LEASED TO AND OPERATED AS A HOTEL BY A TENANT TO BE APPROVED BY THE PARTNERSHIP (REFERRED TO HEREIN AS THE "STATESIDE HOTEL BUILDING" OR THE "STATESIDE HOTEL"); AND

(2) ON LAND RETAINED BY THE RESORT OWNER THAT SITS ADJACENT TO THE STATESIDE BASE AREA AT THE RESORT, AND LEASED TO THE PARTNERSHIP UNDER ONE OR MORE GROUND LEASES, CONSTRUCTING AND ERECTING EIGHTY FOUR (84) MOUNTAIN COTTAGES WITH ONE, TWO OR MORE BEDROOMS IN EACH THAT WILL BE OWNED BY THE PARTNERSHIP AND LEASED TO AND OPERATED AS VACATION RENTAL UNITS BY A TENANT TO BE APPROVED BY THE PARTNERSHIP (THE "COTTAGES"); AND

(3) ON LAND RETAINED BY THE RESORT OWNER AT THE RESORT, DEVELOPING A GUEST RECREATION CENTER (THE "RECREATION CENTER"), TO BE LEASED BY THE LIMITED PARTNERSHIP FOR NOMINAL CONSIDERATION FROM THE RESORT OWNER AND SUBLEASING THE RECREATION CENTER AND ITS OPERATIONS FOR MARKET RENT TO A TENANT TO BE APPROVED BY THE PARTNERSHIP; AND

(4) AT THE LOCATION OF THE STATESIDE BASE AREA, SNOWLINE LODGE AREA OR ELSEWHERE AT THE RESORT, CREATING AND DEVELOPING A MEDICAL CENTER, TO BE LEASED FOR NOMINAL CONSIDERATION TO THE LIMITED PARTNERSHIP AND SUBLEASED FOR MARKET RENT TO ONE OR MORE SUBTENANTS APPROVED BY THE PARTNERSHIP (THE "MEDICAL CENTER" AND TOGETHER WITH THE STATESIDE HOTEL, COTTAGES, RECREATION CENTER, IS THE "PROJECT").

ALL QUALITY RESORT FACILITIES HAVE A CENTRAL COMMERCIAL ZONE AT THEIR CORE. FROM THIS NUCLEUS, VARYING AMENITIES AND RECREATIONAL FACILITIES EMANATE. AT JAY PEAK RESORT, THE CONSTRUCTION OF THE STATESIDE HOTEL AND COTTAGES, RECREATION CENTER AND CREATING AND DEVELOPING A MEDICAL CENTER WILL SERVE TO STRENGTHEN THE CORE OF JAY PEAK SKI AND SUMMER RESORT, WILL BRING NEW QUALITY ACCOMMODATIONS IN NATURAL SURROUNDINGS FOR THE RECREATION, GOLFING AND SKI COMMUNITY, AND WILL FURTHER ENHANCE THE USE OF THE JAY PEAK CHAMPIONSHIP GOLF COURSE, THE SKI AREA AND OTHER IMPROVEMENTS AT THE RESORT. THE STATESIDE HOTEL WILL SERVE THE STATESIDE BASE AREA OF THE RESORT. EACH COTTAGE TO BE ADJACENT TO THE GOLF COURSE OR STATESIDE SKI AREA AND WILL HAVE A VIEW OF THE MOUNTAIN OR THE VALLEY. SINCE CONNECTION WITH THE ENVIRONMENT IS SO IMPORTANT TO THE JAY PEAK THEME, OCCUPANCY IN THE COTTAGES IS PROJECTED TO BE HIGH, AS THESE UNITS WILL HAVE A YEAR ROUND USE (WITH THE COTTAGES BECOMING WINTER SKI CHALETS DURING THE WINTER SEASON), AND AIDING THE FURTHER EXPANSION AND TRANSITION OF THE JAY PEAK RESORT INTO AN "ALL SEASONS RESORT". IT IS PROJECTED THAT JAY PEAK HOTEL SUITES STATESIDE L.P. WILL STIMULATE ECONOMIC DEVELOPMENT AND CREATE MANY NEW PERMANENT JOBS AT THE RESORT, IN THE GREATER JAY PEAK REGION, WITHIN THE STATE OF VERMONT REGIONAL CENTER AND WITHIN THE UNITED STATES, AND WILL WITH THE STATESIDE HOTEL, COTTAGES, AND RECREATION CENTER IN PARTICULAR ATTRACT ADDITIONAL GUESTS DURING THE NON-SKI SEASON, AS WELL AS BROADEN THE ACTIVITIES FOR THE SKI AND GOLF CLIENTELE OF THE RESORT.

JAY PEAK MARKET REVIEW

WITH JAY PEAK'S DEVELOPMENTAL PHILOSOPHY CORNERSTONED ON AN ENVIRONMENTAL FRAMEWORK, FUTURE MARKET DEVELOPMENT WILL BE ENHANCED AS JAY'S POSITIONING AND PHYSICAL CHARACTERISTICS PROVIDE SUBSTANTIAL ADVANTAGES OVER OLDER, LESS ENVIRONMENTALLY SENSITIVE FACILITIES. WINTER BUSINESS WILL CONTINUE TO FOCUS ON SKIING AND THE SKI VACATION PRODUCT. FAMILY SKI VACATIONS, SKI CLUB OUTINGS AND INDIVIDUAL AND COUPLES' BUSINESS WILL PROVIDE THE FRAMEWORK FOR WINTER BUSINESS DEVELOPMENT. ACCENTUATING THE TWO AND THREE DAY WEEKEND STAY, AND THE THREE, FIVE, AND SEVEN-DAY SKI WEEK EXPERIENCE WILL BE THE PRIMARY FOCUS OF THE RESORT'S WINTER MARKETING EFFORTS. THE RESORT'S MARKETS FOR WINTER ACTIVITY AND HOTEL UTILIZATION WILL BE EASTERN CANADA, ALL OF NEW ENGLAND AND THE MID-ATLANTIC STATES OF THE UNITED STATES. FURTHER DESTINATION MARKETS SUCH AS THE MID-SOUTH AND FLORIDA ARE VIABLE THROUGH AIRLINE CONNECTIONS INTO THE BURLINGTON, VERMONT AIRPORT AND THE PIERRE ELLIOT TRUDEAU (DORVAL) AIRPORT SERVING MONTRÉAL, QUEBÉC, CANADA. SUMMER BUSINESS DEVELOPMENT WILL LARGELY FOCUS ON FAMILY VACATIONS INVOLVING ACTIVE, OUTDOOR AND ENVIRONMENTALLY BALANCED EXPERIENCES. WITH SUCH A UNIQUE AND UNSPOILED SETTING, JAY PEAK CAN PROVIDE ITS VACATIONING PUBLIC AN OPPORTUNITY TO HIKE, BIKE, FISH, SAIL AND SIGHTSEE IN OR NEAR THE RESORT IN A SETTING THAT IS TRULY UNDEVELOPED. NATURE TRAILS ALONG PRISTINE MOUNTAIN STREAMS WILL PROVIDE THE MOST NATURAL OF SETTINGS FOR FAMILY OUTINGS. GOLF AND OTHER TYPICAL RECREATION ENJOYED IN SUMMER WILL ALSO BE ON THE RESORT PREMISES, BUT EVERYTHING FROM SIGNAGE TO LIGHTING TO PROGRAM DESIGN WILL EMIT AN ENVIRONMENTAL SENSITIVITY THAT WILL, ONCE AGAIN, DIFFERENTIATE JAY PEAK FROM OTHER RESORTS THAT HAVE LARGELY BEEN BUILT ON A LEGACY OF RAPID EXPANSION IN THE 1970'S AND 1980'S.

ALTHOUGH JAY PEAK ALREADY IS A VERY SUCCESSFUL SKI RESORT, MANY TIMES, EVEN IN PEAK SEASON, POOR WEATHER WILL RESULT IN TRIPS, VACATIONS AND MEETINGS BEING CANCELLED. THE RESORT SOUGHT OPPORTUNITIES THAT WOULD HELP EXPAND INTO A YEAR-ROUND DESTINATION, INSULATE THE RESORT FROM THE IMPACT OF WEATHER, CREATE WEATHER-PROOF VACATIONS, CAPTURE YEAR-ROUND REVENUES, AND YET ALLOW

THE FREEDOM TO THE RESORT TO CONTINUE TO DO WHAT IT HAS DONE SO WELL FOR THE LAST 50 YEARS. WITH THE COMPLETION OF THE ONGOING DEVELOPMENT AT THE RESORT, JAY PEAK RESORT WILL TRULY BE A "DESTINATION RESORT" WITH A 12 MONTH VENUE.

JAY PEAK IS ONE OF THE FOUR LARGEST SKI MOUNTAINS AND SKI RESORT FACILITIES IN ALL OF NEW ENGLAND YET CURRENTLY HAS THE SMALLEST BED BASE OF ANY MAJOR RESORT WITH LESS THAN 1,500 BEDS AT PRESENT. RESORTS THAT JAY PEAK COMPETES WITH HAVE NO LESS THAN 10,000 BEDS PER RESORT AND SOME AS HIGH AS 20,000 BEDS. THE CONTINUED EXPANSION OF RESORT AMENITIES, THAT INCLUDES FACILITIES THAT NO OTHER SKI RESORT IN EASTERN NORTH AMERICA HAVE AVAILABLE, IS EXPECTED TO CAUSE A RAPID ACCELERATION IN DEMAND FOR ACCOMMODATION AT THE RESORT.

TRAM HAUS LODGE OPENED IN DECEMBER 2009, THE INDOOR ICE ARENA (ICE HAUS) OPENED IN MAY 2010 AND THE GOLF CLUBHOUSE COMPLEX WHICH DOUBLES AS A NORDIC CENTER DURING THE WINTER MONTHS OPENED IN JUNE 2010. WITH THE NEAR COMPLETION OF THE ONGOING WATER PARK AND HOTEL JAY DEVELOPMENT AND PENTHOUSE SUITES PROJECT, ANCILLARY FACILITIES SUCH AS THE SPA AND CONVENTION CENTER, IT IS PROJECTED WILL HELP FILL ROOMS MOST WEEKENDS ALL YEAR LONG AND SCHOOL BREAK PERIODS DURING THE YEAR. RESORTS WITH AN INDOOR WATER PARK ARE REPORTEDLY ABLE TO EXTEND THEIR PEAK SEASONS FROM ABOUT 100 DAYS TO ABOUT 300 DAYS OR MORE. A MOUNTAIN LEARNING CENTER SEEKS TO CAPTURE SUMMER BUSINESS AND WILL LARGELY FOCUS ON CAMP, ECO-TOURS AND FAMILY VACATIONS INVOLVING ACTIVE, OUTDOOR, EDUCATIONAL AND ENVIRONMENTALLY BALANCED EXPERIENCES. WITH SUCH A UNIQUE AND UNSPOILED SETTING, JAY PEAK CAN PROVIDE ITS VACATIONING PUBLIC AN OPPORTUNITY TO HIKE, BIKE, FISH AND SIGHTSEE IN OR NEAR THE RESORT IN A SETTING THAT IS TRULY UNDEVELOPED. NATURE AND BIKING TRAILS ALONG PRISTINE MOUNTAIN STREAMS AND PATHS WILL PROVIDE THE MOST NATURAL OF SETTINGS FOR FAMILY OUTINGS AND CAMP ACTIVITIES. JAY PEAK RESORT WILL BE POISED TO CAPTURE A MARKET SHARE AS A CONFERENCE AND CONVENTION DESTINATION THAT PROVIDES LUXURY AND BUSINESS SPECIFIC ACCOMMODATION FOR THOSE ATTENDEES.

THE ADDITION OF THE STATESIDE HOTEL AND COTTAGES WILL ENHANCE THE RESORT. THE HOTEL IS TO BE LOCATED AT THE STATESIDE SKI BASE AREA, THE SECOND MOUNTAIN OF THE RESORT AND THE ORIGINAL SKI AREA WHEN THE RESORT WAS ESTABLISHED IN 1955. THE COTTAGES ARE TO BE LOCATED ADJACENT OR NEAR TO THE CHAMPIONSHIP GOLF COURSE AND STATESIDE SKI TRAILS, SURROUNDED WITH PRISTINE VIEWS OF THE MOUNTAINS AND VALLEY, PROVIDING THE PERFECT SETTING FOR THOSE GOLFERS SEEKING A VACATION PACKAGE EXPERIENCE BEYOND THE ORDINARY. IN WINTER, THE COTTAGES WILL BE FEATURED AS SKI CHALETS. THE COTTAGES WILL BE CENTRALLY LOCATED WITH EASY ACCESS TO ALL RESORT AMENITIES, AND PROVIDE WONDERFUL INDOOR AND OUTDOOR LIVING FOR THE ULTIMATE "APRÈS-GOLF" OR "APRÈS-SKI" EXPERIENCE AT ALL TIMES OF THE YEAR.

THE HOTEL SUITES STATESIDE PROJECT ALSO FEATURES A GUEST SERVICES RECREATION CENTER THAT WILL FEATURE A VARIETY OF INDOOR RECREATION AND SPORTING ACTIVITIES. THE CREATION AND DEVELOPMENT OF A MEDICAL CENTER IS EXPECTED FOR USE BY BOTH RESORT GUESTS AND LOCAL RESIDENTS.

USE OF PROCEEDS

THE NET PROCEEDS FROM THE SALE OF THE LIMITED PARTNERSHIP INTERESTS WILL BE APPLIED TO THE COST OF (1) ACQUISITION OF TITLE TO ONE (1) OR MORE PARCELS OF REAL ESTATE AT THE RESORT FROM THE RESORT OWNER, AND CONSTRUCTING AND ERECTING A NEW HOTEL BUILDING WITH SEPARATE CONDOMINIUM UNITS COMPRISED OF ONE OR MORE COMMERCIAL UNITS OWNED BY THE RESORT OWNER AND OFFERING AN INDOOR POOL AND LEISURE AREA, AS WELL AS COMMERCIAL RETAIL AND OTHER SERVICES, AS WELL AS A HOTEL UNIT WITH UP TO 84 UNITS AT THE STATESIDE BASE AREA OF THE RESORT THAT WILL BE OWNED BY THE PARTNERSHIP AND LEASED TO AND OPERATED AS A HOTEL BY A TENANT TO BE APPROVED BY THE PARTNERSHIP (REFERRED TO HEREIN AS THE "STATESIDE HOTEL BUILDING" OR THE "STATESIDE HOTEL"); AND (2) ON LAND RETAINED BY THE RESORT OWNER THAT SITS ADJACENT OR NEAR TO THE STATESIDE BASE AREA AT THE RESORT, AND LEASED TO THE PARTNERSHIP UNDER ONE OR MORE GROUND LEASES, CONSTRUCTING AND ERECTING UP TO EIGHTY FOUR (84) MOUNTAIN COTTAGES WITH ONE, TWO OR MORE BEDROOMS IN EACH THAT WILL BE OWNED BY THE PARTNERSHIP AND LEASED TO AND OPERATED AS VACATION RENTAL UNITS BY A TENANT TO BE APPROVED BY THE PARTNERSHIP (THE "COTTAGES"); AND (3) ON LAND RETAINED BY THE RESORT OWNER AT THE RESORT, DEVELOPING A GUEST RECREATION CENTER (THE "RECREATION CENTER"), TO BE LEASED BY THE LIMITED PARTNERSHIP FOR NOMINAL CONSIDERATION FROM THE RESORT OWNER AND SUBLEASING THE RECREATION CENTER AND ITS OPERATIONS FOR MARKET RENT TO A TENANT TO BE APPROVED BY THE PARTNERSHIP; AND (4) AT THE LOCATION OF THE STATESIDE BASE AREA, SNOWLINE LODGE AREA OR ELSEWHERE AT THE RESORT, CREATING AND DEVELOPING A MEDICAL

CENTER, TO BE LEASED FOR NOMINAL CONSIDERATION TO THE LIMITED PARTNERSHIP AND SUBLEASED FOR MARKET RENT TO ONE OR MORE SUBTENANTS APPROVED BY THE PARTNERSHIP.

ANY FUNDS RAISED IN THIS OFFERING AND NOT REQUIRED FOR THESE PURPOSES WILL BECOME WORKING CAPITAL FOR THE LIMITED PARTNERSHIP'S BUSINESS ACTIVITIES. THE DEVELOPMENT OF THE RESORT TO BE FUNDED BY THE SALE OF THE LIMITED PARTNERSHIP INTERESTS MAY REQUIRE THE ISSUANCE OF LOCAL AND STATE SUBDIVISION AND OTHER PERMITS, TO BE APPLIED FOR AND OBTAINED BY THE RESORT OWNER.

COMPLETION OF PROJECT

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, IN THE EVENT THAT THE GENERAL PARTNER, RESORT OWNER OR AN AFFILIATE OF EITHER ENTITY INVESTS FUNDS OR MAKES FINANCIAL COMMITMENTS OTHER THAN SECURED DEBT (AS DEFINED IN THE LIMITED PARTNERSHIP AGREEMENT) TO COMPLETE THE PROJECT, THE INVESTING ENTITY WILL BE ISSUED CLASS B NON-VOTING INTERESTS PRO RATA IN THE PARTNERSHIP FOR NO ADDITIONAL CONSIDERATION AND THEREAFTER HOLD ITS INTERESTS SUBJECT TO THE TERMS OF THE LIMITED PARTNERSHIP AGREEMENT.

OFFERING MEMORANDUM ONLY AVAILABLE IN US ENGLISH LANGUAGE

IN THE EVENT THE PROSPECTIVE PURCHASER CANNOT UNDERSTAND OR READ THE ENGLISH LANGUAGE, AND/OR IS UNABLE TO FULLY COMPREHEND ALL DOCUMENTS AND EXHIBITS RELATED TO THIS OFFERING, IT IS THE PROSPECTIVE PURCHASER'S SOLE RESPONSIBILITY AT THE PURCHASER'S SOLE COST TO OBTAIN ALL ASSISTANCE REQUIRED WITH INTERPRETATION AND TRANSLATION OF THIS OFFERING MEMORANDUM AND EXHIBITS THERETO. NO SUCH TRANSLATION MAY ALTER, MODIFY OR OTHERWISE CHANGE THE TERMS OF THIS OFFERING MEMORANDUM AS SET FORTH IN ENGLISH IN ANY MANNER OR WAY WHATSOEVER.

FEDERAL TAX CONSIDERATIONS

INVESTMENT IN THE PARTNERSHIP INVOLVES SUBSTANTIAL TAX RISKS: STATE AND FEDERAL LEGISLATURES MAY CHANGE INCOME TAX LAWS, ALTER AND CHANGE ALLOWABLE DEDUCTIONS THAT MAY BE TAKEN BY THE PARTNERSHIP AND REDUCE ITS INCOME, AND MAY CHANGE TAX RATES THAT MAY BE LESS BENEFICIAL TO PARTNERS. OTHER TAX RISKS TO THE LIMITED PARTNERSHIP INCLUDE BUT ARE NOT LIMITED TO THE ALLOCATION OF PURCHASE PRICE OF ASSETS, TAX ITEMS, PROFITS AND BENEFITS OR OTHERWISE OF PASSIVE LOSSES, RISK OF AUDIT, LOSS OF LIMITED PARTNERSHIP STATUS AND TERMINATION OF PARTNERSHIP. THE PARTNERSHIP MUST MEET CERTAIN CRITERIA TO MAINTAIN LIMITED LIABILITY AND AVOID BEING TAXED AS A CORPORATION. THE LIMITED PARTNERSHIP MAY INCUR LEGAL, ACCOUNTING OR OTHER COSTS RESULTING FROM TAX AUTHORITY REVIEW OF THESE MATTERS, WHICH MAY RESULT IN LESS FAVORABLE TAX RATES AND OTHER COSTS.

THE RULES GOVERNING THE UNITED STATES INCOME TAXATION OF LAWFUL PERMANENT RESIDENTS ARE COMPLEX. PRIOR TO INVESTMENT, AN INVESTOR SHOULD CONSULT WITH HIS U.S. TAX ADVISORS AND, IF THE INVESTOR IS FOREIGN, BOTH HIS OVERSEAS AND US TAX ADVISORS, WITH REGARD TO THE TAX CONSEQUENCES OF BECOMING A LAWFUL PERMANENT RESIDENT OF THE UNITED STATES, AND FURTHER TO INVESTING IN, OWNING AND DISPOSING OF THE LIMITED PARTNERSHIP INTERESTS DESCRIBED IN THIS OFFERING MEMORANDUM, AND ALL OTHER TAX CONSEQUENCES IN CONNECTION WITH THE PARTNERSHIP AND THIS PROJECT. THE PARTNERSHIP HAS NOT OBTAINED A LEGAL OPINION OR RULING FROM ANY TAX AUTHORITY REGARDING ANY ASPECTS OF THE PARTNERSHIP OR ITS BUSINESS.

TAX INFORMATION AND TAX RISKS DESCRIBED IN THIS OFFERING MEMORANDUM ARE NOT TAX ADVICE TO THE SUBSCRIBER. EACH SUBSCRIBER MUST RELY SOLELY AND ONLY UPON THEIR OWN TAX ADVISOR(S).

TRANSFER RESTRICTIONS

THE OFFERING OF THE LIMITED PARTNERSHIP INTERESTS HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO THE SECURITIES ACT OF 1933 OR ANY APPLICABLE STATE SECURITIES LAWS, THE OFFERING IS RESTRICTED TO A LIMITED NUMBER OF PERSONS WHO ARE EITHER US CITIZENS OR US-BASED LEGAL ENTITIES, CURRENT U.S. LAWFUL PERMANENT RESIDENTS, OR FOREIGN INVESTORS RESIDENT AND LIVING IN THE UNITED STATES IN VALID IMMIGRATION STATUS, THEREBY CAUSING REGULATION D OF THE ACT TO APPLY IN CONNECTION WITH A PURCHASE, OR FOREIGN INVESTORS WITHOUT VALID IMMIGRATION STATUS WHO MUST REPRESENT TO THE LIMITED PARTNERSHIP THAT THEY ARE NOT RESIDENT IN THE UNITED STATES AT THE TIME OF THE OFFER, WILL NOT BE RESIDENT IN THE UNITED STATES AT THE TIME OF THE SALE, AND ARE NOT ACQUIRING THE LIMITED PARTNERSHIP INTEREST FOR THE BENEFIT OF A UNITED STATES PERSON, AS THAT TERM IS DEFINED IN REGULATION S. THE INVESTOR UNDERSTANDS THAT HE OR SHE MAY NOT OFFER TO SELL, OR SELL, A LIMITED PARTNERSHIP INTEREST UNLESS IT IS REGISTERED UNDER THE SECURITIES ACT OF 1933 AND ANY APPLICABLE STATE SECURITIES REGULATIONS OR AN EXEMPTION IS AVAILABLE FROM THE REGISTRATION REQUIREMENTS, AND THAT THE INVESTOR'S WEALTH OR INCOME QUALIFY HIM OR HER AS A SUITABLE PURCHASER.

TO PRESERVE THE EXEMPTIONS FROM REGISTRATION UNDER FEDERAL AND STATE SECURITIES LAWS, PURSUANT TO WHICH EXEMPTIONS PURCHASE OF THE LIMITED PARTNERSHIP INTERESTS ARE BEING OFFERED, SUBSEQUENT SALE OF THE LIMITED PARTNERSHIP INTERESTS ARE RESTRICTED TO BUYERS WHO QUALIFY AS "ACCREDITED INVESTORS," AS DESCRIBED IN RULE 501 OF THE SECURITIES AND EXCHANGE COMMISSION OR WHOSE PURCHASE OTHERWISE WILL NOT REQUIRE REGISTRATION OF THE LIMITED PARTNERSHIP INTERESTS. THERE ARE ADDITIONAL MATTERS CONCERNING TRANSFER RESTRICTIONS UNDER THE TERMS OF THE LIMITED PARTNERSHIP AGREEMENT, INCLUDING RESTRICTIONS CONSISTENT WITH EB-5 REQUIREMENTS, AND ALL PURCHASERS SHOULD REVIEW ARTICLE 10 OF THE SAID AGREEMENT FOR SPECIFIC RESTRICTIONS. CERTIFICATES EVIDENCING THE LIMITED PARTNERSHIP INTERESTS WILL BEAR A LEGEND DESCRIBING THE TRANSFER RESTRICTIONS.

EXIT STRATEGIES

ONCE ALL I-829 PETITIONS FILED UNDER THE EB-5 PROGRAM FOR ALL QUALIFIED INVESTORS WHO HAVE INVESTED INTO THE PARTNERSHIP HAVE BEEN ADJUDICATED, WITH ANY APPEALS HAVING BEEN DECIDED, THE GENERAL PARTNER WITHIN A REASONABLE TIME THEREAFTER SHALL REVIEW MARKET CONDITIONS AND, IF APPROPRIATE IN ITS SOLE DISCRETION, PURSUE ONE OR MORE EXIT STRATEGIES FOR INVESTORS. THESE STRATEGIES MAY INCLUDE SUBDIVIDING THE HOTEL SUITES AND COTTAGES INTO FRACTIONAL UNITS AND GRANTING EACH LIMITED PARTNER A REASONABLE ALLOCATION OF FRACTIONAL UNITS IN EXCHANGE FOR AND REDEMPTION OF EACH LIMITED PARTNER'S INTEREST IN THE PARTNERSHIP. ALL SUCH FRACTIONAL UNITS MUST BE MADE SUBJECT TO A RENTAL POOL OPERATED BY THE RESORT OWNER OR ITS DESIGNEE, WHICH RENTAL RATES WILL BE SET BY THE RESORT OWNER OR ITS DESIGNEE AT THEIR SOLE DISCRETION AND THE RESORT OWNER OR ITS DESIGNEE WILL BE ENTITLED TO THEIR STANDARD RENTAL MANAGEMENT FEE. IF SUBDIVIDING THE HOTEL SUITES AND COTTAGES INTO FRACTIONAL UNITS IS UNDERTAKEN, EACH LIMITED PARTNER MAY THEREAFTER SELL HIS FRACTIONAL UNITS WHENEVER HE WISHES AND FOR A PRICE AT HIS DISCRETION, BUT SUCH FRACTIONAL UNITS MUST BE SOLD THROUGH JAY PEAK REALTY WITH COMMISSION DUE BASED UPON JAY PEAK REALTY'S STANDARD COMMISSION FOR FRACTIONAL UNIT SALES.

IN ADDITION, INVESTORS MAY SELL THEIR INTERESTS TO THIRD PARTY PURCHASERS AS CONDITIONED BY THE LIMITED PARTNERSHIP AGREEMENT, WITH THE CAVEAT THAT QUALIFIED INVESTORS WHO HAVE FILED UNDER THE EB-5 PROGRAM MUST MEET THE CONDITIONS SET FORTH HEREIN AND UNDER THE ACT, INCLUDING THE REQUIREMENT TO SUSTAIN THEIR INVESTMENT IN THE PROJECT, TO OBTAIN CONDITIONAL PERMANENT RESIDENCY AND UNCONDITIONAL PERMANENT RESIDENCY FOR THEMSELVES AND THEIR SPOUSES AND MINOR CHILDREN.

RISK FACTORS (ALSO SEE IMMIGRATION RISK FACTORS)

THE LIMITED PARTNERSHIP INTERESTS DESCRIBED IN THIS OFFERING MEMORANDUM INVOLVE A DEGREE OF RISK. AMONG THE RISK FACTORS THAT A PROSPECTIVE PURCHASER SHOULD CAREFULLY CONSIDER ARE THE FOLLOWING (THIS LIST IS NOT EXHAUSTIVE):

PURCHASE OF THE LIMITED PARTNERSHIP INTERESTS IS LIMITED TO THOSE WHO HAVE ATTAINED THE AGE OF AT LEAST 18 YEARS AND ALL OF WHOM MUST PURCHASE FOR INVESTMENT AND NOT WITH A VIEW TO RESALE. A DECLARATION, REPRESENTATION AND COVENANT TO THIS EFFECT ARE REQUIRED TO BE MADE IN THE SUBSCRIPTION AGREEMENT.

THE LIMITED PARTNERSHIP INTERESTS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933 OR UNDER ANY STATE LAWS AND, IN OFFERING THEM, THE LIMITED PARTNERSHIP WILL RELY ON ONE OR MORE EXEMPTIONS FROM REGISTRATION.

THERE WILL BE RESTRICTIONS ON THE ABILITY OF A PURCHASER TO SELL HIS LIMITED PARTNERSHIP INTEREST. NO RESALE CAN OCCUR WITHIN ONE YEAR FROM THE DATE OF THE FIRST OFFER. ANY RESALE MUST BE MADE PURSUANT TO REGULATION S OR REGULATION D AS IS APPLICABLE AFTER REGISTRATION OF THE LIMITED PARTNERSHIP INTERESTS PURSUANT TO THE SECURITIES ACT OF 1933 AND ANY APPLICABLE STATE LAWS OR PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS. MEMBERSHIP CERTIFICATES WILL CARRY A LEGEND TO THE EFFECT THAT TRANSFERS OF THE LIMITED PARTNERSHIP INTERESTS ARE PROHIBITED UNLESS IN COMPLIANCE WITH THE FOREGOING. THE LIMITED PARTNERSHIP WILL REFUSE TO REGISTER A TRANSFER NOT MADE IN ACCORDANCE WITH REGULATION D OR REGULATION S AND ANY APPLICABLE STATE LAWS, UNLESS THE TRANSFER IS MADE AFTER REGISTRATION UNDER THE SECURITIES ACT OF 1933 AND ANY APPLICABLE STATE LAWS OR IS OTHERWISE EXEMPT FROM REGISTRATION. THESE RESTRICTIONS MAY RENDER IT DIFFICULT OR IMPOSSIBLE TO LOCATE A PROSPECTIVE PURCHASER IF AND WHEN AN OWNER WISHES TO SELL HIS LIMITED PARTNERSHIP INTEREST.

THERE IS NO PUBLIC MARKET FOR THE SALE AND PURCHASE OF THE LIMITED PARTNERSHIP INTERESTS. THESE INTERESTS ARE NOT READILY TRANSFERABLE. THERE ARE RESTRICTIONS ON THE SALE OF THE LIMITED PARTNERSHIP INTERESTS. THERE MAY BE NO MARKET FOR RESALE OF THESE LIMITED PARTNERSHIP INTERESTS. THERE CAN BE NO ASSURANCES THAT A PURCHASER CAN BE FOUND IF AND WHEN AN OWNER WISHES TO SELL HIS INTEREST. A PURCHASER MAY NEVER BE ABLE TO LIQUIDATE HIS INVESTMENT IN THE LIMITED PARTNERSHIP.

THE LIMITED PARTNERSHIP IS A LIMITED PARTNERSHIP CREATED PURSUANT TO VERMONT LAW. THE RIGHTS OF LIMITED PARTNERS IN A LIMITED PARTNERSHIP DIFFER MATERIALLY FROM THE RIGHTS OF PARTNERS IN A GENERAL PARTNERSHIP OR SHAREHOLDERS IN CORPORATIONS.

THE PARTNERSHIP'S INVESTMENT IN THE PROJECT WILL BE SUBJECT TO THE RISKS RELATED TO, AND FORMING A PART OF, THE OWNERSHIP OF REAL PROPERTY. THESE INCLUDE BUT ARE NOT LIMITED TO UNCERTAINTY OF CASH FLOW TO MEET FIXED OBLIGATIONS, ADVERSE CHANGES IN GENERAL OR LOCAL ECONOMIC CONDITIONS, CHANGES IN GOVERNMENTAL RULES AND OR FISCAL POLICIES, ADVERSE ECONOMIC CONDITIONS, ADVERSE CHANGES IN INTEREST RATES AND TAXES, EXCESSIVE BUILDING RESULTING IN AN OVERSUPPLY, REDUCTION IN THE COST OF OPERATING COMPETING PROPERTIES, RELATIVE APPEAL OF COMPETING PROPERTIES, COMPETING DEVELOPMENTS WITHIN THE VICINITY IN A SIMILAR INDUSTRY, REDUCED DEMAND FOR PROPERTIES IN THE AREA, AND OTHER FACTORS REFERENCED ELSEWHERE WITHIN THE RISK FACTORS, MANY IF NOT ALL OF WHICH ARE BEYOND THE CONTROL OF THE LIMITED PARTNERSHIP AND THE GENERAL PARTNER.

THE GENERAL PARTNER OF THE LIMITED PARTNERSHIP WILL HAVE CERTAIN POWERS AND RIGHTS NOT GRANTED TO THE OWNERS OF THE LIMITED PARTNERSHIP INTERESTS.

WHETHER THE LIMITED PARTNERSHIP CAN MAKE DISTRIBUTIONS TO THE LIMITED PARTNERS IS DEPENDENT ON MARKET CONDITIONS FOR RESORT VISITATIONS, RENTALS, OCCUPANCY, OPERATING COSTS, PARTNERSHIP EXPENSES, AND NUMEROUS OTHER FACTORS, WHICH AFFECT ITS ABILITY TO EARN A SUFFICIENT INCOME IN EACH YEAR, ALL OF WHICH IN TURN AFFECT THE GENERAL PARTNER'S DETERMINATION WHETHER OR TO WHAT EXTENT DISTRIBUTIONS, SHOULD BE MADE. THERE IS NO ASSURANCE THAT PARTNERSHIP INCOME DERIVED FROM RENTALS WILL BE AVAILABLE FOR DISTRIBUTION TO LIMITED PARTNERS.

JAY PEAK GP SERVICES STATESIDE, INC. OR ITS DESIGNEE WILL PROVIDE THE MANAGEMENT FOR THE PROJECT AND WILL OVERSEE THE LEASES TO THE APPROVED COMPANIES LEASING AND OPERATING THE PARTNERSHIP ASSETS AND FACILITIES. IF JAY PEAK GP SERVICES STATESIDE, INC. ELECTS TO CEASE BEING THE GENERAL PARTNER, IT MAY BE DIFFICULT TO FIND A REPLACEMENT.

INSURANCE: CERTAIN RISKS RELATED TO THE PROJECT MAY NOT BE INSURABLE SUCH AS, BUT NOT LIMITED TO, EXTREME WEATHER, TERRORISM AND ACTS OF GOD. IF AN UNINSURABLE LOSS OCCURS THE PARTNERSHIP COULD SUFFER LOSS OF CAPITAL AND PROFITS.

DEPENDENCE ON KEY PERSONNEL: THE LIMITED PARTNERSHIP WILL RELY ON THE ACTIVE PARTICIPATION OF WILLIAM STENGER, AN OFFICER OF THE GENERAL PARTNER. MR. STENGER HAS BEEN INVOLVED IN THE JAY PEAK EXPANSION PROJECT AND THE OPERATION OF THE RESORT FOR MANY YEARS. THE LOSS OF MR STENGER'S SERVICES COULD CREATE A SIGNIFICANT ADVERSE EFFECT ON THE PROJECT.

WHETHER THE LIMITED PARTNERSHIP'S ACTIVITIES CAN BE PROFITABLE WILL DEPEND, AT LEAST IN PART, ON THE INTEGRATION AND COORDINATION OF ITS BUSINESS WITH THE OTHER BUSINESSES OPERATED AT THE JAY PEAK RESORT, WHICH BUSINESSES MAY BE OWNED BY THE RESORT OWNER, AFFILIATES OF THE RESORT OWNER, OTHER LIMITED PARTNERSHIPS AND OTHER THIRD PARTIES, NONE OF WHICH THE LIMITED PARTNERSHIP WILL CONTROL. THE FINANCIAL FORECASTS ARE BASED, IN PART, ON ASSUMPTIONS CONCERNING FACTORS OVER WHICH THE LIMITED PARTNERSHIP WILL HAVE NO CONTROL, INCLUDING NUMBER OF VISITORS TO THE RESORT AND OCCUPANCY RATES FOR THE STATESIDE HOTEL AND COTTAGES WHICH MAY BE ADVERSELY AFFECTED BY VARIOUS FACTORS SUCH AS ADVERSE WEATHER CONDITIONS AND THE US ECONOMY DURING THE RESORT'S PEAK SKI AND SUMMER SEASONS.

THE PROJECT INVOLVES SUBSTANTIAL CONSTRUCTION ACTIVITY. THERE MAY BE DELAYS IN CONSTRUCTION OR REVISIONS BEYOND THE CONTROL OF THE GENERAL PARTNER. ANY DELAYS MAY AFFECT THE ABILITY OF THE PROJECT TO GENERATE CASH FLOW, MEET THE PROJECT TIMELINE, AND OR MAY INCREASE COSTS AND REDUCE PROJECTED RATE OF RETURN.

SITE PLANS AND BUILDING CONCEPTUALS (INTERIOR AND EXTERIOR): THE SITE PLANS, BUILDING SKETCHES AND CONCEPTUAL PICTURES WITHIN THIS OFFERING MEMORANDUM ARE NOT INTENDED AS LEGAL DESCRIPTIONS OF THE PROPERTY OR TO CONSTITUTE AN UNDERTAKING TO DEVELOP THE SUBJECT PROPERTY EXACTLY AS SHOWN HEREIN. RATHER, IT IS FOR GENERAL REFERENCE ONLY AND THE ACTUAL DETAILS SHOWN HEREIN MAY VARY SUBSTANTIALLY DEPENDING UPON ACTUAL SITE CONDITIONS, ARCHITECTS PLANS, ZONING, PERMITTING AND NUMEROUS OTHER FACTORS. PLANS AND DESIGNS TO BUILD OUT THIS PROJECT AS PROPOSED ARE SUBJECT TO CHANGE WITHOUT NOTICE.

REAL ESTATE DEVELOPMENT ALWAYS INVOLVES VARIOUS ENVIRONMENTAL RISKS. THESE RISKS INCLUDE BUT ARE NOT LIMITED TO THE POSSIBLE PRESENCE OF HAZARDOUS AND TOXIC SUBSTANCES LOCATED ON, OR GENERATED BY CONSTRUCTION ACTIVITY OR OPERATIONS ON, THE SUBJECT PROPERTY, THE RESORT OR ADJACENT PROPERTY, WHICH COULD HAVE A DETRIMENTAL EFFECT ON THE PARTNERSHIP, AND COULD GIVE RISE TO LEGAL PROCEEDINGS BROUGHT BY CONTRACTORS, ADJACENT PROPERTY OWNERS AND OTHERS, ALL OF WHICH COULD CAUSE THE PARTNERSHIP TO SUFFER LOSS OF CAPITAL AND PROFITS, AND INCUR THE RESPONSIBILITY TO REMEDY THE ENVIRONMENTAL CONTAMINATION.

THE FINANCIAL FORECASTS CONTAIN ESTIMATES OF FUTURE RESULTS BASED ON INFORMATION AVAILABLE AS OF THE DATE OF THIS OFFERING MEMORANDUM THAT THE LIMITED PARTNERSHIP BELIEVES ARE REASONABLE. HOWEVER, NO REPRESENTATION IS OR CAN BE MADE AS TO FUTURE OPERATIONS OR OF THE AMOUNT OF ANY FUTURE INCOME OR LOSS FROM THE OPERATION OF THE STATESIDE HOTEL, COTTAGES, RECREATION CENTER, MEDICAL CENTER OR OTHER PROJECT AMENITIES. IN ADDITION, THE FINANCIAL FORECASTS OF TENANTS IS PROVIDED ONLY AS A GUIDE FOR THE ECONOMIC ANALYSIS, AND NO RELIANCE OR REPRESENTATION IS OR CAN BE MADE AS TO THE ACTUAL RENTAL INCOME THAT MAY BE EARNED BY THE LIMITED PARTNERSHIP BY LEASING THE PROJECT AMENITIES.

FUTURE MARKET VALUE OF THE PROJECT: THE ECONOMY OF THE STATE OF VERMONT, OF THE UNITED STATES GENERALLY, DEMOGRAPHIC CHANGES, INTEREST RATES, TAX CHANGES, FUTURE CONSTRUCTION ACTIVITY, AND MANY OTHER FACTORS WILL DETERMINE THE FUTURE VALUE OF THE PROJECT. THERE IS NO ASSURANCE THAT THE PROJECT OR ANY SEGMENTS THEREOF WILL HOLD OR INCREASE IN VALUE.

THE SUCCESS OF THE LIMITED PARTNERSHIP WILL DEPEND ON ITS ABILITY TO ATTRACT VISITORS TO THE RESORT AND TO STAY IN THE STATESIDE HOTEL AND COTTAGES. NO ASSURANCE CAN BE GIVEN THAT THE LIMITED PARTNERSHIP WILL BE SUCCESSFUL IN ATTRACTING SUCH GUESTS OR CUSTOMERS.

THERE IS COMPETITION AMONG EXISTING ACCOMMODATIONS AT THE RESORT AND OPERATORS OF OTHER ALL SEASONS RESORT HOTELS TO ATTRACT AND ENCOURAGE VISITS FOR CUSTOMERS. THERE CAN BE NO ASSURANCE THAT THE LIMITED PARTNERSHIP WILL BE ABLE TO COMPETE.

THE RESORT OWNER, OR ITS SUCCESSORS OR ITS AFFILIATES, MAY IN THE FUTURE DETERMINE TO CONSTRUCT OTHER BUILDINGS AT THE RESORT, INCLUDING HOTELS AND OTHER AMENITIES WHICH MAY CONNECT WITH AND COMPETE WITH THE STATESIDE HOTEL AND COTTAGES, AND OTHER PROJECT AMENITIES FOR GUESTS AND CUSTOMERS.

WHILE THE GENERAL PARTNER BELIEVES THE FINANCIAL PROJECTIONS, SOURCES OF FUNDS, BUILD COSTS, TIME FRAMES AND OTHER INFORMATION WITHIN THE BUSINESS PLAN ARE BASED UPON REASONABLE ASSUMPTIONS CONCERNING CERTAIN FACTORS AFFECTING THE PROBABLE FUTURE DEVELOPMENT AND OPERATIONS OF THE PARTNERSHIP AND THE PROJECT WHICH MAY BE KNOWN AT THE TIME OF THIS OFFERING , PURCHASERS SHOULD RECOGNIZE THAT THE FINANCIAL FORECASTS MAKE ASSUMPTIONS ABOUT GROSS REVENUES FROM THE STATESIDE HOTEL, COTTAGES, RECREATION CENTER AND MEDICAL CENTER AND OTHER PROJECT AMENITIES INCLUDING BUT NOT LIMITED TO ANNUAL ROOM RATES, ADMISSION FEES, OCCUPANCY AND USAGE LEVELS, TENANTS' OPERATIONS, WHICH ARE SUBJECT TO SUBSTANTIAL FLUCTUATION. ALTHOUGH THE LIMITED PARTNERSHIP DOES NOT BELIEVE SUCH CHARGES AND RATES TO BE UNREASONABLE, PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THERE IS NO ASSURANCE THAT SUCH RATES, TENANCY OPERATIONS AND OCCUPANCY RATES WILL BE ACHIEVED OR MAINTAINED. IF SUCH RATES, OCCUPANCY AND USAGE LEVELS ARE NOT ACHIEVED, THE OPERATING RESULTS MAY BE LESS FAVORABLE THAN THOSE PROJECTED. NO ASSURANCE CAN BE MADE THAT THESE FORECASTS WILL PROVE ACCURATE, AND PURCHASERS ARE WARNED AGAINST PLACING EXCESSIVE RELIANCE ON SUCH INFORMATION WHEN DECIDING WHETHER TO INVEST IN THE PARTNERSHIP.

POSSIBLE PURCHASE OF INTERESTS BY THE GENERAL PARTNER, RESORT OWNER, THEIR AFFILIATES, INVESTORS OR OFFICERS: IN THE EVENT THAT THE GENERAL PARTNER, RESORT OWNER, THEIR AFFILIATES, INVESTORS OR OFFICERS USES THEIR OR THEIR AFFILIATES' FUNDS OR FINANCIAL FACILITIES TO COMPLETE THE PROJECT, THE INVESTING PERSON(S) MAY ACQUIRE SOME CLASS B LIMITED PARTNERSHIP INTERESTS. IF THESE INTERESTS ARE SIGNIFICANT, AND ALBEIT THAT SUCH INTERESTS COULD BE NON-VOTING, THE ACQUIRING PERSON MAY STILL BE ABLE TO INFLUENCE OR CONTROL CERTAIN MATTERS UPON WHICH THE LIMITED PARTNERS ARE ENTITLED TO VOTE UNDER THE TERMS OF THE LIMITED PARTNERSHIP AGREEMENT.

AN INVESTOR MAY SUFFER ADVERSE TAX CONSEQUENCES IN THE EVENT OF A SALE OF HIS LIMITED PARTNERSHIP INTEREST.

THE LIMITED PARTNERSHIP IS A STARTUP BUSINESS THAT DOES NOT HAVE AN OPERATING HISTORY. THE LIMITED PARTNERSHIP'S BUSINESS IS DEPENDENT UPON THE LIMITED PARTNERSHIP OBTAINING SUFFICIENT CAPITAL TO PROPERLY DEVELOP ITS PROJECT, ITS SERVICES AND MARKETING OPERATIONS AND EFFECTIVELY EDUCATE THE PUBLIC, MORE SPECIFICALLY ITS TARGET MARKET, REGARDING ITS AVAILABILITY AND THE BENEFITS OF THE SITE.

EVEN IF THE LIMITED PARTNERSHIP OBTAINS ITS $67,000,000 EQUITY FINANCING AND USES IT AS DESCRIBED IN THE FINANCIAL DATA, THERE CAN BE NO ASSURANCE THAT ANY OPERATIONS WILL RESULT IN THE ANTICIPATED REVENUES OR NET INCOME TO THE LIMITED PARTNERSHIP.

RESTRICTED SECURITIES, LONG TERM NATURE OF INVESTMENT AND NO PUBLIC MARKET: INVESTORS WHO PURCHASE SECURITIES IN THIS OFFERING MUST BEAR THE ECONOMIC RISK OF THE INVESTMENT FOR AN INDEFINITE PERIOD BECAUSE THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE 1933 SECURITIES ACT OR ANY STATE LAWS, AND THEREFORE CANNOT BE SOLD IN THE PUBLIC MARKET UNLESS THEY ARE SUBSEQUENTLY REGISTERED UNDER THE 1933 SECURITIES ACT AND ANY APPLICABLE STATE LAWS OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE.

THE LIMITED PARTNERSHIP HAS NOT PREPARED AUDITED FINANCIAL STATEMENTS (SEE FINANCIAL DATA – "RISK FACTORS"): NO INDEPENDENT COUNSEL HAS BEEN RETAINED TO REPRESENT THE INTEREST OF THE LIMITED PARTNERS. EACH PROSPECTIVE PURCHASER SHOULD CONSULT WITH HIS OWN COUNSEL AS TO THE TERMS OF THE PARTNERSHIP AGREEMENT AND EXHIBITS THERETO, AND THEIR FINANCIAL AND TAX ADVISERS AS TO THE BUSINESS PLAN AND EXHIBITS THERETO.

U.S. IMMIGRATION FOR EB-5, ALIEN ENTREPRENEUR INVESTORS

THE IMMIGRATION INFORMATION PROVIDED IN THIS OFFERING MEMORANDUM IS NOT INTENDED TO BE, SHOULD NOT BE CONSIDERED AS AND IS NOT LEGAL ADVICE TO THE FOREIGN INVESTOR. EACH FOREIGN INVESTOR MUST CONSULT INDEPENDENT IMMIGRATION COUNSEL REGARDING U.S. IMMIGRATION LAW IMPLICATIONS, STRATEGIES, ADMONITIONS, BENEFITS, IF ANY, AND ALL OTHER IMMIGRATION-RELATED ISSUES REGARDING THE INVESTOR AND THE INVESTOR'S QUALIFYING FAMILY MEMBERS.

OVERVIEW

THE EB-5, EMPLOYMENT-BASED VISA PREFERENCE, IS INTENDED TO ENCOURAGE THE FLOW OF CAPITAL INTO THE U.S. ECONOMY AND TO PROMOTE EMPLOYMENT OF U.S. WORKERS. TO ACCOMPLISH THESE GOALS AND SO THAT FOREIGN INVESTORS MAY OBTAIN IMMIGRATION BENEFITS FOR HAVING MADE AN INVESTMENT, THE PROGRAM MANDATES THE MINIMUM CAPITAL THAT FOREIGN INVESTORS MUST CONTRIBUTE AND IT MANDATES THAT 10 FULL-TIME EMPLOYMENT POSITIONS BE CREATED ON ACCOUNT OF EACH INVESTMENT. IN ADDITION TO THE RETURN THAT INVESTORS HOPE TO ACHIEVE ON THEIR INVESTMENT, FOREIGN INVESTORS AND THEIR QUALIFYING FAMILY MEMBERS ARE OFFERED THE PROSPECT OF LAWFUL PERMANENT RESIDENCE IN THE UNITED STATES; PROVIDED THEY SATISFY THE REQUIREMENTS OF THE EB-5 PROGRAM.

THE JAY PEAK HOTEL SUITES STATESIDE PROJECT HAS BEEN STRUCTURED TO ASSIST INVESTORS TO MEET THE REQUIREMENTS OF THE EB-5 PROGRAM [8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) OF THE IMMIGRATION &NATIONALITY ACT (THE "ACT")] AND QUALIFY VIA INVESTMENT IN THIS PROJECT (THE "PROJECT") TO BECOME ELIGIBLE FOR ADMISSION TO THE UNITED STATES OF AMERICA AS LAWFUL PERMANENT RESIDENTS WITH THE INVESTOR'S QUALIFYING FAMILY MEMBERS.

THE PROJECT STRUCTURE AND PROVISIONS ARE EXPECTED TO QUALIFY UNDER SEPARATE PROVISIONS IN THE LAW THAT PERMIT: (1) A REDUCED INVESTMENT, RELYING UPON THE PRESENCE OF THE PRINCIPAL PLACE OF BUSINESS OF THE EB-5 ENTERPRISE WITHIN A TARGETED EMPLOYMENT AREA (TEA); AND, (2) RELIANCE, IN WHOLE OR IN PART, UPON INDIRECT CREATION OF EMPLOYMENT POSITIONS, A PRIVILEGE GRANTED TO EB-5 PROJECTS THAT ARE WITHIN AND AFFILIATED WITH AN APPROVED REGIONAL CENTER, IN THIS INSTANCE, THE VERMONT REGIONAL CENTER AUTHORIZED BY THE ACT UNDER A PILOT PROGRAM. *(SEE IMMIGRATION RISK FACTORS, PAGE 29.)* QUALIFICATION OF THE PROJECT STRUCTURE AND COMPLIANCE WITH THE LAW IS DETERMINED BY THE USCIS, AS PART OF ITS REVIEW OF INVESTOR IMMIGRATION PETITIONS.

THE DISCUSSION OF IMMIGRATION MATTERS BELOW REFLECTS THE LIMITED PARTNERSHIP'S CURRENT UNDERSTANDING OF EB-5, ALIEN ENTREPRENEUR LAW, REGULATIONS AND EB-5 PROGRAM GUIDANCE FROM USCIS ON ITS PRACTICES AS OF THE DATE OF THIS OFFERING MEMORANDUM. THE EB-5 ALIEN ENTREPRENEUR LAW, REGULATIONS AND THE EB-5 PROGRAM MAY BE ALTERED IN THE FUTURE BY AMENDMENTS TO THE LAW, REGULATIONS AND PRACTICE GUIDELINES FROM USCIS. IN THE EVENT OF SUCH CHANGES, THE INVESTOR AND THE PROJECT WILL BE REQUIRED TO COMPLY WITH SUCH FUTURE ALTERATIONS. (SEE, RISK FACTORS, GENERAL, PAGE 29 AND NO REGULATIONS REGARDING REMOVAL OF CONDITIONS, PAGE 34).

FOR EB-5 INVESTORS

FOREIGN INVESTORS ARE SPECIFICALLY DIRECTED TO REVIEW CERTAIN IMPORTANT MATTERS LISTED HEREUNDER AND IN THE IMMIGRATION RISK FACTORS PAGE 29.

LEGAL COUNSEL: THE INVESTOR WILL REQUIRE THE SERVICES OF INDEPENDENT LEGAL COUNSEL FOR U.S. IMMIGRATION LAW DUE DILIGENCE, ADVICE, PREPARATION AND FILING OF PETITIONS AND ALL OTHER U.S. IMMIGRATION MATTERS. THE INVESTOR IS RESPONSIBLE FOR PAYMENT OF ALL LEGAL FEES AND COSTS, INCLUDING USCIS APPLICATION FEES, INCURRED IN CONNECTION WITH THE RECEIPT OF SUCH LEGAL SERVICES.

FILING THE IMMIGRANT PETITIONS: JAY PEAK HOTEL SUITES STATESIDE L.P., THE GENERAL PARTNER AND JAY PEAK, INC. SHALL USE THEIR REASONABLE BEST EFFORTS TO ASSIST THE FOREIGN INVESTORS' LEGAL COUNSEL BY PROVIDING NECESSARY INFORMATION AND DOCUMENTATION TO SUPPORT AN I-526 PETITION AND AN I-829 PETITION TO REMOVE CONDITIONS. JAY PEAK HOTEL SUITES STATESIDE L.P., PROVIDES THIS INFORMATION SOLELY ON THE BASIS OF BEING WITHOUT LIABILITY OR OTHER OBLIGATION.

IN THE EVENT THE GENERAL PARTNER RECEIVES A USCIS NOTICE OF DENIAL OF AN INVESTOR'S I-526 PETITION, AND A COPY OF ALL RELEVANT MATERIALS PERTAINING TO SUCH DENIAL HAVE BEEN SUBMITTED TO THE LIMITED PARTNERSHIP, THE LIMITED PARTNERSHIP SHALL, WITHIN 90 DAYS OF A WRITTEN REQUEST BY THE INVESTOR, REFUND THE $500,000 CAPITAL CONTRIBUTION TOGETHER WITH THE RESORT OWNER REFUNDING 50% OF THE ADMINISTRATIVE FEE. UPON SUCH REPAYMENT, ANY INTEREST OF THE INVESTOR IN THE LIMITED PARTNERSHIP SHALL AUTOMATICALLY BE TERMINATED WITHOUT THE NECESSITY OF ANY FURTHER ACTION BY THE INVESTOR OR THE LIMITED PARTNERSHIP.

UPON SUBSCRIBING TO THIS OFFERING AND BECOMING A LIMITED PARTNER, IT IS AT THE SOLE RESPONSIBILITY AND RISK OF THE FOREIGN INVESTOR TO PROMPTLY FILE THE I-526 PETITION AT THE INVESTOR'S SOLE EXPENSE. THERE IS NO REFUND OF THE CAPITAL CONTRIBUTION OR ADMINISTRATION FEE FOR DELAY OR FAILURE FOR ANY REASON WHATSOEVER TO FILE AN I-526 PETITION.

THE EB-5 PROGRAM, BY VIRTUE OF RECENT AMENDMENTS TO THE REGIONAL CENTER PILOT PROGRAM ENABLING LEGISLATION, HAS BEEN EXTENDED THROUGH SEPTEMBER 30, 2012. THEREAFTER, IF THE REGIONAL CENTER PILOT PROGRAM LAPSES, FOR EACH INVESTOR WHOSE CASE IS FILED WITH USCIS BUT NOT ADJUDICATED ON OR BEFORE THE DATE OF LAPSE, THEIR $500,000 CAPITAL CONTRIBUTION SHALL REMAIN INVESTED IN THE PARTNERSHIP PROVIDED:

1. THE REGIONAL CENTER PILOT PROGRAM IS REAUTHORIZED RETROACTIVELY OR IS PENDING REAUTHORIZATION WITHIN A TWELVE MONTH PERIOD FOLLOWING SUNSET, AND THE INVESTOR'S I-526 PETITION IS IN DUE COURSE ADJUDICATED;

   OR,

2. LEGISLATION IS ENACTED OR PENDING PROVIDING SUBSTANTIALLY SIMILAR IMMIGRATION BENEFITS TO INVESTORS UNDER THE FORMER EB-5 REGIONAL CENTER PROGRAM WITHIN A TWELVE MONTH PERIOD FOLLOWING SUNSET.

IF NONE OF THE EVENTS DESCRIBED IN 1 OR 2 OCCUR, OR ARE NOT PENDING AS STATED, AT THE INVESTOR'S ELECTION, THE INVESTOR MAY (1) REMAIN INVESTED IN THE PROJECT; OR, (2) MAKE A WRITTEN REQUEST TO THE GENERAL PARTNER FOR A REFUND OF THE CAPITAL CONTRIBUTION OF $500,000. WITHIN NINETY (90) DAYS OF THE GENERAL PARTNER'S RECEIPT OF A REQUEST FOR A REFUND, THE CAPITAL CONTRIBUTION WILL BE REFUNDED BY THE LIMITED PARTNERSHIP TO THE INVESTOR. THE INVESTOR'S RIGHTS ARE IN THIS EVENT LIMITED SOLELY TO THE RETURN OF THE CAPITAL CONTRIBUTION OF $500,000.

IMMIGRATION MATTERS

OVERVIEW

THE JAY PEAK HOTEL SUITES STATESIDE PROJECT HAS BEEN STRUCTURED TO ASSIST INVESTORS TO MEET THE REQUIREMENTS OF THE EB-5 PROGRAM [8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) OF THE IMMIGRATION &NATIONALITY ACT (THE "ACT")] AND QUALIFY VIA INVESTMENT IN THIS PROJECT (THE "PROJECT") TO BECOME ELIGIBLE FOR ADMISSION TO THE UNITED STATES OF AMERICA AS LAWFUL PERMANENT RESIDENTS WITH THE INVESTOR'S QUALIFYING FAMILY MEMBERS.

THE PROJECT STRUCTURE AND PROVISIONS ARE EXPECTED TO QUALIFY UNDER SEPARATE PROVISIONS IN THE LAW THAT PERMIT: (1) A REDUCED INVESTMENT, RELYING UPON THE PRESENCE OF THE PRINCIPAL PLACE OF BUSINESS OF THE EB-5 ENTERPRISE WITHIN A TARGETED EMPLOYMENT AREA (TEA); AND, (2) RELIANCE, IN WHOLE OR IN PART, UPON INDIRECT CREATION OF EMPLOYMENT POSITIONS, A PRIVILEGE GRANTED TO EB-5 PROJECTS THAT ARE

WITHIN AND AFFILIATED WITH AN APPROVED REGIONAL CENTER. IN THIS INSTANCE, THE VERMONT REGIONAL CENTER AUTHORIZED BY THE ACT UNDER A PILOT PROGRAM.

QUALIFICATION OF THE PROJECT STRUCTURE AND COMPLIANCE WITH THE LAW IS DETERMINED BY THE USCIS, AS PART OF ITS REVIEW OF INVESTOR IMMIGRATION PETITIONS.

AMOUNT OF INVESTMENT: AND TARGETED EMPLOYMENT AREA

THE EB-5 PROGRAM CALLS FOR A MINIMUM INVESTMENT OF $1,000,000 USD BY AN INVESTOR. HOWEVER, FOR THE PROJECT, THIS SUM MAY BE REDUCED TO $500,000 USD BECAUSE THE INVESTMENT IS SITUATED IN A TARGETED EMPLOYMENT AREA (TEA). TEA'S MUST MEET ONE OF TWO CRITERIA, THE FIRST, CONCERNING POPULATION, AND THE SECOND, CONCERNING HIGH RATES OF UNEMPLOYMENT IN TOWNS WHOSE POPULATION EQUALS OR EXCEEDS 20,000.

THE FIRST CRITERION, CONCERNING POPULATION, IS THE RELEVANT CRITERIA FOR THIS PROJECT, AS IT STATES THAT IF AN INVESTMENT IS MADE IN A TOWN OR CITY WHOSE POPULATION IS LESS THAN 20,000, AND THE TOWN OR CITY IS NOT WITHIN A METROPOLITAN STATISTICAL AREA (MSA) AS DESIGNATED BY THE U.S. OFFICE OF MANAGEMENT AND BUDGET, THE INVESTMENT IS DEEMED TO HAVE BEEN MADE IN A TEA. THE PROJECT BELIEVES IT COMPLIES WITH THIS CRITERIA BECAUSE IT RELIES ON THE FACT THAT IT IS SITUATED IN JAY, VERMONT, A TOWN WHOSE POPULATION WAS 406 ACCORDING TO THE 2000 CENSUS AND ITS POPULATION IS STATED BY THE U.S. CENSUS BUREAU TO HAVE INCREASED TO 521 AS OF 2010, (SEE EXHIBIT H3 IN SECTION 5) BASED UPON THE MOST RECENTLY REPORTED DATA FROM THIS AGENCY BELIEVED TO BE PUBLISHED.

THE SECOND CRITERION IS NOT RELEVANT TO THE PROJECT BECAUSE THE TOWN OF JAY'S POPULATION DOES NOT EQUAL OR EXCEED 20,000 AND THE TOWN OF JAY IS NOT SITUATED IN A METROPOLITAN STATISTICAL AREA.

ADMINISTRATIVE AND OTHER COSTS BORNE BY THE INVESTOR CANNOT BE PAID FROM THIS SUM. IN THIS PROJECT, $50,000.00 ADMINISTRATIVE FEES ARE PAYABLE BY EACH INVESTOR IN ADDITION TO THE REQUIRED $500,000 MINIMUM INVESTMENT INTO THE PROJECT.

COUNTING EMPLOYMENT POSITIONS CREATED

TO QUALIFY AS AN EB-5 INVESTOR, EACH INVESTOR MUST DEMONSTRATE THAT 10 FULL-TIME, YEAR-AROUND EMPLOYMENT POSITIONS WILL BE CREATED ON ACCOUNT OF THE INVESTMENT.

THESE EMPLOYMENT POSITIONS MUST BE FOR U.S. CITIZENS, LAWFUL PERMANENT RESIDENTS AND OTHER IMMIGRANTS LAWFULLY AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES. NON-IMMIGRANT (TEMPORARY) WORKERS ARE NOT INCLUDED IN THE COUNT. ALSO EXCLUDED ARE THE INVESTOR, THE INVESTOR'S SPOUSE AND THE INVESTOR'S CHILDREN.

A FULL-TIME EMPLOYMENT POSITION (INCLUDING ONE POSITION SHARED BY MORE THAN ONE EMPLOYEE) MEANS ONE THAT REQUIRES AT LEAST 35 HOURS EACH WEEK TO FULFILL.

AN EMPLOYMENT POSITION IS DEEMED CREATED WHEN THE WORKER IS REMUNERATED ON THE PAYROLL OF THE NEW ENTERPRISE. INDEPENDENT CONTRACTORS ARE EXCLUDED FROM THE DIRECT EMPLOYMENT POSITION CREATION COUNT.

AN EXCEPTION TO THE REQUIREMENT OF PAYMENT OR OTHER REMUNERATION COMING DIRECTLY FROM THE NEW ENTERPRISE IS MADE IF THE ENTERPRISE IS LOCATED WITHIN AND AFFILIATED WITH A REGIONAL CENTER CREATED UNDER A PILOT PROGRAM FIRST ENACTED IN 1993. THE ENTIRE STATE OF VERMONT IS SUCH A REGIONAL CENTER. AN INVESTOR IN AN ENTERPRISE, SUCH AS THIS PROJECT, ESTABLISHED IN VERMONT, IS PERMITTED TO DEMONSTRATE THAT SOME, POSSIBLY ALL, OF THE EMPLOYMENT POSITIONS CREATED ON

ACCOUNT OF THE INVESTMENT IN THE ENTERPRISE WILL BE INDIRECT EMPLOYMENT POSITIONS., I.E., NOT ON THE PAYROLL OF THE ENTERPRISE. IT IS INCUMBENT UPON THE INVESTOR TO SHOW HOW MANY EMPLOYMENT POSITIONS ARE EXPECTED TO BE CREATED INDIRECTLY BY RELIANCE UPON REASONABLE METHODOLOGIES SUCH AS MULTIPLIER TABLES, FEASIBILITY STUDIES, ANALYSES OF FOREIGN AND DOMESTIC MARKETS FOR THE GOODS OR SERVICES TO BE EXPORTED, AND OTHER ECONOMICALLY OR STATISTICALLY VALID FORECASTING DEVICES WHICH INDICATE THE LIKELIHOOD THAT THE BUSINESS WILL RESULT IN INCREASED EMPLOYMENT.

ALL SUCH FULL TIME EQUIVALENT EMPLOYMENT POSITIONS EXPECTED TO BE CREATED WILL BE APPLIED ONLY TO FOREIGN INVESTORS WHO SEEK TO UTILIZE THIS INVESTMENT FOR IMMIGRATION PURPOSES UNDER THE PROGRAM.

THE STATE OF VERMONT - A REGIONAL CENTER

THE U.S. CONGRESS CREATED A PILOT PROGRAM, RESCHEDULED TO SUNSET ON SEPTEMBER 30, 2012, THAT PROVIDES FOR THE AUTHORIZATION OF REGIONAL CENTERS BY THE U.S. DEPARTMENT OF JUSTICE, IMMIGRATION AND NATURALIZATION SERVICE (N/K/A USCIS). ENTERPRISES LOCATED WITHIN AND AFFILIATED WITH A REGIONAL CENTER ARE NOT REQUIRED TO EMPLOY TEN (10) WORKERS FOR EACH EB-5 QUALIFYING INVESTMENT. IT SUFFICES IF THE INVESTOR DEMONSTRATES THAT AT LEAST TEN (10) QUALIFYING EMPLOYMENT POSITIONS WILL BE CREATED DIRECTLY OR INDIRECTLY ON ACCOUNT OF THE INVESTMENT.

IN JUNE 1997, THE STATE OF VERMONT, AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT (ACCD), WAS GRANTED A DESIGNATION AS AN APPROVED REGIONAL CENTER UNDER THIS PILOT PROGRAM. AN INVESTMENT IN A COMMERCIAL ENTERPRISE SITUATED WITHIN AND AFFILIATED WITH THE REGIONAL CENTER, THE STATE OF VERMONT, THAT FOSTERS ECONOMIC EXPANSION THROUGH INCREASED EXPORTS, GREATER REGIONAL PRODUCTIVITY, EMPLOYMENT CREATION OR ADDITIONAL DOMESTIC CAPITAL INVESTMENT, QUALIFIES FOR THE BROADER VIEW OF EMPLOYMENT CREATION.

THE PROJECT HAS CONDUCTED AN ECONOMIC IMPACT ASSESSMENT TO DETERMINE THE NUMBER OF EMPLOYMENT POSITIONS EXPECTED TO BE CREATED AS A RESULT OF ONE HUNDRED AND THIRTY FOUR (134) FOREIGN INVESTORS EACH CONTRIBUTING $500,000 USD TO THE PROGRAM, AND THE RESORT OWNER CONTRIBUTING $20 MILLION. THIS ANALYSIS WAS CONDUCTED USING RIMS II.

THE CURRENT ANALYSIS FOCUSED ON THE PROJECT AS A SOURCE OF EMPLOYMENT CREATION, SO THAT IT IS MORE SPECIFIC THAN THE ANALYSIS THAT SUPPORTED THE REGIONAL CENTER DESIGNATION FOR THE GREATER STATE OF VERMONT. THIS ANALYSIS DEMONSTRATES THAT THE COMBINED PROJECT DEVELOPMENT AND BUSINESS ACTIVITIES CARRIED ON BY THE LIMITED PARTNERSHIP IS EXPECTED TO CREATE GREATER THAN 1,900 PERMANENT FULL TIME EMPLOYMENT POSITIONS WITHIN THE STATE OF VERMONT, ACCD REGIONAL CENTER AND WITHIN THE UNITED STATES BY THE YEAR 2014. THESE PROJECTED EMPLOYMENT POSITIONS ARE IN EXCESS OF THE 1,340 EMPLOYMENT POSITIONS REQUIRED UNDER EB-5 LAW AND REGULATIONS IF ALL LIMITED PARTNERSHIP INTERESTS ARE SOLD TO FOREIGN INVESTORS USING THE EB-5 PROGRAM. SEE THE COMMENT ON EXPIRATION OF REGIONAL CENTER PILOT PROGRAM AT PAGE 35. *(SEE RISK FACTORS, PAGE 17.)*

THE I-526 PETITION PROCESS

FOR INVESTORS SEEKING LAWFUL PERMANENT RESIDENCE, THE FIRST STEP IN THE PROCESS IS TO FILE AN I-526 PETITION FOR ALIEN ENTREPRENEUR, TOGETHER WITH ACCOMPANYING EVIDENCE IN SUPPORT OF THE PROGRAM'S REQUIREMENTS. USCIS ADJUDICATES I-526 PETITIONS BY REVIEWING THESE CRITERIA, AMONG OTHERS:

NEW COMMERCIAL ENTERPRISE: THERE MUST BE EVIDENCE THAT SHOWS THAT ENTERPRISE IS NEW AND AUTHORIZED TO TRANSACT BUSINESS.

INVESTMENT CAPITAL: THE PETITION MUST BE SUPPORTED BY EVIDENCE THAT THE PETITIONER HAS INVESTED THE MINIMUM REQUIRED CAPITAL. USCIS EXPECTS THESE FUNDS TO BE "AT RISK", CONNOTING AN IRREVOCABLE COMMITMENT TO THE ENTERPRISE. THE FUNDS MUST BE USED BY THE ENTERPRISE EXCLUSIVELY TO CREATE EMPLOYMENT. FUNDS USED TO PAY ADMINISTRATIVE COSTS OR OTHER OBLIGATIONS UNDERTAKEN TO PROMOTE

THE INVESTMENT; TO CREATE RESERVE ACCOUNTS OR FOR ANY PURPOSE THAT DOES NOT LEAD TO THE CREATION OF EMPLOYMENT BY THE ENTERPRISE ARE NOT DEEMED "AT RISK". ANY COMMITMENT BY THE EB-5 ENTERPRISE TO THE INVESTOR THAT IS DEEMED TO TRANSFORM THE RELATIONSHIP FROM AN INVESTMENT TO A DEBT ARRANGEMENT (FOR EXAMPLE, A PROMISE TO PAY A FIXED RATE OF RETURN OR TO REPAY SOME OR ALL OF THE INVESTMENT ON A DATE CERTAIN OR TO REPAY SOME OR ALL OF THE INVESTMENT IRRESPECTIVE OF THE FINANCIAL PERFORMANCE OF THE PROJECT) WILL DISQUALIFY THE INVESTED FUNDS FROM BEING DEEMED "AT RISK". FUNDS THAT ARE NOT DEEMED "AT RISK" WILL NOT BE COUNTED TOWARDS THE MINIMUM SUM REQUIRED TO BE INVESTED, POSSIBLY RESULTING IN THE DENIAL OF THE I-526 PETITION.

SOURCE OF CAPITAL: EVIDENCE MUST SUPPORT THE INVESTOR'S LEGAL ACQUISITION OF CAPITAL. IN SUPPORT OF THE I-526 PETITION, AN INVESTOR SHOULD EXPECT TO PROVIDE DETAILED RECORDS DEMONSTRATING THE PERSONAL AND BUSINESS FINANCIAL TRANSACTIONS THROUGH WHICH THE INVESTOR ACQUIRED THE INVESTED FUNDS, AND MANAGED, THOSE FUNDS DURING THE ENTIRE PERIOD OF OWNERSHIP BY THE INVESTOR AND DEMONSTRATING THE TRANSACTIONS BY WHICH THE FUNDS WERE TRANSFERRED BY THE INVESTOR INTO THE EB-5 PROJECT. WHERE COUNTRIES REQUIRE BY LAW THE FILING OF ANNUAL INDIVIDUAL AND BUSINESS TAX RETURNS THE INVESTOR SHOULD ALSO EXPECT TO PROVIDE AT LEAST THE LAST FIVE YEARS TAX RETURNS IN CERTAIN INSTANCES, WHEN, FOR EXAMPLE, THE INVESTOR ACQUIRES INVESTMENT FUNDS AS GIFT, OR IN THE CASE OF THE INVESTOR MAKING LOANS FROM INDIVIDUALS OR SOME ENTITIES TO ACQUIRE THE INVESTMENT FUNDS, THE DONOR OR THE LENDER, AS THE CASE MAY BE, WILL BE EXPECTED TO PROVIDE FINANCIAL RECORDS OF COMPARABLE DETAIL ESTABLISHING THAT THE FUNDS WERE LAWFULLY ACQUIRED FUNDS EARNED OR OBTAINED IN THE UNITED STATES WHILE THE INVESTOR WAS IN UNLAWFUL IMMIGRATION STATUS ARE NOT DEEMED BY USCIS TO BE LAWFULLY ACQUIRED. IF USCIS IS NOT SATISFIED THAT THE INVESTED FUNDS WERE ACQUIRED BY THE INVESTOR LAWFULLY, SUCH FUNDS WILL NOT BE COUNTED TOWARDS THE MANDATORY INVESTMENT SUM, POTENTIALLY CAUSING THE I-526 PETITION TO FAIL. INVESTMENT IN AN EB-5 PROJECT IS NOT APPROPRIATE FOR THOSE WHO ARE UNABLE OR UNWILLING TO PROVIDE ALL FINANCIAL RECORDS THAT USCIS MAY REQUIRE TO DEMONSTRATE THAT INVESTED FUNDS HAVE BEEN LAWFULLY ACQUIRED BY THE INVESTOR.

MANAGERIAL ROLE: THE INVESTOR IS EXPECTED TO PARTICIPATE IN THE MANAGEMENT OF THE NEW ENTERPRISE BY ASSISTING IN THE FORMULATION OF THE ENTERPRISE'S BUSINESS POLICY, BY PARTICIPATING IN ONE OR MORE OF THE ACTIVITIES PERMITTED IN SECTION 3423(B) OF THE VERMONT REVISED UNIFORM LIMITED PARTNERSHIP ACT ("VRULPA"), AND AS OTHERWISE SET FORTH IN THE LIMITED PARTNERSHIP AGREEMENT. THE LIMITED PARTNERSHIP AGREEMENT PROVIDES THAT THIS MANAGEMENT ROLE CONSISTS, IN PART, OF THE RIGHT TO REPLACE THE GENERAL PARTNER UNDER CERTAIN CIRCUMSTANCES. LIMITED PARTNER INVESTORS IN AN EB-5 ENTERPRISE MUST HAVE ALL THE RIGHTS AND DUTIES USUALLY ACCORDED TO LIMITED PARTNERS BY THE UNIFORM LIMITED PARTNERSHIP ACT (ULPA), AS ADOPTED IN VERMONT AS VRULPA. THE PROJECT LIMITED PARTNERSHIP AGREEMENT PRESENTED BY THE PROJECT, IN ITS VIEW, PROVIDES SUCH RIGHTS AND DUTIES TO THE LIMITED PARTNERS. THE INVESTOR IS ADVISED TO SEEK COMPETENT COUNSEL TO REVIEW THE LIMITED PARTNERSHIP AGREEMENT COMPLIANCE WITH BOTH VRULPA AND IMMIGRATION LAW REQUIREMENTS. (SEE RISK FACTORS, ACTIVE PARTICIPATION IN LIMITED PARTNERSHIP BUSINESS, PAGE 37 ...).

THE I-526 PETITION APPROVAL

THE I-526 PETITION FOR ALIEN ENTREPRENEUR WILL BE APPROVED ONLY IF USCIS IS SATISFIED THAT THE ALL STATUTORY CRITERIA HAVE BEEN MET. THE DETERMINATION OF WHETHER THESE CRITERIA HAVE BEEN ESTABLISHED IS WITHIN THE DISCRETION OF USCIS. IT IS ALSO WITHIN THE POWER, IF NOT THE DISCRETIONARY AUTHORITY, OF USCIS TO SEEK INFORMATION ABOUT OTHER ASPECTS OF THE INVESTMENT AND THE RELATIONSHIP OF THE INVESTOR TO THE ENTERPRISE.

THE EB-5 ALIEN ENTREPRENEUR LAW, REGULATIONS AND EB-5 PROGRAM HAVE BEEN ALTERED IN THE PAST, AND MAY BE ALTERED IN THE FUTURE BY AMENDMENTS TO THE LAW, REGULATIONS AND PRACTICE GUIDELINES FROM USCIS. IN THE EVENT OF SUCH FUTURE CHANGES, THE INVESTOR WILL BE REQUIRED TO COMPLY WITH SUCH FUTURE ALTERATIONS. IF SUCH FUTURE CHANGES OCCUR AND THEY ALTER THE CURRENT I-526 PETITION PROCEDURES; THE INVESTOR WILL BE EXPECTED TO COMPLY WITH ANY SUCH ALTERATIONS. *SEE RISK FACTORS, RISKS ATTENDANT TO EB-5 STATUS, PAGE 37).*

IN THE EVENT THAT USCIS DENIES THE I-526 PETITION, THE INVESTOR MAY NOT PROCEED WITH THE NEXT STEP IN THE IMMIGRATION PROCESS, CONSULAR PROCESSING OR ADJUSTMENT OF STATUS. INSTEAD, THE INVESTOR MUST DECIDE WHETHER TO APPEAL THE DENIAL OF THE I-526 PETITION, REVISE AND RE-FILE THE I526 PETITION OR ABANDON THE PROSPECT OF OBTAINING LAWFUL PERMANENT RESIDENT STATUS THROUGH INVESTMENT IN THE PROJECT.

CONSULAR PROCESSING OR ADJUSTMENT OF STATUS

APPROVAL OF THE I-526 PETITION MEANS THAT THE ALIEN AND THE ALIEN'S SPOUSE AND CHILDREN UNDER THE AGE OF 21 YEARS MAY APPLY FOR ADMISSION AS CONDITIONAL LAWFUL PERMANENT RESIDENTS (CLPR). APPROVAL OF THE I-526 PETITION DOES NOT MEAN THAT THE INVESTOR HAS BEEN GRANTED ADMISSION TO THE UNITED STATES AS A LAWFUL PERMANENT RESIDENT. APPROVAL OF AN I-526 MEANS THAT THE INVESTMENT DOCUMENTED BY THE I-526 PETITION HAS QUALIFIED THE INVESTOR AS AN ALIEN ENTREPRENEUR. *(SEE RISK FACTORS, PAGE 29 ...)*

THE CLPR APPLICATION FOR ADMISSION IS A SEPARATE AND SUBSEQUENT PROCESS THAT CONCERNS ISSUES COMMON TO ALL ALIENS WHO WISH TO LIVE IN THE UNITED STATES PERMANENTLY. ADMISSION AS A CLPR MAY BE SOUGHT USING ONE OF TWO METHODS: CONSULAR PROCESSING OR ADJUSTMENT OF STATUS.

CONSULAR PROCESSING

CONSULAR PROCESSING IS DESIGNED FOR ALIENS LIVING OUTSIDE OF THE UNITED STATES, OR FOR THOSE WHO PREFER TO PROCESS AT A CONSULATE FOR STRATEGIC REASONS OR AS A MATTER OF CONVENIENCE OR ARE INELIGIBLE TO ADJUST STATUS. TYPICALLY, THE CONSULAR POST, WHICH IS DESIGNATED AT THE TIME THE I-526 PETITION IS FILED, IS IN THE COUNTRY OF LAST RESIDENCE, I.E., THE LAST PRINCIPAL ACTUAL DWELLING PLACE.

IN THEIR SOLE DISCRETION, CONSULATES ISSUE VISAS, A TRAVEL DOCUMENT, USUALLY AFFIXED TO A PASSPORT THAT AUTHORIZES THE HOLDER TO SEEK ADMISSION TO THE UNITED STATES AT A PORT OF ENTRY. THE VISA IS ISSUED FOR AN IMMIGRATION STATUS THAT A CONSUL BELIEVES THE VISA APPLICANT IS QUALIFIED TO HOLD. IN AN EB-5 CASE, THE VISA MAY BE SOUGHT FROM A CONSULATE ONLY AFTER THE INVESTOR'S I-526 PETITION IS APPROVED. AN EB-5 INVESTOR AND THE INVESTOR'S SPOUSE AND QUALIFYING CHILDREN ARE GRANTED IMMIGRANT VISAS. USE OF THESE VISAS TO ENTER THE U.S. RESULTS IN A GRANT OF CONDITIONAL LAWFUL PERMANENT RESIDENCE. *(SEE DISCUSSION ON REMOVAL OF CONDITIONS AT PAGE 37*

BEFORE ISSUING AN IMMIGRANT VISA, THE CONSULAR POST MUST DETERMINE IF EACH ALIEN IS ADMISSIBLE TO THE U.S. APPROVAL OF THE I-526 PETITION DOES NOT BY ITSELF ESTABLISH ADMISSIBILITY. AN ALIEN IS ADMISSIBLE WHO PROVES THAT NO GROUNDS OF INADMISSIBILITY EXIST AND THE ALIEN HAS PROPER TRAVEL DOCUMENTS. *(SEE THE DISCUSSION ON IMMIGRATION RISK FACTORS, BELOW, FOR A NON-EXHAUSTIVE LIST OF THE GROUNDS OF INADMISSIBILITY.)* WAIVERS ARE AVAILABLE FOR CERTAIN OF THE MANY GROUNDS OF INADMISSIBILITY, BUT THE GRANT OF A WAIVER IS IN THE DISCRETION OF THE GOVERNMENT AND ALIENS SEEKING WAIVERS EXPERIENCE LENGTHY DELAYS IN ADJUDICATION OF WAIVER APPLICATIONS. INVESTORS SHOULD CONSULT WITH IMMIGRATION COUNSEL TO DETERMINE IF ANY GROUNDS OF INADMISSIBILITY MAY AFFECT THE ELIGIBILITY OF THE INVESTOR OR THE INVESTOR'S SPOUSE OR OTHERWISE QUALIFYING CHILDREN FOR ADMISSION TO THE UNITED STATES AND IF A WAIVER IS AVAILABLE FOR SUCH GROUNDS OF INADMISSIBILITY.

IF THE CONSULAR POST FINDS THAT THE INVESTOR IS ADMISSIBLE, IT WILL ISSUE AN IMMIGRANT VISA TO THE INVESTOR. THE CONSULAR POST WILL ALSO DETERMINE IF THE SPOUSE AND THE QUALIFYING CHILDREN OF THE INVESTOR ARE ADMISSIBLE. A DETERMINATION OF ADMISSIBILITY MUST BE MADE AS TO EACH VISA APPLICANT. THERE IS NO GUARANTEE THAT ALL MEMBERS OF THE INVESTOR'S FAMILY WILL BE GRANTED AN IMMIGRANT VISA. IF THE INVESTOR IS DENIED AN IMMIGRANT VISA, APPLICATIONS BY THE SPOUSE AND CHILDREN OF THE INVESTOR FOR SUCH A VISA WILL ALSO BE DENIED. CONSULAR PROCESSING SUBJECTS BOTH THE VISA APPLICANT AND THE I-526 PETITION TO THE SCRUTINY OF A SECOND GOVERNMENT AGENCY WHOSE DECISIONS ARE NOT APPEALABLE. IF THE CONSULAR OFFICER, BASED UPON INFORMATION NOT AVAILABLE TO USCIS IN ITS ADJUDICATIONS PROCESS, SUSPECTS FRAUD OR MISREPRESENTATION IN THE I-526 PETITION PROCESS OR IF THE CONSUL DOUBTS THE ELIGIBILITY FOR LAWFUL PERMANENT RESIDENT STATUS, THE CONSUL MAY RETURN THE CASE TO USCIS FOR RE-ADJUDICATION OF THE I-526 PETITION.

CONSULAR PROCESSING BEGINS WHEN USCIS TRANSMITS THE APPROVED ALIEN'S I-526 PETITION TO THE NATIONAL VISA CENTER (NVC). IN TIME, THE APPLICANTS WILL BE INSTRUCTED TO OBTAIN FINGERPRINTS AND MEDICAL EXAMINATIONS AND TO REPORT TO A CONSULAR INTERVIEW. IMMIGRANT VISAS USUALLY ARE ISSUED SHORTLY AFTER THE INTERVIEW UNLESS THE CONSUL DETECTS PROBLEMS IN THE VISA APPLICATION, THE UNDERLYING I-526 PETITION OR DURING THE INTERVIEW PROCESS. THE INVESTOR IS ADVISED TO SEEK COMPETENT COUNSEL FOR GUIDANCE ON THE PROCESSING EXPERIENCE AND POTENTIAL DELAYS IN THE CONSUL OFFICE HANDLING INVESTORS' APPLICATION.

VISA ISSUANCE

DECISIONS BY CONSULS ARE TO BE MADE IN ACCORDANCE WITH REGULATORY GUIDANCE ON THIS PROCESS, CONSULS HAVE BROAD AUTHORITY AND DISCRETION UNDER SUCH REGULATORY PROCEDURES AND THEIR DECISIONS ARE UNREVIEWABLE. THE INVESTOR SHOULD SEEK ADVICE OF COMPETENT LEGAL COUNSEL REGARDING VISA ISSUANCE GUIDELINES.

U.S. CONSULS ADVISE THAT VISA APPLICANTS SHOULD NOT CHANGE ANY LIVING, EMPLOYMENT, SCHOOLING OR OTHER LIFESTYLE ARRANGEMENTS IN THEIR COUNTRY OF RESIDENCE BEFORE THEY ARE ISSUED AN IMMIGRANT VISA BASED UPON AN APPROVED I-526 PETITION.

ADMISSION TO U.S. AFTER VISA ISSUED

A VISA AUTHORIZES THE HOLDER TO SEEK ADMISSION TO THE UNITED STATES AT A PORT OF ENTRY. HOWEVER, ADMISSION IS SUBJECT TO U.S. CUSTOMS AND BORDER PROTECTION (USCBP) INSPECTION DISCUSSED BELOW. AFTER ISSUANCE, IMMIGRANT VISAS GENERALLY REMAIN VALID FOR SIX MONTHS. DURING THE VALIDITY PERIOD, THE HOLDER OF THE VISA MUST USE IT TO APPLY FOR ADMISSION TO THE UNITED STATES AT A DESIGNATED PORT OF ENTRY. THE PORT OF ENTRY IS FREQUENTLY IN AN INTERNATIONAL AIRPORT. WHEN THE ALIEN ARRIVES AT THE PORT OF ENTRY, HE OR SHE WILL PRESENT THE IMMIGRANT VISA AND ACCOMPANYING CONSULAR DOCUMENTS TO A U.S. CUSTOMS AND BORDER PROTECTION (USCBP) OFFICER WHO HAS THE AUTHORITY TO ADMIT THE INVESTOR OR TO DENY THE INVESTOR'S ADMISSION TO THE UNITED STATES AS A CLPR. THIS PROCESS IS KNOWN AS INSPECTION. *(SEE RISK FACTORS, PAGE 17).*

ADMISSION AFTER INVESTING, FILING THE I-526 OR DURING CONSULAR PROCESSING

ADMISSION TO THE UNITED STATES AS A VISITOR OR IN MOST OTHER NON-IMMIGRANT STATUSES IS PREDICATED UPON THE INTENT TO DEPART THE COUNTRY AT THE END OF THE PERIOD OF ADMISSION.

INVESTORS SHOULD CONSULT WITH COMPETENT COUNSEL TO EVALUATE THE RISKS ASSOCIATED WITH SEEKING TEMPORARY (NON-IMMIGRANT) ADMISSION TO THE UNITED STATES SUBSEQUENT TO MAKING THE INVESTMENT OR FILING AN I-526 PETITION OR AN APPLICANT FOR AN IMMIGRANT VISA. DESPITE BEST EFFORTS, AN INSPECTOR MAY DENY ADMISSION UNDER THESE CIRCUMSTANCES. SUCH A DENIAL MAY ALSO RESULT IN FORMAL EXCLUSION FROM THE U.S. WHICH MIGHT PRECLUDE ADMISSION WITH AN IMMIGRANT VISA FOR A PERIOD OF YEARS. *(SEE RISK FACTORS, PAGE 28).*

ADJUSTMENT OF STATUS

THE ADJUSTMENT OF STATUS (AOS) PROCEDURE IS DESIGNED TO PERMIT ALIENS WHO HAVE BEEN ADMITTED TO THE UNITED STATES AS NON-IMMIGRANTS OR WHO HAVE BEEN PAROLED INTO THE COUNTRY TO APPLY FOR ADMISSION AS PERMANENT RESIDENTS WITHOUT LEAVING THE COUNTRY. THESE NON-IMMIGRANTS MUST ESTABLISH THAT THEY ARE ADMISSIBLE PERMANENTLY, MEETING THE SAME STANDARDS AS ALIENS WHO USE CONSULAR PROCESSING TO OBTAIN A PERMANENT RESIDENT VISA.

ALIENS SEEKING AOS MUST ALSO COMPLY WITH REQUIREMENTS PECULIAR TO THE AOS PROCESS. ALIENS WHO DO NOT MEET THESE ADDITIONAL REQUIREMENTS WILL BE REQUIRED TO USE CONSULAR PROCESSING TO OBTAIN AN IMMIGRANT VISA, WHICH WILL NECESSITATE A DEPARTURE FROM THE UNITED STATES. ALIENS ADMITTED IN CERTAIN NON-IMMIGRANT STATUSES MAY ENCOUNTER MORE DIFFICULTIES (AND MAY NOT BE SUCCESSFUL) ADJUSTING STATUS THAN ALIENS ADMITTED IN OTHER NON-IMMIGRANT STATUSES. INVESTORS SHOULD CONSULT WITH IMMIGRATION COUNSEL REGARDING THESE ISSUES BEFORE THE I-526 PETITION IS FILED.

DURING AOS PROCESSING, THE APPLICANT WILL BE REQUIRED TO SUBMIT A MEDICAL EXAMINATION AND WILL RECEIVE INSTRUCTIONS FROM USCIS REGARDING BIOMETRIC DATA COLLECTION AND AN INTERVIEW. THE INTERVIEW MAY BE WAIVED BY USCIS, AT THE DISCRETION OF USCIS. THERE IS NO FORMAL PROCESS TO REQUEST THE WAIVER OF AN INTERVIEW. IF THE INVESTOR IS INTERVIEWED, THE SPOUSE AND CHILDREN OF THE INVESTOR WILL BE REQUIRED TO ATTEND THE INTERVIEW.

THE USCIS CALIFORNIA SERVIC ECENTER CURRENTLY HAS JURISDICTION OF THE AOS PROCESS FOR INVESTORS IN THE PROJECT. THE INTERVIEW IS CONDUCTED AT A USCIS OFFICE NEAR THE INVESTOR'S RESIDENCE. USCIS USES THE INTERVIEW TO UPDATE INFORMATION ABOUT AOS APPLICANTS THAT MAY HAVE CHANGED SUBSEQUENT TO THE FILING OF THE AOS APPLICATION AND TO EXPLORE ANY ISSUE THAT USCIS BELIEVES IS RELEVANT TO DECIDING THE AOS CASE. TYPICALLY, BUT NOT ALWAYS, CLPR IS CONFERRED ON APPROVED AOS APPLICANTS AT THE CONCLUSION OF THE INTERVIEW.

TRAVEL DURING ADJUSTMENT OF STATUS PROCESSING

ADVANCE PERMISSION TO DEPART THE U.S. IS ISSUED ROUTINELY IF THE ALIEN ARTICULATES A BONA FIDE NEED TO TRAVEL.

AN ALIEN INVESTOR WHO LEAVES THE UNITED STATES WITHOUT ADVANCE PERMISSION WHILE AN AOS APPLICATION IS PENDING IS DEEMED TO HAVE ABANDONED THAT APPLICATION UNLESS THE APPLICANT HAS BEEN ADMITTED IN AND CONTINUES TO HOLD VALID H OR L NON-IMMIGRANT STATUS PENDING ADJUDICATION OF THE AOS APPLICATION. ALIEN INVESTORS ADMITTED TO THE UNITED STATES IN ANY NON-IMMIGRANT STATUS WHO HAVE OBTAINED ADVANCE PAROLE DURING THE AOS PROCESS SHOULD CONSULT WITH IMMIGRATION COUNSEL BEFORE TRAVELING.

IF AN ALIEN IS DEEMED TO HAVE ABANDONED AN AOS APPLICATION, THE APPLICANT MUST SEEK CONSULAR PROCESSING TO OBTAIN AN IMMIGRANT VISA PERMITTING AN APPLICATION FOR ADMISSION TO THE U.S. DURING THE PERIOD BETWEEN THE APPLICANT'S DEEMED ABANDONMENT OF AN AOS APPLICATION AND THE TIME THE APPLICANT RECEIVES AN IMMIGRANT VISA FROM A U.S. CONSULATE, TYPICALLY ABOUT ONE YEAR, THE APPLICANT IS REQUIRED TO REMAIN OUTSIDE THE U.S.

EMPLOYMENT DURING THE ADJUSTMENT OF STATUS PROCESSING

APPLICANTS FOR AOS WHO WISH TO WORK IN THE UNITED STATES MUST OBTAIN EMPLOYMENT AUTHORIZATION UNLESS THEY HAVE BEEN ADMITTED TO THE U.S. IN A NON-IMMIGRANT STATUS THAT CONFERS EMPLOYMENT AUTHORIZATION AND DOES NOT END BEFORE AOS IS GRANTED. SELF-EMPLOYMENT REQUIRES EMPLOYMENT AUTHORIZATION. EMPLOYMENT IN THE U.S. WITHOUT AUTHORIZATION IS A VIOLATION OF IMMIGRATION STATUS AND MAY JEOPARDIZE THE RIGHT TO ADJUST STATUS.

ADJUSTMENT OF STATUS

AOS IS GRANTED IN THE DISCRETION OF USCIS. AN ALIEN WHOSE AOS APPLICATION HAS BEEN DENIED MAY REQUEST THAT THE CASE BE RE-CONSIDERED BY THE SAME OFFICE THAT DENIED AOS. IF THE REQUEST TO RE-OPEN OR RE-CONSIDER THE CASE IS DENIED, OR, IF, AFTER SUCH A REVIEW, THE ALIEN FAILS TO CONVINCE THIS OFFICE TO REVERSE ITS ORIGINAL DECISION, THE ALIEN IS WITHOUT FURTHER RECOURSE. AOS APPLICANTS SHOULD NOT MAKE ANY PERMANENT CONNECTIONS TO THE UNITED STATES OR CHANGE ANY PERMANENT LIVING, EMPLOYMENT, SCHOOLING OR OTHER LIFESTYLE ARRANGEMENTS IN THEIR COUNTRY OF RESIDENCE BEFORE THEY ARE ISSUED AOS BASED UPON AN APPROVED I-526 PETITION.

REMOVAL OF CONDITIONS

APPROVAL OF AN AOS APPLICATION OR THE GRANT OF AN IMMIGRANT VISA FOLLOWED BY ENTRY AS ENTRY INTO THE U.S. MEANS THAT THE INVESTOR AND THE SPOUSE AND QUALIFIED CHILDREN OF THE INVESTOR HAVE BEEN GRANTED CONDITIONAL LAWFUL PERMANENT RESIDENCE (CLPR) FOR TWO YEARS. THE "CONDITIONS" MUST BE REMOVED SO THAT THE ALIENS MAY RESIDE IN THE U.S. INDEFINITELY. FAILURE TO REMOVE THE CONDITIONS RESULTS IN THE TERMINATION OF CLPR STATUS AND WILL RESULT IN THE COMMENCEMENT OF REMOVAL PROCEEDINGS.

REMOVAL OF CONDITIONS IS SOUGHT BY THE FILING OF AN I-829 PETITION IN THE 90 DAY PERIOD IMMEDIATELY PRECEDING THE SECOND ANNIVERSARY OF THE GRANT OF CLPR STATUS. IN SUPPORT OF THE PETITION, THE ALIEN INVESTOR MUST DEMONSTRATE FULL INVESTMENT IN THE ENTERPRISE, SUSTAINMENT OF THE INVESTMENT CONTINUOUSLY SINCE BECOMING A CLPR AND COMPLIANCE WITH THE REQUIREMENT THAT TEN (10) EMPLOYMENT POSITIONS HAVE BEEN CREATED AS A RESULT OF THE INVESTMENT. THE GENERAL PARTNER WILL WITHOUT LIABILITY, SHALL USE THEIR REASONABLE BEST EFFORTS TO ASSIST FOREIGN INVESTORS' LEGAL COUNSEL WITH THE FILING OF INVESTORS' I-829 PETITIONS. THE PARTNERSHIP WILL INSTRUCT THE GENERAL PARTNER TO ENGAGE WITH, DELEGATE TO, AND THE PARTNERSHIP SHALL REASONABLY COMPENSATE QUALIFIED PERSONS IN THE ASSEMBLAGE AND PREPARATION OF DOCUMENTS, REPORTS AND REQUIRED VERIFICATION OF REQUISITE JOB CREATION IN CONNECTION WITH AND IN SUPPORT OF INVESTORS' I-829 PETITION TO REMOVE CONDITIONS TO OBTAINING PERMANENT RESIDENCY. IT IS AT THE SOLE RESPONSIBILITY AND RISK OF THE FOREIGN INVESTOR TO FILE THE I-829 PETITION IN THE 90 DAY PERIOD IMMEDIATELY PRECEDING THE SECOND ANNIVERSARY OF THE GRANT OF CLPR STATUS AT THE INVESTOR'S SOLE EXPENSE. THERE IS NO REFUND OF THE CAPITAL CONTRIBUTION OR ADMINISTRATION FEE FOR DELAY OR FAILURE FOR ANY REASON WHATSOVER TO FILE AN I-829 PETITION

THE CALIFORNIA SERVICE CENTER CURRENTLY HAS JURISDICTION TO DECIDE A PETITION TO REMOVE CONDITIONS. IT IS AUTHORIZED TO APPROVE A PETITION, SEEK ADDITIONAL WRITTEN INFORMATION BEFORE DECIDING THE PETITION, REFER THE PETITION TO A LOCAL OFFICE WHERE INFORMATION WILL BE ELICITED IN AN INTERVIEW, OR, IT MAY DENY THE PETITION. IF THE PETITION IS REFERRED FOR AN INTERVIEW, THE LOCAL OFFICE OF USCIS WILL DECIDE THE PETITION AFTER THE INTERVIEW.

DURING THE PENDENCY OF THE PETITION, ALIENS ADMITTED IN CLPR STATUS REMAIN IN VALID STATUS EVEN IF THE PETITION IS NOT DECIDED BEFORE THE EXPIRY OF THE TWO YEAR PERIOD OF ADMISSION. IMPROPER DENIALS OF AND DELAYS IN OBTAINING DOCUMENTS EVIDENCING EXTENDED CLPR STATUS AND ADVANCE PAROLE ARE SOMETIMES EXPERIENCED. CLPR IS EXTENDED IN ONE YEAR INCREMENTS OR UNTIL THE PETITION TO REMOVE CONDITIONS IS ADJUDICATED.

USCIS REGULATIONS CONTROL THE PROCESS OF REMOVAL OF CONDITIONS. THESE REGULATIONS MAY CHANGE IN THE FUTURE. THE INVESTOR WILL BE EXPECTED TO COMPLY WITH AND PROCEED WITH REMOVAL OF CONDITION UNDER THE REGULATIONS IN EFFECT AT THE TIME THE INVESTOR SEEKS REMOVAL OF CONDITIONS.

THERE CANNOT BE ANY ASSURANCE THAT USCIS WILL NOT CHANGE THE REQUIREMENTS FOR REMOVAL OF CONDITIONS AFTER INVESTORS ARE GRANTED CLPR STATUS THROUGH INVESTMENT IN THE PROJECT. THERE CANNOT BE ANY ASSURANCE THAT AN INVESTOR WILL ABLE TO DEMONSTRATE TO THE SATISFACTION OF USCIS THAT THE PROJECT IS OPERATING WITHIN ITS BUSINESS PLAN, THAT IT HAS CREATED THE REQUISITE EMPLOYMENT POSITIONS AT THE TIME REQUIRED BY USCIS OR THAT ANY OTHER REQUIREMENTS FOR THE REMOVAL OF CONDITIONS HAVE BEEN MET. (SEE RISK FACTORS, REMOVAL OF CONDITIONS, PAGE 37).

IMMIGRATION RISK FACTORS

A PROSPECTIVE INVESTOR SHOULD CONSULT WITH LEGAL COUNSEL FAMILIAR WITH UNITED STATES IMMIGRATION LAWS AND PRACTICE. PURCHASE OF A LIMITED PARTNERSHIP INTEREST IN AN EB-5 PROJECT DOES NOT GUARANTEE LAWFUL PERMANENT RESIDENCE IN THE UNITED STATES.

THE LIMITED PARTNERSHIP INTERESTS DESCRIBED IN THIS OFFERING MEMORANDUM INVOLVE A SIGNIFICANT DEGREE OF RISK. AMONG THE IMMIGRATION RISK FACTORS THAT A PROSPECTIVE INVESTOR SHOULD CONSIDER CAREFULLY ARE THOSE IDENTIFIED IN THIS OFFERING; HOWEVER THE DISCUSSION IS NOT EXHAUSTIVE:

GENERAL

USCIS MAY MODIFY ITS EB-5 PROGRAM PRACTICES BY PROVIDING UPDATED GUIDANCE TO ITS EXAMINERS. SOMETIMES, BUT NOT CONSISTENTLY, USCIS PUBLISHES INSTRUCTIONS FOR THE USE OF EB-5 INVESTORS AND THEIR COUNSEL. EB-5 INVESTORS AND THEIR COUNSEL OFTEN FIRST BECOME AWARE OF EB-5 PRACTICES AND POLICIES THROUGH THE ADJUDICATION PROCESS FOR INVESTOR I-526 OR I-829 PETITIONS. IF SUCH MODIFICATIONS OCCUR, INVESTORS MAY BE REQUIRED TO PROVIDE NEW INFORMATION OR MODIFIED BUSINESS PLANS OR OTHER MODIFICATIONS TO AN EB-5 PROJECT DURING THE ADJUDICATION PROCESS TO COMPLY WITH USCIS REQUIREMENTS THAT WERE UNKNOWN TO INVESTORS AND THEIR COUNSEL AT THE TIME AN I-526, IMMIGRANT PETITION BY ALIEN ENTREPRENEUR OR AN I-829, PETITION BY ENTREPRENEUR TO REMOVE CONDITIONS WAS FILED. AMENDMENTS TO THE LAW AND REGULATIONS OF THE EB-5 PROGRAM MAY ALSO OCCUR FROM TIME-TO-TIME, WHICH MAY HAVE THE EFFECT OF REQUIRING EB-5 PROJECTS AND EB-5 INVESTORS TO PROVIDE NEW INFORMATION OR MODIFY THEIR PREVIOUS EB-5 PROGRAM PLANS TO SATISFY NEW EB-5 PROGRAM REQUIREMENTS. THERE CAN BE NO ASSURANCE THAT SUCH MODIFICATIONS WILL NOT BE REQUIRED IN THIS PROJECT ON ACCOUNT OF NEW POLICIES, PRACTICES, LAWS OR REGULATIONS NOT EFFECTIVE OR NOT KNOWN AT THIS TIME. THERE CAN BE NO ASSURANCE THAT THIS PROJECT WILL BE ABLE TO MODIFY ITS BUSINESS PLAN OR MAKE OTHER ADAPTATIONS TO COMPLY WITH YET UNKNOWN EB-5 REQUIREMENTS. THE INVESTOR SHOULD RETAIN COMPETENT LEGAL COUNSEL FOR CONTINUING ADVICE ON THESE MATTERS.

WHILE EFFORTS HAVE BEEN MADE TO STRUCTURE THIS OFFERING TO ASSIST INVESTORS TO MEET EB-5, EMPLOYMENT-BASED VISA PREFERENCE REQUIREMENTS UNDER 8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) (THE "ACT") AND QUALIFY AS "ALIEN ENTREPRENEURS", A PRELIMINARY STEP TO BECOMING ELIGIBLE FOR ADMISSION TO THE UNITED STATES OF AMERICA WITH THEIR SPOUSE AND UNMARRIED MINOR CHILDREN AS LAWFUL PERMANENT RESIDENTS, NO REPRESENTATIONS CAN BE MADE AND NO GUARANTEES CAN BE GIVEN THAT INVESTMENT IN THIS PROJECT WILL GUARANTEE OR OTHERWISE ASSURE THAT AN INVESTOR'S PETITION AS AN "ALIEN ENTREPRENEUR" WILL BE GRANTED BY USCIS OR, IF IT IS, THAT INVESTORS WITH THEIR SPOUSE AND SUCH CHILDREN WILL OBTAIN CONDITIONAL OR UNCONDITIONAL LAWFUL PERMANENT RESIDENT STATUS.

APPROVAL OF INVESTMENTS IN THE PROJECT

THERE IS NO PROCEDURE IN THE IMMIGRATION AND NATIONALITY ACT OR ITS ENABLING REGULATIONS TO PRE-QUALIFY AN INVESTMENT FOR THE EB-5, ALIEN ENTREPRENEUR PROGRAM. INDIVIDUAL INVESTOR APPLICATIONS ON FORM I-526 MUST FILED WITH USCIS BY THE INVESTOR TO DETERMINE THE SUITABILITY OF THE INVESTMENT OFFERED HEREIN FOR IMMIGRATION PURPOSES UNDER 8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - D). USCIS MAY DENY SUCH AN APPLICATION.

USCIS ANNOUNCED RECENTLY AN INFORMAL POLICY TO PERMIT DEVELOPERS TO OBTAIN A REVIEW OF AN EB-5 PROJECT BEFORE ANY INVESTORS FILE AN I-526 PETITION. THIS REVIEW MUST BE UNDERTAKEN THROUGH APPLICATIONS TO CREATE OR MODIFY REGIONAL CENTER AUTHORIZATIONS WHERE AN EB-5 PROJECT IS FUNCTIONING UNDER AUTHORIZATION FROM A REGIONAL CENTER. NOTWITHSTANDING THE APPROVAL OF A NEW OR MODIFIED REGIONAL CENTER APPLICATION BASED UPON A SPECIFIC, EXEMPLAR EB-5 PROJECT, USCIS RESERVES THE RIGHT TO QUESTION AND DENY INDIVIDUAL INVESTOR I-526 PETITIONS RESULTING FROM INVESTMENT IN THE EXEMPLAR PROJECT IF USCIS DETECTS VARIATIONS BETWEEN THE FACTS ADJUDICATED IN THE EXEMPLAR CASE AND THE FACTS PRESENTED IN THE INVESTOR'S PETITION. PRE-QUALIFICATION OF EB-5 PROJECTS, APART FROM REGIONAL CENTER APPLICATIONS, CONTINUES TO BE UNAVAILABLE NOTWITHSTANDING THIS USCIS ANNOUNCEMENT.

PROCESSING TIMES

USCIS AND USDOS PROCESSING TIMES FOR THE I-526 AND THE ADJUSTMENT OF STATUS OR CONSULAR PROCESSING CASES ARE NOT PREDICTABLE, NOTWITHSTANDING PUBLISHED PROCESSING TIMES BY THESE AGENCIES. DELAYS IN PROCESSING MAY OCCUR. USCIS AND USDOS ADVISE INVESTORS NOT TO MAKE CHANGES IN ANY LIVING, EMPLOYMENT, SCHOOLING OR OTHER LIFESTYLE ARRANGEMENTS BEFORE RECEIVING CLPR THROUGH THE EB-5 PROGRAM.

GOVERNMENT FILING FEES

GOVERNMENT FILING FEES MAY CHANGE. SUCH CHANGES MAY INCREASE THE IMMIGRATION FILING COSTS TO AN INVESTOR WHO HAS MADE AN INVESTMENT IN THE PROJECT AND WHO IS WAITING TO FILE AN I-526 OR A CONSULAR PROCESSING OR AOS CASE (AND COLLATERAL APPLICATIONS FOR EMPLOYMENT AUTHORIZATION AND ADVANCED PERMISSION TO TRAVEL).

LIMITATIONS ON RETURN OF FUNDS IF I-526 PETITION IS DENIED

UPON SUBSCRIBING TO THIS OFFERING AND BECOMING A LIMITED PARTNER, IT IS THE SOLE RESPONSIBILITY AND RISK OF THE FOREIGN INVESTORS TO FILE THEIR I-526 PETITIONS. THERE IS NO REFUND FOR DELAY OR FAILURE TO FILE THE I-526 PETITION.

IF THE REGIONAL CENTER PILOT PROGRAM LAPSES, FOR EACH INVESTOR WHOSE CASE IS FILED WITH USCIS BUT NOT ADJUDICATED ON OR BEFORE THE DATE OF LAPSE, THEIR $500,000 CAPITAL CONTRIBUTION SHALL REMAIN INVESTED IN THE PARTNERSHIP UNTIL:

1. THE REGIONAL CENTER PILOT PROGRAM IS REAUTHORIZED RETROACTIVELY OR IS PENDING REAUTHORIZATION WITHIN A TWELVE MONTH PERIOD FOLLOWING SUNSET, AND THE INVESTOR'S I-526 PETITION IS IN DUE COURSE ADJUDICATED;

   OR,

2. LEGISLATION IS ENACTED OR PENDING PROVIDING SUBSTANTIALLY SIMILAR IMMIGRATION BENEFITS TO INVESTORS UNDER THE FORMER EB-5 REGIONAL CENTER PROGRAM WITHIN A TWELVE MONTH PERIOD FOLLOWING SUNSET.

IF NONE OF THE EVENTS DESCRIBED IN 1 OR 2 OCCUR, OR ARE NOT PENDING AS STATED, AT THE INVESTOR'S ELECTION, THE INVESTOR MAY (1) REMAIN INVESTED IN THE PROJECT; OR, (2) MAKE A WRITTEN REQUEST TO THE GENERAL PARTNER FOR A REFUND OF THE CAPITAL CONTRIBUTION OF $500,000. WITHIN NINETY (90) DAYS OF THE GENERAL PARTNER'S RECEIPT OF A REQUEST FOR A REFUND, THE CAPITAL CONTRIBUTION WILL BE REFUNDED BY THE LIMITED PARTNERSHIP TO THE INVESTOR. THE INVESTOR'S RIGHTS ARE IN THIS EVENT LIMITED SOLELY TO THE RETURN OF THE CAPITAL CONTRIBUTION OF $500,000.

IN THE EVENT AN INVESTOR'S I-526 PETITION RECEIVES NOTICE OF DENIAL BY USCIS, THE INVESTOR'S RIGHTS ARE LIMITED SOLELY TO THE RETURN OF THE INVESTOR'S $500,000 CAPITAL CONTRIBUTION (TOGETHER WITH 50% OF THE ADMINISTRATIVE FEE FROM THE RESORT OWNER) WITHIN NINETY (90) DAYS OF WRITTEN REQUEST THEREFORE TO THE GENERAL PARTNER.

TARGETED EMPLOYMENT AREAS AND THE MINIMUM INVESTMENT AMOUNT

AS A GENERAL RULE, THE EB-5 PROGRAM CALLS FOR A MINIMUM INVESTMENT OF $1,000,000 USD. THIS SUM MAY BE REDUCED CURRENTLY TO $500,000 USD IF THE PROJECT THAT RECEIVES THE INVESTMENT IS SITUATED IN A TARGETED EMPLOYMENT AREA (TEA). TEA'S MUST MEET ONE OF TWO CRITERIA, THE FIRST, CONCERNING POPULATION, AND THE SECOND, CONCERNING THE RATE OF UNEMPLOYMENT.

IF AN INVESTMENT IS MADE IN A TOWN OR CITY WHOSE POPULATION IS LESS THAN 20,000, AND THE TOWN OR CITY IS NOT WITHIN A METROPOLITAN STATISTICAL AREA (MSA) AS DESIGNATED BY THE U.S. OFFICE OF MANAGEMENT AND BUDGET, THE INVESTMENT IS DEEMED TO HAVE BEEN MADE IN A TEA. THE ELIGIBILITY OF AN EB-5 PROJECT TO ACCEPT $500,000 USD INVESTMENTS IS QUESTIONED IF THE PROJECT WAS SITUATED IN A TEA AT THE TIME THE INVESTMENT WAS MADE BUT IS NOT IN A TEA AT THE TIME THE I-526 PETITION IS FILED. IN THE CASE OF A TEA BASED UPON THE PROJECT'S LOCATION IN A RURAL AREA, THIS DIFFERENCE MIGHT OCCUR BECAUSE DURING THIS INTERIM PERIOD NEW POPULATION DATA IS PUBLISHED OR BECAUSE A NEW MSA IS DESCRIBED TO INCLUDE THE LOCATION OF THE PROJECT, ALBEIT WITHIN A RURAL AREA.

IN THE EVENT OF A CHANGE BETWEEN THE DATE OF THE INVESTMENT AND THE DATE OF THE FILING OF THE I-526, USCIS HAS SAID THAT IT WILL CONSIDER THE PROJECT TO BE WITHIN A TEA AT THE TIME OF THE INVESTMENT IF THE INVESTED FUNDS WERE AVAILABLE TO THE PROJECT TO UNDERTAKE EMPLOYMENT CREATION BEFORE THE I-526 WAS FILED. IN THIS PROJECT, USCIS SHOULD APPLY THIS STANDARD INASMUCH AS THE INVESTED FUNDS ARE IRREVOCABLY COMMITTED TO THE PROJECT BEFORE THE I-526 IS FILED. THERE CAN BE NO ASSURANCE THAT USCIS WILL APPLY THIS RULE APPROPRIATELY.

USCIS HAS ALSO SAID IT WILL NOT PERMIT EVERY INVESTOR IN A POOLED INVESTMENT PROJECT TO INVEST ONLY $500,000 MERELY BECAUSE ONE OR MORE INVESTORS WERE PREVIOUSLY PERMITTED TO DO SO BASED UPON THE PRIOR PRESENCE OF A PROJECT IN A TEA.

IF THE LOCATION OF THE PROJECT IS JUDGED TO NO LONGER BE WITHIN A TEA, INVESTORS FILING I-526 PETITIONS THEREAFTER WILL BE REQUIRED TO INVEST $1,000,000. NO ASSURANCE CAN BE PROVIDED THAT NO NEW POPULATION DATA WILL BE PUBLISHED RENDERING THE LOCATION OF A PROJECT OUTSIDE A RURAL AREA OR THAT NEW MSA BOUNDARIES DEPICTING THE LOCATION OF THE PROJECT IN THE MSA WILL NOT BE PUBLISHED.

INVESTORS SHOULD CONSULT WITH COMPETENT IMMIGRATION COUNSEL CONCERNING TEA ISSUES AND INVESTMENT COUNSEL CONCERNING THE EFFECTS OF INVESTMENTS OF DIFFERING AMOUNTS ON IMMIGRATION AND INVESTMENT MATTERS OF SIGNIFICANCE TO THE INVESTOR.

ATTAINING LAWFUL PERMANENT RESIDENCE

DESPITE THE APPROVAL OF AN INVESTOR'S FORM I-526, THERE CANNOT BE ANY GUARANTEE THAT THE INVESTOR OR THE INVESTOR'S SPOUSE OR ANY OF THE INVESTOR'S MINOR, UNMARRIED CHILDREN WILL BE GRANTED LAWFUL PERMANENT RESIDENCE. THE GRANT OF SUCH IMMIGRATION STATUS IS DEPENDENT UPON THE PERSONAL BACKGROUND OF EACH APPLICANT. ANY ONE OF SEVERAL GOVERNMENT AGENCIES MAY DETERMINE IN ITS DISCRETION, USUALLY WITHOUT THE POSSIBILITY OF APPEAL, THAT AN APPLICANT FOR LAWFUL PERMANENT RESIDENCE IS EXCLUDABLE FROM THE UNITED STATES.

GROUNDS FOR EXCLUSION

APPLICANTS FOR LAWFUL PERMANENT RESIDENCE MUST DEMONSTRATE, AFFIRMATIVELY, THAT THEY ARE ADMISSIBLE TO THE UNITED STATES.

THERE ARE MANY GROUNDS OF INADMISSIBILITY THAT THE GOVERNMENT MAY CITE AS THE BASIS TO DENY ADMISSION FOR LAWFUL PERMANENT RESIDENCE.

1. VARIOUS STATUTES, INCLUDING, FOR EXAMPLE, SECTIONS 212, 237 & 241 OF THE IMMIGRATION AND NATIONALITY ACT, THE ANTITERRORISM & EFFECTIVE DEATH PENALTY ACT OF 1996 (AEDPA) AND THE ILLEGAL IMMIGRATION REFORM & IMMIGRANT RESPONSIBILITY ACT OF 1996 (IIRAIRA) SET FORTH GROUNDS OF INADMISSIBILITY, WHICH MAY PREVENT AN OTHERWISE ELIGIBLE APPLICANT FROM RECEIVING AN IMMIGRANT VISA, ENTERING THE UNITED STATES OR ADJUSTING TO LAWFUL PERMANENT RESIDENCE.

2. EXAMPLES OF ALIENS PRECLUDED FROM ENTERING THE UNITED STATES INCLUDE:

3. PERSONS WHO ARE DETERMINED TO HAVE A COMMUNICABLE DISEASE OF PUBLIC HEALTH SIGNIFICANCE;

4. PERSONS WHO ARE FOUND TO HAVE, OR HAVE HAD, A PHYSICAL OR MENTAL DISORDER, AND BEHAVIOR ASSOCIATED WITH THE DISORDER WHICH POSES, OR MAY POSE, A THREAT TO THE PROPERTY, SAFETY, OR WELFARE OF THE ALIEN OR OF OTHERS, OR HAVE HAD A PHYSICAL OR MENTAL DISORDER AND A HISTORY OF BEHAVIOR ASSOCIATED WITH THE DISORDER, WHICH BEHAVIOR HAS POSED A THREAT TO

THE PROPERTY, SAFETY, OR WELFARE OF THE IMMIGRANT ALIEN OR OTHERS, AND WHICH BEHAVIOR IS LIKELY TO RECUR OR TO LEAD TO OTHER HARMFUL BEHAVIOR;

5. PERSONS WHO HAVE BEEN CONVICTED OF A CRIME INVOLVING MORAL TURPITUDE (OTHER THAN A PURELY POLITICAL OFFENSE), OR PERSONS WHO ADMIT HAVING COMMITTED THE ESSENTIAL ELEMENTS OF SUCH A CRIME;

6. PERSONS WHO HAVE BEEN CONVICTED OF ANY LAW OR REGULATION RELATING TO A CONTROLLED SUBSTANCE, ADMITTED TO HAVING COMMITTED OR ADMITS COMMITTING ACTS WHICH CONSTITUTE THE ESSENTIAL ELEMENTS OF SAME;

7. PERSONS WHO ARE CONVICTED OF MULTIPLE CRIMES (OTHER THAN PURELY POLITICAL OFFENSES) REGARDLESS OF WHETHER THE CONVICTION WAS IN A SINGLE TRIAL OR WHETHER THE OFFENSES AROSE FROM A SINGLE SCHEME OF MISCONDUCT AND REGARDLESS OF WHETHER SUCH OFFENSES INVOLVED MORAL TURPITUDE;

8. PERSONS WHO ARE KNOWN, OR FOR WHOM THERE IS REASON TO BELIEVE, ARE, OR HAVE BEEN, TRAFFICKERS IN CONTROLLED SUBSTANCES;

9. PERSONS ENGAGED IN PROSTITUTION OR COMMERCIALIZED VICE;

10. PERSONS WHO HAVE COMMITTED IN THE UNITED STATES CERTAIN SERIOUS CRIMINAL OFFENSES, REGARDLESS OF WHETHER SUCH OFFENSE WAS NOT PROSECUTED AS A RESULT OF DIPLOMATIC IMMUNITY;

11. PERSONS EXCLUDABLE ON GROUNDS RELATED TO NATIONAL SECURITY, RELATED GROUNDS, OR TERRORIST ACTIVITIES;

12. PERSONS DETERMINED TO BE EXCLUDABLE BY THE SECRETARY OF STATE OF THE UNITED STATES ON GROUNDS RELATED TO FOREIGN POLICY;

13. PERSONS WHO ARE OR HAVE BEEN A MEMBER OF A TOTALITARIAN PARTY, OR PERSONS WHO HAVE PARTICIPATED IN NAZI PERSECUTIONS OR GENOCIDE.

14. PERSONS WHO ARE LIKELY TO BECOME A PUBLIC CHARGE AT ANY TIME AFTER ENTRY;

15. PERSONS WHO WERE PREVIOUSLY DEPORTED OR EXCLUDED AND DEPORTED FROM THE UNITED STATES;

16. PERSONS WHO BY FRAUD OR WILLFULLY MISREPRESENTING A MATERIAL FACT, SEEK TO PROCURE (OR HAVE PROCURED) A VISA, OTHER DOCUMENTATION OR ENTRY INTO THE UNITED STATES OR OTHER BENEFIT UNDER THE IMMIGRATION ACT;

17. PERSONS WHO HAVE AT ANY TIME ASSISTED OR AIDED ANY OTHER ALIEN TO ENTER OR TRY TO ENTER THE UNITED STATES IN VIOLATION OF LAW;

18. CERTAIN ALIENS WHO HAVE DEPARTED THE UNITED STATES TO AVOID OR EVADE U.S. MILITARY SERVICE OR TRAINING;

19. PERSONS WHO ARE PRACTICING POLYGAMISTS; AND

20. PERSONS WHO WERE UNLAWFULLY PRESENT IN THE UNITED STATES FOR CONTINUOUS OR CUMULATIVE PERIODS IN EXCESS OF 180 DAYS.

NO RETURN OF FUNDS IF VISA OR ADJUSTMENT OF STATUS IS DENIED

FOLLOWING APPROVAL OF AN INVESTOR'S I-526 PETITION, THE INVESTOR AND THE SPOUSE AND QUALIFYING CHILDREN OF THE INVESTOR MUST APPLY FOR AN IMMIGRANT VISA OR ADJUSTMENT TO PERMANENT RESIDENT

STATUS. AS PART OF THIS PROCESS, THEY UNDERGO MEDICAL, POLICE, SECURITY AND IMMIGRATION HISTORY CHECKS TO DETERMINE WHETHER ANY OF THEM ARE INADMISSIBLE TO THE UNITED STATES FOR ANY OF THE REASONS MENTIONED ABOVE OR FOR ANY OTHER REASON. THE VISA OR ADJUSTMENT OF STATUS MAY BE DENIED NOTWITHSTANDING THE ELIGIBILITY FOR OR APPROVAL OF THE I-526 PETITION. IF, FOLLOWING SUBSCRIPTION AND PAYMENT OF THE INVESTMENT FUNDS AND PAYMENT OF THE ADMINISTRATION FEE THE INVESTOR OR THE SPOUSE OR ANY CHILDREN OF THE INVESTOR ARE DENIED A VISA FOR CONDITIONAL LAWFUL PERMANENT RESIDENCE OR DENIED ADJUSTMENT OF STATUS TO CONDITIONAL LAWFUL PERMANENT RESIDENCE SUCH ACTION WILL NOT ENTITLE THE INVESTOR TO THE RETURN OF ANY FUNDS PAID TO THE LIMITED PARTNERSHIP PURSUANT TO THIS OFFERING UNLESS AND UNTIL A SUBSTITUTE PARTNER IS FOUND AS SET FORTH IN SECTION 10.01 OF THE LIMITED PARTNERSHIP AGREEMENT, AND, IN ANY EVENT, THERE SHALL BE NO REFUND OF THE ADMINISTRATION FEES.

CONDITIONAL LAWFUL PERMANENT RESIDENCE

LAWFUL PERMANENT RESIDENCE STATUS GRANTED INITIALLY TO AN INVESTOR AND THE SPOUSE AND QUALIFYING CHILDREN OF THE INVESTOR IS "CONDITIONAL." EACH INVESTOR AND THE SPOUSE AND QUALIFYING CHILDREN OF THE INVESTOR MUST SEEK REMOVAL OF CONDITIONS BEFORE THE SECOND ANNIVERSARY OF LAWFUL PERMANENT ADMISSION TO THE UNITED STATES. THERE CANNOT BE ANY ASSURANCE THAT THE USCIS WILL CONSENT TO THE REMOVAL OF CONDITIONS AS TO THE INVESTOR OR AS TO THE SPOUSE OR QUALIFYING CHILDREN OF THE INVESTOR, EACH OF WHOM MUST MAKE A SEPARATE APPLICATION TO REMOVE CONDITIONS (ALBEIT A SINGLE FORM IS USED TO IDENTIFY ALL APPLICANTS). IF THE INVESTOR FAILS TO HAVE CONDITIONS REMOVED, THE INVESTOR AND THE SPOUSE AND CHILDREN OF THE INVESTOR WILL BE REQUIRED TO LEAVE THE UNITED STATES AND WILL BE PLACED IN REMOVAL PROCEEDINGS. EVEN IF THE INVESTOR SUCCEEDS IN HAVING CONDITIONS REMOVED, THE SPOUSE AND EACH QUALIFYING CHILD OF THE INVESTOR, SEPARATELY, MUST HAVE CONDITIONS REMOVED. FAILURE TO HAVE CONDITIONS REMOVED AS TO ANY OF THESE MEMBERS OF THE INVESTOR'S FAMILY WILL REQUIRE SOME MEMBERS TO DEPART FROM THE UNITED STATES AND SUCH FAMILY MEMBERS WILL BE PLACED IN REMOVAL PROCEEDINGS

NO REGULATIONS REGARDING REMOVAL OF CONDITIONS

GENERALLY

USCIS REGULATIONS GOVERNING LAWFUL PERMANENT RESIDENCE FOR INVESTORS DO NOT STATE SPECIFICALLY THE CRITERIA WHICH USCIS MUST APPLY TO DETERMINE ELIGIBILITY FOR THE REMOVAL OF CONDITIONS TO LAWFUL PERMANENT RESIDENT STATUS. COURTS HAVE DETERMINED SOME STANDARDS AND USCIS HAVE ISSUED MEMORANDA ON SOME ISSUES. THE INVESTOR SHOULD SEEK COMPETENT IMMIGRATION COUNSEL TO DETERMINE ALL OF THE ISSUES THAT MAY ARISE IN THE I-829 PROCESS ON ACCOUNT OF THE ABSENCE OF REGULATIONS CONTROLLING THE PROCESS OR RESULTING FROM AMBIGUITIES IN EXISTING LAW AND REGULATIONS.

BUSINESS CHANGES AND BUSINESS FAILURES

THE I-526 PETITION MUST BE SUPPORTED BY EVIDENCE THAT THE EB-5 PROJECT HAS RECEIVED ALL INVESTOR CAPITAL, WILL DEDICATE THE FUNDS TO FURTHERANCE OF THE EB-5 PROJECT AND, THEREBY, WILL CREATE ALL REQUISITE EMPLOYMENT. WHEN AN INVESTOR SEEKS REMOVAL OF CONDITIONS, THE I-829 PETITION MUST BE SUPPORTED BY EVIDENCE THAT THESE REQUIREMENTS HAVE BEEN MET, OR, IF THEY HAVE NOT BEEN MET, THERE MUST BE COMPELLING EXPLANATIONS FOR DELAYS OR CHANGES IN THE EB-5 PROJECT. IF THE PROJECT IS DELAYED IN ITS IMPLEMENTATION, IF INVESTED FUNDS ARE EXPEND DIFFERENTLY OR MORE SLOWLY THAN ANTICIPATED OR IF EMPLOYMENT IS BEHIND SCHEDULE, USCIS WILL EXPECT DOCUMENTATION OF CHANGED CIRCUMSTANCES TO EXPLAIN THE DELAY AND EVIDENCE THAT THE PROJECT IS FOLLOWING ITS ESSENTIAL BUSINESS PLAN.

IT WILL BE INCUMBENT UPON THE INVESTOR TO ESTABLISH THAT DESPITE SUCH CHANGES, THE REQUIREMENTS OF THE EB-5 PROGRAM HAVE BEEN MET: THE REQUIRED CAPITAL HAS BEEN PAID TO THE PROJECT, THE INVESTMENT HAS BEEN SUSTAINED AND THE REQUIRED JOBS HAVE BEEN CREATED. THERE CANNOT BE ANY ASSURANCE THAT USCIS WILL CONSIDER A CHANGE IN THE BUSINESS PLAN TO BE IMMATERIAL, WILL BE PERSUADED BY THE INVESTOR'S EXPLANATION OF THE REASON FOR THE CHANGE, OR WILL CONCLUDE THAT THE INVESTOR'S EB-5 PROJECT IS FOLLOWING ITS I-526 BUSINESS PLAN AND THAT THE EB-5 REQUIREMENTS FOR ALL PROJECTS ARE BEING OR WILL BE MET BY THE PROJECT. FAILURE TO PERSUADE USCIS ON EACH OF THESE ISSUES WILL RESULT IN THE DENIAL OF AN INVESTOR'S I-829 PETITION. IN THIS EVENT, THE INVESTOR AND THE INVESTOR'S QUALIFYING

FAMILY MEMBERS WILL BE PLACED IN REMOVAL PROCEEDINGS AND MAY BE REQUIRED TO DEPART THE UNITED STATES.

THERE CANNOT BE ANY ASSURANCE THAT ALL ANTICIPATED INVESTORS WILL HAVE SUBSCRIBED AND HAVE PAID IN ALL REQUIRED CAPITAL ON THE ANTICIPATED SCHEDULE, THAT THE PROJECT WILL BE DEVELOPED AS SCHEDULED OR THAT INVESTED FUNDS WILL BE EXPENDED AS SCHEDULED OR IN A MANNER ANTICIPATED IN THE BUSINESS PLAN. IT IS POSSIBLE, AND NO ASSURANCE MAY BE PROVIDED TO THE CONTRARY, THAT THE PROJECT WILL NOT HIRE WORKERS ON THE PREDICTED SCHEDULE. SHOULD ONE OR MORE OF THESE CIRCUMSTANCES OCCUR, NO ASSURANCE MAY BE GIVEN THAT USCIS WILL ACCEPT THE EXPLANATION FOR THE OCCURRENCE. IF USCIS REJECTS THE EXPLANATION, THE I-829 PETITION WILL BE DENIED AND THE INVESTOR AND THE INVESTOR'S QUALIFYING FAMILY MEMBERS WILL BE PLACED IN REMOVAL PROCEEDINGS WHICH MAY REQUIRE THEM TO DEPART THE UNITED STATES.

IF THERE ARE VARIATIONS IN THE BUSINESS PLAN OF THE EB-5 PROJECT WHICH ARE DEEMED MATERIAL, USCIS MAY REQUIRE THE INVESTOR TO FILE NEW I-526 PETITIONS IF THE INVESTOR WISHES THE I-829 PETITION TO BE JUDGED AGAINST THE BUSINESS PLAN ACTUALLY IMPLEMENTED VERSUS JUDGING THE ORIGINAL BUSINESS PLAN THAT HAS NOT BEEN AND WILL NOT BE FULFILLED. FILING A NEW I-526 PETITION HAS POTENTIALLY SERIOUS RAMIFICATIONS FOR THE INVESTOR AND THE INVESTOR'S QUALIFIED FAMILY MEMBERS WHICH MAY LEAD TO THE INVESTOR AND SOME OR ALL OF THE INVESTOR'S QUALIFIED FAMILY HAVING TO DEPART THE UNITED STATES.

USCIS EXPECTS THAT AN EB-5 BUSINESS WILL BE CONTINUOUSLY MAINTAINED THROUGH THE PERIOD OF CONDITIONAL LAWFUL RESIDENCE TO THE TIME THE I-829 PETITION TO REMOVE CONDITIONS IS FILED. USCIS WILL EXAMINE THE MATTER OF WHETHER THE INVESTMENT HAS BEEN LOST PRIOR TO OR MAY BE LOST SOON AFTER CONDITIONS ARE REMOVED. USCIS WILL ALSO FOCUS WHETHER AN EB-5 PROJECT IS LIKELY TO CEASE ITS OPERATIONS SHORTLY AFTER CONDITIONS ARE REMOVED, THEREBY SHEDDING EMPLOYMENT IT HAS CREATED.

IF AN EB-5 PROJECT FAILS (MEANING FOREIGN INVESTMENTS ARE LOST OR ARE EXPECTED TO BE LOST, OR IF JOBS ARE NOT CREATED IN SUFFICIENT NUMBERS OR ONCE CREATED ARE LOST OR ARE EXPECTED TO BE LOST) DURING THE PERIOD OF AN INVESTOR'S CONDITIONAL RESIDENCE OR IS DEEMED LIKELY TO FAIL SHORTLY AFTER CONDITIONS ARE REMOVED, USCIS WILL NOT REMOVE CONDITIONS INVESTORS ARE NOT CREDITED FOR HAVING MADE INVESTMENTS IN GOOD FAITH OR FOR HAVING CREATED ALL THE REQUIRED EMPLOYMENT DURING A PART OF THE PERIOD OF CONDITIONAL RESIDENCE.

MATERIAL CHANGE IN THE EB-5 PROJECT

IN THE EVENT OF A MATERIAL CHANGE TO THE BUSINESS PLAN IN THE PROJECT BETWEEN THE TIME THE I-526 PETITION IS FILED AND THE TIME THE INVESTOR APPLIES FOR REMOVAL OF CONDITIONS, THE INVESTOR MAY BE REQUIRED BY USCIS TO FILE A NEW I-526 PETITION INCORPORATING CHANGES IN THE PROJECT. IN SOME CASES, THIS WILL NECESSITATE A NEW TWO-YEAR PERIOD OF CONDITIONAL PERMANENT RESIDENCE AFTER WHICH THE INVESTOR WILL BE EXPECTED TO FILE A NEW I-829 PETITION TO REMOVE CONDITIONS. IF A NEW I-526 IS FILED, THE CHILDREN OF THE INVESTOR WHO BECOME TWENTY-ONE (21) YEARS OLD OR WHO MARRIED BEFORE THE NEW I-526 IS FILED WILL BE DEEMED TO HAVE "AGED OUT" AND WILL NOT BE ELIGIBLE TO IMMIGRATE BASED UPON THE PARENT-CHILD RELATIONSHIP WITH THE INVESTOR. THE SPOUSE OF THE INVESTOR, DIVORCED FROM THE INVESTOR BEFORE THE NEW I-526 IS FILED WILL ALSO BE INELIGIBLE TO IMMIGRATE BASED ON THE FORMER MARRIAGE.

NO ASSURANCES MAY BE GIVEN THAT THIS EB-5 PROJECT WILL NOT FAIL DURING THE PERIOD OF CONDITIONAL PERMANENT RESIDENCE OR AT SOME TIME THEREAFTER. NO ASSURANCE MAY BE PROVIDED THAT USCIS WILL FORGIVE SUCH FAILURE OR ANTICIPATED FAILURE BY GRANTING AN INVESTOR'S I-829 PETITION. IF THE PETITION IS DENIED, THE INVESTOR AND THE INVESTOR'S QUALIFIED FAMILY MEMBERS WILL BE PLACED IN REMOVAL PROCEEDINGS AND MAY BE REQUIRED TO DEPART THE UNITED STATES.

REVIEW OF I-526 COMPLIANCE DURING THE I-829 PROCESS

USCIS, AT ITS ELECTION, USES THE I-829 PROCESS TO REVIEW THE INVESTOR'S COMPLIANCE WITH PREVIOUSLY RESOLVED I-526 PETITION REQUIREMENTS. . SUCH A REVIEW WILL BE UNDERTAKEN IF THE EXAMINER BELIEVES THAT THE PRIOR FAVORABLE DETERMINATION WAS "LEGALLY DEFICIENT" OR IF MATERIAL FACTS HAVE CHANGED DURING THE

PERIOD OF CONDITIONAL RESIDENCE. IF USCIS BELIEVES THE INVESTOR IS NOT EB-5 ELIGIBLE, THE BURDEN IS ON THE INVESTOR TO ESTABLISH ELIGIBILITY BY RELIANCE ON "INDEPENDENT OBJECTIVE EVIDENCE."

THE LIMITED PARTNERSHIP WILL SEEK AS MUCH INFORMATION AS POSSIBLE FROM USCIS, WHERE GOOD BUSINESS PRACTICES PERMIT, IN AN EFFORT TO ASSIST INVESTORS TO QUALIFY FOR THE REMOVAL OF CONDITIONS. THIS NOTWITHSTANDING, IN THE ABSENCE OF REGULATIONS THE LIMITED PARTNERSHIP MAY MAKE CERTAIN MANAGEMENT DECISIONS WITHOUT KNOWING THEM TO BE OBJECTIONABLE TO USCIS, THUS RESULTING IN AN RFE AND, POSSIBLY, THE DENIAL OF AN INVESTOR'S I-829, PETITION TO REMOVE CONDITIONS. . IF THE I-829 IS DENIED THE INVESTOR AND THE INVESTOR'S SPOUSE AND QUALIFYING CHILDREN WILL BE EXPECTED TO DEPART THE U.S. AND WILL BE PLACED INTO REMOVAL PROCEEDINGS.

EACH INVESTOR SHOULD CONSULT WITH COMPETENT IMMIGRATION COUNSEL AND BECOME EDUCATED ABOUT THE STANDARDS THAT WILL DETERMINE ELIGIBILITY OF THE INVESTOR AND THE SPOUSE OR CHILDREN OF THE INVESTOR TO ACHIEVE UNCONDITIONAL LAWFUL PERMANENT RESIDENCE IN THE UNITED STATES PURSUANT TO THIS PROGRAM WHICH CURRENTLY IS IN A STATE OF EVOLUTION.

NUMERICAL QUOTAS

CURRENTLY, 3,000 OF THE TOTAL 10,000 EB-5, PREFERENCE VISA STATUSES ALLOCATED ANNUALLY ARE AVAILABLE TO ALIEN INVESTORS AND THE SPOUSES AND QUALIFYING CHILDREN OF INVESTORS WHO ARE MAKING AN INVESTMENT IN A TARGETED EMPLOYMENT AREA (TEA). THE HOTEL SUITES STATESIDE PROJECT IS CURRENTLY SITUATED WITHIN A TEA. EB-5 STATUS IS AVAILABLE ON A FIRST-COME, FIRST-SERVED BASIS. RECENTLY, USCIS HAS ANNOUNCED THAT IT CONSIDERS THE 3,000 STATUSES FOR TEA CASES AS A GUARANTEED ALLOCATION, NOT A QUOTA, SO THAT ALL TEA CASES ARE ELIGIBLE TO SEEK A VISA, UP TO THE ANNUAL QUOTA OF 10,000 VISAS.

CURRENTLY, THE ALLOCATION OF VISAS FOR TEA'S IS NOT BEEN OVERSUBSCRIBED DESPITE INCREASING DEMAND FOR VISAS IN THE FIFTH PREFERENCE. THERE IS NO RELIABLE MEANS TO PREDICT IF DELAY DUE TO UNAVAILABILITY OF VISAS WILL OCCUR, OR, IF IT OCCURS, HOW LONG AN INVESTOR OR THE SPOUSE AND QUALIFYING CHILDREN OF THE INVESTOR WILL WAIT BEFORE VISA STATUS FOR THEM BECOMES AVAILABLE.

CHANGES TO CURRENT LAW ON QUOTAS OR USCIS PRACTICES REGARDING THE ALLOCATION OF VISAS TO THE EB-5 PROGRAM COULD ADVERSELY IMPACT THE INVESTOR. INVESTORS SHOULD SEEK THE ADVICE OF COMPETENT IMMIGRATION COUNSEL CONCERNING THE LAW AND USCIS PRACTICES REGARDING EB-5 VISA AVAILABILITY.

EXPIRATION OF THE REGIONAL CENTER PILOT PROGRAM

THE REGIONAL CENTER PILOT PROGRAM IS SIGNIFICANT TO EACH INVESTOR UNTIL THE INVESTOR RECEIVES UNCONDITIONAL LAWFUL PERMANENT RESIDENCE. EACH OF THE THREE IMMIGRATION STAGES TO BE COMPLETED BY THE INVESTOR IN A REGIONAL CENTER EB-5 PROJECT IS DEPENDENT UPON THE EXISTENCE OF THE REGIONAL CENTER AS AUTHORIZED BY THE PILOT PROGRAM. SOME GOVERNMENT AGENCIES THAT CONFER IMMIGRATION BENEFITS UPON EB-5 INVESTORS HAVE ANNOUNCED THAT THEY ARE NOT AUTHORIZED TO CONFER SUCH BENEFITS (E.G., APPROVE AN I-526 PETITION BY ALIEN ENTREPRENEUR, APPROVE AN I-485, APPLICATION TO ADJUST STATUS OR GRANT AN IMMIGRANT VISA TO AN EB-5 INVESTOR OR APPROVE AN I-829, PETITION BY ENTREPRENEUR TO REMOVE CONDITIONS) ONCE THE REGIONAL CENTER PILOT PROGRAM EXPIRES, THE INVESTOR'S QUALIFYING RELATIVES ARE SUBJECT TO THE SAME OUTCOMES AS THE INVESTOR IF THE REGIONAL CENTER PILOT PROGRAM EXPIRES.

THE REGIONAL CENTER PILOT PROGRAM WAS FIRST CREATED IN 1992. SINCE THEN IT HAS BEEN EXTENDED, MOST RECENTLY IN 2009, UNTIL SEPTEMBER 30, 2012. THIS PROJECT SEEKS THE BENEFIT OF THE REGIONAL CENTER PILOT PROGRAM THAT PERMITS EMPLOYMENT CREATED INDIRECTLY BY INVESTMENTS IN THE PROJECT TO BE COUNTED TOWARDS THE MINIMUM NUMBER OF EMPLOYMENT POSITIONS NEEDED TO QUALIFY A FOREIGN INVESTOR, THE INVESTOR'S SPOUSE AND THE QUALIFYING CHILDREN OF THE INVESTOR TO HAVE CONDITIONS REMOVED. THERE IS NO RELIABLE MEANS TO KNOW IF THE REGIONAL CENTER PROGRAM WILL BE EXTENDED OR MADE PERMANENT.

IF THE REGIONAL CENTER PILOT PROGRAM LAPSES, INVESTORS WHOSE PROJECTS DEPEND UPON REGIONAL CENTERS MAY NOT BE ABLE TO FILE I-526 PETITIONS OR HAVE FILED PETITIONS ADJUDICATED; AND, APPLICATIONS FOR LAWFUL PERMANENT RESIDENCE OR THE REMOVAL OF CONDITIONS MAY BE REJECTED, DELAYED OR DENIED, DEPRIVING THE INVESTOR AND THE INVESTOR'S QUALIFYING FAMILY UNABLE TO ENTER, LIVE OR WORK IN THE U.S. CURRENTLY, THERE IS NO WAY TO KNOW OR PREDICT THE POSITIONS THAT THE RELEVANT GOVERNMENT AGENCIES WILL TAKE CONCERNING THE IMMIGRATION RIGHTS OF EB-5 INVESTORS IN REGIONAL CENTER PILOT PROGRAM PROJECTS SHOULD THE PILOT PROGRAM LAPSE.

ACTIVE PARTICIPATION IN LIMITED PARTNERSHIP BUSINESS

THE EB-5 PROGRAM REQUIRES THAT EACH INVESTOR BE ACTIVELY INVOLVED IN THE BUSINESS AFFAIRS OF THE LIMITED PARTNERSHIP. FAILURE TO BE ACTIVELY INVOLVED MAY JEOPARDIZE APPROVAL OF THE I-526 PETITION OR RESULT IN THE DENIAL OF LAWFUL PERMANENT RESIDENCE STATUS FOR THE INVESTOR AND THE SPOUSE AND THE QUALIFYING CHILDREN OF THE INVESTOR. THE LIMITED PARTNERSHIP AGREEMENT, IN AN EFFORT TO REFLECT THE EB-5 REGULATIONS GOVERNING WHAT LEVEL OF PARTICIPATION IS ACCEPTABLE TO MEET THE EB-5 CRITERIA, MANDATES THAT EACH LIMITED PARTNER SHALL PARTICIPATE IN THE MANAGEMENT OF THE BUSINESS OF THE PARTNERSHIP BY MAKING SUGGESTIONS OR RECOMMENDATIONS TO THE GENERAL PARTNER ON ISSUES OF POLICY IMPORTANT TO THE PARTNERSHIP. THE LIMITED PARTNERSHIP AGREEMENT ALSO PERMITS LIMITED PARTNERS TO PARTICIPATE IN ONE OR MORE OF THE ACTIVITIES (I) PERMITTED OF LIMITED PARTNERS UNDER THE VERMONT REVISED UNIFORM LIMITED PARTNERSHIP ACT AND (II) OTHERWISE SET FORTH UNDER THE LIMITED PARTNERSHIP AGREEMENT. NO LIMITED PARTNER SHALL CONTROL THE PARTNERSHIP'S BUSINESS OR MANAGEMENT OR HAVE ANY AUTHORITY TO ACT OR BIND THE PARTNERSHIP IN ANY MANNER CONTRARY TO THE PROVISIONS OF THE LIMITED PARTNERSHIP AGREEMENT. THE PROJECT CANNOT ASSURE INVESTORS THAT THESE PROVISIONS ARE OR WILL BE SATISFACTORY TO USCIS.

RISKS ATTENDANT TO EB-5 STATUS

USCIS FREQUENTLY REINTERPRETS THE MEANING OF QUALIFYING EB-5 CRITERIA. THE CREATION OF NEW STANDARDS TO BE MET, CHANGES IN THE EMPHASIS THAT USCIS PLACES ON EB-5 CRITERIA, THE REINTERPRETATION OF EXISTING EB-5 CRITERIA AND THE PUBLICATION OF NEW FIELD INSTRUCTIONS TO EXAMINERS WITHOUT PRIOR NOTICE ALL BECOME BINDING UPON PREVIOUSLY FILED BUT UNADJUDICATED I-526 PETITIONS AND MAY AFFECT WHETHER THEY WILL BE APPROVED. THESE USCIS ACTIONS ALSO ARE BINDING ON EB-5 PROJECTS THAT HAVE ACCEPTED SOME INVESTORS WHOSE I-526 PETITIONS ARE BEING PREPARED FOR FILING AND MAY DETERMINE IF SUCH PROJECTS AND THE I-526 AND I-829 PETITIONS BASED UPON THE PROJECTS WILL CONTINUE TO BE DEEMED COMPLIANT WITH EB-5 RULES. THERE CAN BE NO CERTAINTY THAT COMPLIANCE WITH KNOWN CRITERIA AS OF THE DATE AN I-526 PETITION IS FILED WILL LEAD TO THE APPROVAL OF THE I-526 OR I-829 PETITION.

THE EB-5 PROGRAM HAS MANY REQUIREMENTS THAT MUST BE MET TO THE SATISFACTION OF USCIS. INVESTORS SHOULD CONSULT WITH COMPETENT IMMIGRATION COUNSEL TO REVIEW ALL EB-5 PROGRAM REQUIREMENTS. THE FAILURE TO MEET EVEN ONE OF THESE REQUIREMENTS TO THE SATISFACTION OF USCIS MAY RESULT IN THE DENIAL OF THE INVESTOR'S I-526 PETITION OR SUBSEQUENT PETITIONS.

CONSULAR PROCESSING – VISA NOT GUARANTEED

IN SOME INSTANCES, CONSULATES PLACE VISA APPLICANTS IN "ADMINISTRATIVE PROCESSING". CONSULS ARE VERY RELUCTANT TO EXPLAIN THE SPECIFIC REASONS FOR THIS ADDITIONAL STEP TAKEN BEFORE A VISA WILL BE ISSUED. THIS PROCEDURE MAY BE ENCOUNTERED IN CONSULAR POSTS THAT REPORT HIGH LEVELS OF VISA FRAUD, POSTS IN SOME COUNTRIES THAT ARE HYPER-VIGILANT CONCERNING SECURITY MATTERS OR BECAUSE SOME INFORMATION ABOUT A VISA APPLICANT, IN THE OPINION OF A CONSULAR OFFICER, MERITS FURTHER BACKGROUND CHECKS. ONCE ADMINISTRATIVE PROCESSING BEGINS, CONSULATES WILL NOT DISCUSS THE PROGRESS OF A VISA APPLICATION. APPLICANTS ARE RELEGATED TO INDETERMINATE WAITING FOR A DECISION ON A VISA APPLICATION. SUCH A DECISION MAY TAKE YEARS TO OBTAIN.

DECISIONS BY CONSULS ARE DISCRETIONARY AND UNREVIEWABLE. USCIS AND DOS REPORT EFFORTS TO COMMUNICATE MORE EFFICIENTLY REGARDING THEIR RESPECTIVE ROLES IN DETERMINING THE ELIGIBILITY OF EB-5 INVESTORS FOR IMMIGRANT VISAS. THERE CANNOT BE ANY ASSURANCE THAT IMPROVED COMMUNICATIONS WILL OCCUR GENERALLY OR WITH RESPECT TO A PARTICULAR INVESTOR OR THE INVESTOR'S SPOUSE OR MINOR

CHILDREN. NEITHER MAY IT BE ASSURED THAT IMPROVED COMMUNICATIONS WILL RESULT IN THE ISSUANCE OF A VISA. FACTORS EXTRANEOUS TO THE EB-5 PROJECT OR THE RELATIONSHIP OF THE INVESTOR TO THE PROJECT THAT A CONSUL MAY, WITH UNREVIEWABLE DISCRETION, ELECT TO CONSIDER COULD RESULT IN THE DENIAL OF A VISA. INVESTORS ARE ADVISED TO SEEK COMPETENT IMMIGRATION COUNSEL ON MATTERS OF CONSULAR PROCESSING.

ADMISSION AFTER INVESTING, FILING THE I-526 OR DURING CONSULAR PROCESSING

ADMISSION TO THE UNITED STATES AS A VISITOR OR IN MOST OTHER NON-IMMIGRANT STATUSES IS PREDICATED UPON THE INTENT TO DEPART THE COUNTRY AT THE END OF THE PERIOD OF ADMISSION. EXPERIENCED EB-5 LEGAL PRACTITIONERS CAUTION THAT NON-IMMIGRANT INTENT MAY BE DIFFICULT TO ESTABLISH ONCE AN INVESTOR HAS PAID FUNDS INTO AN EB-5 PROJECT OR FILES AN I-526, AS THE SOLE PURPOSE OF THIS INVESTMENT AND PETITION IS TO ESTABLISH THAT THE INVESTOR QUALIFIES TO BECOME A LAWFUL PERMANENT RESIDENCE. THE DIFFICULTY OF MAINTAINING NON-IMMIGRANT INTENT IS MADE MORE DIFFICULT UPON COMMENCING CONSULAR PROCESSING, WHICH IS CONSIDERED BY USDOS TO BE A CLEAR REQUEST FOR LAWFUL PERMANENT RESIDENCE AS SOON AS PROCESSING TIMES PERMIT. INVESTORS SHOULD CONSULT WITH COMPETENT COUNSEL TO EVALUATE THE RISKS ASSOCIATED WITH SEEKING TEMPORARY (NON-IMMIGRANT) ADMISSION TO THE UNITED STATES SUBSEQUENT TO MAKING THE INVESTMENT OR FILING AN I-526 PETITION OR AN APPLICANT FOR AN IMMIGRANT VISA. DESPITE BEST EFFORTS, AN INSPECTOR MAY DENY ADMISSION UNDER THESE CIRCUMSTANCES. SUCH A DENIAL MAY ALSO RESULT IN FORMAL EXCLUSION FROM THE U.S. WHICH MIGHT PRECLUDE ADMISSION WITH AN IMMIGRANT VISA FOR A PERIOD OF YEARS.

ADJUSTMENT OF STATUS

FURTHER TO THIS TOPIC, PLEASE SEE *IMMIGRATION MATTERS, ADJUSTMENT OF STATUS, PAGE 27.*

MAKING THE INVESTMENT, FILING THE I-526 OR APPLYING FOR AOS WITHIN THE 60 DAY PERIOD BEFORE APPLYING FOR AOS MAY BE VIEWED BY USCIS AS EVIDENCE OF IMMIGRANT INTENT AND MAY RESULT IN THE DENIAL OF AOS. IN SUCH AN EVENT, THE INVESTOR WILL BE REQUIRED TO DEPART THE U.S. AND WILL NEED TO SEEK AN IMMIGRANT VISA THROUGH CONSULAR PROCESSING. IN THIS PROCESS, EXPERIENCED IMMIGRATION COUNSEL BELIEVES THAT USDOS (THROUGH ITS CONSULATES) MAY REQUIRE THE INVESTOR TO SEEK A WAIVER OF EXCLUSION (FOR WHICH THE APPLICANT MUST ESTABLISH ELIGIBILITY) FOR HAVING MISREPRESENTED THE PURPOSE OF ENTRY UPON THE ADMISSION AS A NON-IMMIGRANT. WAIVERS ARE GRANTED IN THE UNREVIEWABLE DISCRETION OF THE USCIS AND THE PROCESSING TIME FOR WAIVER APPLICATIONS IS FREQUENTLY SIGNIFICANT.

THERE MAY BE ADDITIONAL REASONS WHY AN ALIEN MAY NOT ADJUST STATUS, WHICH IS A BENEFIT GRANTED IN THE DISCRETION OF USCIS. THERE IS NO APPEAL FROM A DENIAL OF AOS; THE ONLY RELIEF AVAILABLE IS A REQUEST TO RE-OPEN OR RE-CONSIDER THE AOS APPLICATION. INVESTORS SHOULD CONSULT WITH IMMIGRATION COUNSEL TO DETERMINE IF THEY, THEIR SPOUSE AND THEIR CHILDREN ARE ELIGIBLE FOR AOS OR IF PURSUIT OF AOS WOULD BE PRUDENT.

NEAR THE CONCLUSION OF AN AOS CASE, USCIS MAY SCHEDULE AN INTERVIEW FOR THE AOS APPLICANT. THE INTERVIEW MAY BE WAIVED BY USCIS, BUT THE WAIVER SHOULD NOT BE EXPECTED. EXPERIENCED IMMIGRATION LAW PRACTITIONERS BELIEVE THAT USCIS USES PROFILING INFORMATION TO DETERMINE WHO WILL BE INTERVIEWED AND IT ALSO INTERVIEWS SOME AOS APPLICANTS TO MAINTAIN THE INTEGRITY OF ITS SCREENING PROCESS. THERE IS NO FORMAL PROCESS TO REQUEST THE WAIVER OF AN INTERVIEW. INVESTORS SHOULD CONSULT WITH EXPERIENCED IMMIGRATION COUNSEL ON ALL MATTERS CONCERNING ADJUSTMENT OF STATUS.

REMOVAL OF CONDITIONS

FURTHER TO THIS TOPIC, PLEASE SEE IMMIGRATION MATTERS, REMOVAL OF CONDITIONS, PAGE 28

IN THE HISTORY OF THE EB-5 PROGRAM, INS (NOW USCIS) MODIFIED THE REQUIREMENTS FOR REMOVAL OF CONDITIONS AFTER THE TIME THAT SOME INVESTORS WERE GRANTED CLPR. AS A RESULT OF THIS ACTION, SOME OF THOSE INVESTORS WERE UNABLE TO COMPLY WITH THE NEW REQUIREMENTS, CREATING THE POSSIBILITY THAT THEY WOULD BE REMOVED FROM THE UNITED STATES. SOME OF THESE INVESTORS CONTESTED THE CHANGE IN RULES AFTER THEIR INVESTMENTS WERE MADE. THEIR POSITION WAS SUPPORTED IN LITIGATION THAT RESULTED IN

INS BEING ORDERED TO RECONSIDER THEIR APPLICATIONS TO REMOVE CONDITIONS BY APPLYING THE ORIGINAL RULES.

THERE IS AN INCREASED INTEREST BY USCIS IN EXAMINING ALL ASPECTS OF EB-5 PROJECT AND INVESTOR PETITION COMPLIANCE DURING THE REMOVAL OF CONDITIONS PROCESS. INVESTORS SHOULD SEEK GUIDANCE FROM EXPERIENCED EB-5 COUNSEL CONCERNING ALL ASPECTS OF THE REMOVAL CONDITIONS PROCESS AND THE EFFECT OF POSSIBLE USCIS ACTIONS ON THE INVESTOR AND THE INVESTOR'S SPOUSE AND QUALIFYING CHILDREN.

FAMILY RELATIONSHIPS

1. SPOUSES OF THE INVESTOR MAY ACCOMPANY OR FOLLOW TO JOIN AN INVESTOR WHO HAS BEEN GRANTED CONDITIONAL LAWFUL PERMANENT RESIDENCE PROVIDED THAT THE INVESTOR AND THE SPOUSE WERE MARRIED AT THE TIME OF THE INVESTOR'S ACQUISITION OF CLPR. IF THE RELATIONSHIP IS ONE IN COMMON LAW, THE "SPOUSE" OF THE INVESTOR MAY NOT ACQUIRE LAWFUL PERMANENT RESIDENT STATUS ON ACCOUNT OF THE RELATIONSHIP. NOT ALL VALID MARRIAGES WILL BE RECOGNIZED FOR PURPOSES OF U.S. IMMIGRATION. INVESTORS SHOULD CONSULT COMPETENT IMMIGRATION COUNSEL REGARDING THE ELIGIBILITY OF THEIR SPOUSE FOR IMMIGRATION BENEFITS.

2. CERTAIN CHILDREN OR STEP-CHILDREN OF THE INVESTOR MAY ACCOMPANY OR FOLLOW TO JOIN AN INVESTOR WHO HAS BEEN GRANTED CONDITIONAL LAWFUL PERMANENT RESIDENCE PROVIDED THAT THE INVESTOR CAN ESTABLISH PARENTAGE OR STEP-PARENTAGE AT THE TIME OF THE INVESTOR'S FIRST ADMISSION TO THE UNITED STATES AS A CONDITIONAL LAWFUL PERMANENT RESIDENT OR ADJUSTMENT OF STATUS TO LAWFUL PERMANENT RESIDENCE. FAILURE TO COMPLY WITH ALL APPLICABLE REQUIREMENTS MAY RESULT IN THE SEPARATION OF A CHILD FROM THE INVESTOR OR THE INVESTOR'S SPOUSE FOR PROTRACTED PERIODS, IN SOME INSTANCES FOR YEARS, WHILE OTHER IMMIGRATION OPPORTUNITIES ARE ATTEMPTED IN AN EFFORT TO REUNITE THE FAMILY. U.S. LAW EXCLUDES SOME STEP-CHILDREN AND ADOPTED CHILDREN FROM ELIGIBILITY FOR IMMIGRATION BENEFITS. INVESTORS SHOULD CONSULT COMPETENT IMMIGRATION COUNSEL REGARDING THE ELIGIBILITY OF THEIR CHILDREN FOR IMMIGRATION BENEFITS.

3. A "CHILD" IS SOMEONE UNDER THE AGE OF 21 YEARS WHO IS UNMARRIED. IF A CHILD BECOMES AGE 21 OR MARRIES BEFORE BEING ADMITTED TO THE U.S. AS A LAWFUL PERMANENT RESIDENT OR ADJUSTING TO LAWFUL PERMANENT RESIDENT STATUS, THE FORMER CHILD, NOW DEEMED A SON OR DAUGHTER, MAY NOT BE ELIGIBLE TO ACCOMPANY OR FOLLOW TO JOIN THE INVESTOR. IN SOME CIRCUMSTANCES, THE CHILD STATUS PROTECTION ACT MAY ASSIST A SON OR DAUGHTER TO QUALIFY AS A CHILD BY REDUCING THE DEEMED AGE OF THE SON OR DAUGHTER TO LESS THAN 21 YEARS. FAILURE TO MEET THE REQUIREMENTS OF THE CHILD STATUS PROTECTION ACT MAY RESULT IN THE SEPARATION OF A SON OR DAUGHTER FROM THE INVESTOR OR THE INVESTOR'S SPOUSE FOR PROTRACTED PERIODS, IN SOME INSTANCES FOR YEARS, WHILE OTHER IMMIGRATION OPPORTUNITIES ARE ATTEMPTED IN AN EFFORT TO REUNITE THE FAMILY.

4. UNDER SOME CIRCUMSTANCES A CHILD WHO BECOMES 21 YEARS OF AGE OR MARRIES WHILE HOLDING CONDITIONAL LAWFUL PERMANENT RESIDENT STATUS, OR THE SPOUSE OF THE INVESTOR WHO IS DIVORCED FROM THE INVESTOR WHILE HOLDING CONDITIONAL LAWFUL PERMANENT RESIDENT STATUS, MAY BE ELIGIBLE TO REMOVE CONDITIONS BY BEING INCLUDED IN THE INVESTOR'S I-829 PETITION OR FILING A SEPARATE I-829 PETITION. FAILURE TO MEET QUALIFYING CONDITIONS, WHICH MAY NOT BE WITHIN THE CHILD'S OR DIVORCED SPOUSE'S CONTROL, AND, ABOUT WHICH THE LAW AND REGULATIONS DO NOT PROVIDE CLEAR GUIDANCE, WILL RESULT IN THE CHILD OR DIVORCED SPOUSE BEING PLACED IN REMOVAL PROCEEDINGS AND MAY REQUIRE THE CHILD OR DIVORCED SPOUSE TO DEPART THE UNITED STATES.

5. UPON THE DEATH OF AN INVESTOR HOLDING CONDITIONAL LAWFUL PERMANENT RESIDENT STATUS, A SPOUSE AND QUALIFYING CHILDREN OF THE INVESTOR ALSO HOLDING SUCH STATUS ARE ENTITLED TO SEEK REMOVAL OF CONDITIONS BY SUBMISSION OF THE SAME EVIDENCE DEMONSTRATING COMPLIANCE WITH REQUIRED CRITERIA THAT USCIS REQUIRES OF AN INVESTOR SEEKING TO REMOVE CONDITIONS. FAILURE OF EACH MEMBER OF THE FAMILY TO ESTABLISH THESE CRITERIA WILL RESULT IN THE

DENIAL OF THE APPLICATION TO REMOVE CONDITIONS, PLACEMENT OF THE FAMILY MEMBERS IN REMOVAL PROCEEDINGS AND THEIR MANDATED DEPARTURE FROM THE UNITED STATES.

6. IT IS UNCLEAR UNDER USCIS PROCEDURES IF A CHILD WHO BECOMES A SON OR DAUGHTER BEFORE THE DEATH OF THE INVESTOR IS ENTITLED TO SEEK REMOVAL OF CONDITIONS. USCIS REGULATIONS ARE SILENT ON THIS MATTER. IF USCIS DOES NOT EXTEND THIS BENEFIT, SUCH A SON OR DAUGHTER WILL BE DENIED AN APPLICATION TO REMOVE CONDITIONS AND WILL BE PLACED IN REMOVAL PROCEEDINGS AND MAY BE MANDATED TO DEPART THE UNITED STATES.

END OF SECTION 1

JAY PEAK
VERMONT

Section 2

Business Plan

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Note: (An appendix of financial tables is also annexed at the end of this Business Plan)

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IMPORTANT NOTICE

FORWARD LOOKING STATEMENTS:ANY STATEMENTS THAT EXPRESS OR INVOLVE DISCUSSIONS WITH RESPECT TO PREDICTIONS, GOALS, EXPECTATIONS, BELIEFS, PLANS, PROJECTIONS, OBJECTIVES, ASSUMPTIONS OR FUTURE EVENTS OR PERFORMANCE ARE NOT STATEMENTS OF HISTORICAL FACT AND MAY BE "FORWARD LOOKING STATEMENTS. "FORWARD LOOKING STATEMENTS ARE BASED ON EXPECTATIONS, ESTIMATES AND PROJECTIONS AT THE TIME THE STATEMENTS ARE MADE THAT INVOLVE A NUMBER OF RISKS AND UNCERTAINTIES WHICH COULD CAUSE ACTUAL RESULTS OR EVENTS TO DIFFER MATERIALLY FROM THOSE PRESENTLY ANTICIPATED.

THIS BUSINESS PLAN CONTAINS FORWARD-LOOKING STATEMENTS AND PROJECTIONS THAT MAY ADDRESS, AMONG OTHER THINGS, THE VACATION RENTALS AND SKI RESORT AND ANCILLARY PROJECTS DEVELOPMENT AND STRATEGY, PROJECTED CONSTRUCTION TIMES, EXPANSION STRATEGY, DEVELOPMENT OF SERVICES, USE OF PROCEEDS, PROJECTED REVENUE AND CAPITAL EXPENDITURES, OPERATING COSTS, LIQUIDITY, JOB CREATION, ECONOMIC MODELING, DEVELOPMENT OF ADDITIONAL REVENUE SOURCES, DEVELOPMENT AND MAINTENANCE OF PROFITABLE MARKETING AND MANAGEMENT AND MAINTENANCE ALLIANCES, ABILITY TO DEVELOP "RESORT" IDENTIFICATION AND NATIONAL AND INTERNATIONAL EXPANSION, AND GENERAL PARTNER'S STATEMENTS OF EXPERIENCE AND EXPECTATIONS. NO ASSURANCE CAN BE MADE NOR IS ANY ASSURANCE GIVEN IN ANY FORM IMPLIED OR OTHERWISE THAT THESE FORECASTS WILL PROVE ACCURATE. NEITHER THE GENERAL PARTNER NOR THE LIMITED PARTNERSHIP HAS ANY OBLIGATION TO REVISE OR UPDATE ANY FORWARD LOOKING STATEMENT FOR ANY REASON.

THESE STATEMENTS MAY BE ALSO FOUND IN THE SECTIONS OF THE JAY PEAKHOTEL SUITES STATESIDE L.P OFFERING MEMORANDUM ENTITLED "SUMMARY OF OFFERING," "RISK FACTORS," "USE OF PROCEEDS," "THE PARTNERSHIP'S BUSINESS PLAN" AND IN THE OFFERING MEMORANDUM GENERALLY. ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THESE FORWARD-LOOKING STATEMENTS AND PROJECTIONS AS A RESULT OF VARIOUS FACTORS, INCLUDING ALL THE RISKS DISCUSSED IN "RISK FACTORS" WITHIN THE OFFERING MEMORANDUM. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THESE RISKS, IN ADDITION TO OTHER INFORMATION CONTAINED WITHIN THE OFFERING MEMORANDUM BEFORE DECIDING WHETHER TO INVEST IN THE PARTNERSHIP.

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JAY PEAK HOTEL SUITES STATESIDE L.P. EXECUTIVE SUMMARY

THE PARTNERSHIP AND ITS BUSINESS

JAY PEAK HOTEL SUITES STATESIDE L.P. IS A VERMONT LIMITED PARTNERSHIP WITH ITS PRINCIPAL PLACE OF BUSINESS IN JAY, VERMONT, AT THE SITE OF THE JAY PEAK RESORT (THE "RESORT", "JAY PEAK" OR "JAY PEAK RESORT") OWNED BY JAY PEAK, INC. (THE "RESORT OWNER"). THE FOLLOWING SUMMARY OF PRINCIPAL OBJECTIVES AND ACTIVITIES INCLUDINGFINANCIAL REPORTS AND SUPPORTING SCHEDULES IS INCLUDED IN THE OFFERING FOR THE BENEFIT OF POTENTIAL INVESTORS AND SHOULD BE READ IN ITS ENTIRETY. IMPORTANT NOTICE: SEE OFFERING MEMORANDUM: RISK FACTORS "FORWARD LOOKING STATEMENTS".

THE PROJECT – A BRIEF OVERVIEW

CONSTRUCTING AND ERECTING: STATESIDE HOTEL WITH EIGHTY FOUR (84) GUEST SUITES, INDOOR POOL AND LEISURE AREA AND COMMERCIAL SERVICES; EIGHTY FOUR (84) COTTAGE UNITS WITH ONE, TWO OR MORE BEDROOMS IN EACH; GUEST SERVICES RECREATION CENTER; AND AT THE LOCATION OF THE STATESIDE BASE AREA, SNOWLINE LODGE AREA OR ELSEWHERE AT THE RESORT, CREATING AND DEVELOPING A MEDICAL CENTER; ALL LOCATED IN JAY PEAK RESORT, JAY, VERMONT, A TARGETED EMPLOYMENT AREA DESIGNATED AS RURAL WITH A CURRENT POPULATION OF LESS THAN 600 PEOPLE WITHIN THE STATE OF VERMONT, A USCIS DESIGNATED REGIONAL CENTER OVERSEEN BY THE STATE OF VERMONT'S AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT ("VACCD").

THE STATE OF VERMONT – A USCIS DESIGNATED REGIONAL CENTER

IN JUNE 1997, THE STATE OF VERMONT, AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT (ACCD), WAS GRANTED A DESIGNATION AS AN APPROVED REGIONAL CENTER, (SEC. 5 EXHIBIT B), BY THE THEN IMMIGRATION AND NATURALIZATION SERVICE. THE DESIGNATION WAS RENEWED AND THE ACTIVITIES EXTENDED IN MARCH 2007. A QUALIFYING INVESTMENT IN A COMMERCIAL ENTERPRISE SITUATED WITHIN THE REGIONAL CENTER, THE STATE OF VERMONT, MAY ASSIST INVESTORS IN AN APPROVED PROJECT THAT FOSTERS ECONOMIC EXPANSION THROUGH GREATER REGIONAL PRODUCTIVITY, JOB CREATION OR ADDITIONAL DOMESTIC CAPITAL INVESTMENT TO BECOME ELIGIBLE FOR ADMISSION TO THE UNITED STATES OF AMERICA AS LAWFUL PERMANENT RESIDENTS.

JAY PEAK RESORT IS A SKI AND GOLF RESORT COMPLEX ESTABLISHED FOR OVER 55 YEARS, LOCATED IN JAY VERMONT IS ALSO LOCATED WITHIN THE STATE OF VERMONT REGIONAL CENTER AND THIS PROJECT, NAMELY JAY PEAK HOTEL SUITES STATESIDE L.P. HAS BEEN STRUCTURED SO THAT FOREIGN INVESTORS MAY MEET THE REQUIREMENTS UNDER 8 U.S.C.§ 1153 (B)(5)(A) – (D); INA § 203 (B)(5)(A) – (D) OF THE IMMIGRATION & NATIONALITY ACT (THE "ACT") AND QUALIFY UNDER THIS PROGRAM (THE "PROGRAM") TO BECOME ELIGIBLE FOR ADMISSION TO THE UNITED STATES OF AMERICA AS LAWFUL PERMANENT RESIDENTS WITH THE INVESTOR'S QUALIFYING FAMILY MEMBERS.

FURTHER TO THE UTILIZATION OF THE EB-5 ALIEN ENTREPRENEUR PROGRAM ON OCTOBER 6 2009, U.S. CITIZENSHIP AND IMMIGRATION SERVICE (USCIS) WROTE AS FOLLOWS TO THE STATE OF VERMONT, AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT (VACCD) TO AUTHORIZE EXPANDED ACTIVITIES WITHIN THE PREVIOUSLY APPROVED VERMONT REGIONAL CENTER:

THE DESIGNATION WAS REAFFIRMED. IN A WRITTEN REQUEST DATED AUGUST 17, 2009 VACCD REGIONALCENTER SOUGHT TO AMEND ITS INITIAL REGIONAL CENTER DESIGNATION, TO EXPAND THE TYPES OF APPROVED ECONOMIC ACTIVITIES AND INDUSTRIAL CLUSTERS AS FOLLOWS

1. TO ADD MANUFACTURING, PROFESSIONAL SERVICES, EDUCATION, INFORMATION AND LENDING INSTITUTIONS TO THEIR CURRENT LIST OF APPROVED INDUSTRIES.
2. TO ADD THE ECONOMIC ACTIVITIES OF DESIGN, DEVELOPMENT AND PRODUCTION OF NEW PRODUCTS; EXPANSION OR RENOVATION OF EXISTING FACILITIES; ESTABLISHING AND EXPANDING POST SECONDARY SCHOOLS INCLUDING BUILDING, DEVELOPMENT AND OPERATION OF THE SCHOOLS; DESIGN, DEVELOPMENT & PUBLISHING OF SOFTWARE, BOOKS AND OTHER INFORMATION PUBLISHING ACTIVITIES.

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3. TO PROVIDE DIRECT EQUITY INVESTMENTS IN OR TO THE INDUSTRY CLUSTERS AND/OR TO PROVIDE INDIRECT INVESTMENTS TO THE INDUSTRIES THROUGH INVESTMENT IN AN ENTERPRISE WHICH IN TURN WILL LEND THE FUNDS FOR SPECIFIC INDUSTRY RELATED PROJECT(S).

"BASED ON ITS REVIEW AND ANALYSIS OF THE REQUEST TO AMEND THE PREVIOUS VACCD REGIONAL CENTER DESIGNATION AND PRIOR AMENDED PROPOSALS, BUSINESS PLAN, AND SUPPLEMENTARY EVIDENCE, THE U.S. CITIZENSHIP AND IMMIGRATION SERVICES (USCIS), AMENDS THE DESIGNATION OF THE REGIONAL CENTER AS REQUESTED TO INCORPORATE THE ABOVE 2 CHANGES. [REFERRING TO THE EXPANSION OF "...THE TYPES OF APPROVED ECONOMIC ACTIVITIES AND INDUSTRIAL CLUSTERS...", ABOVE]. IN ACCEPTING THE AMENDMENT, USCIS HAS UPDATED ITS RECORDS OF YOUR REGIONAL CENTER APPROVAL, DESIGNATION, AND BUSINESS PLAN TO ENCOMPASS THESE AMENDMENTS RELATIVE TO THE INVESTMENT FOCUS OF THE REGIONAL CENTER ...."

IN NOVEMBER 2010 JAY PEAK HOTEL SUITES STATESIDE L.P. EXECUTED A MEMORANDUM OF UNDERSTANDING WITH VACCD, TO AUTHORIZE THIS PROJECT AS QUALIFYING INVESTMENT IN A NEW COMMERCIAL ENTERPRISE SITUATED WITHIN THE REGIONAL CENTER (SEE SECTION 5; EXHIBIT D). THE STATE OF VERMONT MAY ASSIST INVESTORS IN AN APPROVED PROJECT THAT FOSTERS ECONOMIC EXPANSION THROUGH GREATER REGIONAL PRODUCTIVITY, JOB CREATION OR ADDITIONAL DOMESTIC CAPITAL INVESTMENT TO BECOME ELIGIBLE FOR ADMISSION TO THE UNITED STATES OF AMERICA AS LAWFUL PERMANENT RESIDENTS.

PROJECT SUMMARY

JAY PEAK HOTEL SUITES STATESIDEPHASE III-C EB-5 PROJECT IS A FURTHER PHASE OF THE JAY PEAK EB-5 EXPANSION PROJECT, PART OF THE STATE OF VERMONT APPROVED MASTER DEVELOPMENT PLAN FOR THE RESORT AND WILL COMPRISE:

(1) ACQUISITION OF TITLE TO ONE (1) OR MORE PARCELS OF REAL ESTATE AT THE RESORT FROM THE RESORT OWNER, AND CONSTRUCTING AND ERECTING A NEW HOTEL BUILDING WITH SEPARATE CONDOMINIUM UNITS COMPRISED OF ONE OR MORE COMMERCIAL UNITS OWNED BY THE RESORT OWNER AND OFFERING AN INDOOR POOL AND LEISURE AREA, AS WELL AS COMMERCIAL RETAIL AND OTHER SERVICES, AS WELL AS A HOTEL UNIT WITH UP TO 84 UNITS AT THE STATESIDE BASE AREA OF THE RESORT THAT WILL BE OWNED BY THE PARTNERSHIP AND LEASED TO AND OPERATED AS A HOTEL BY A TENANT TO BE APPROVED BY THE PARTNERSHIP (REFERRED TO HEREIN AS THE "STATESIDE HOTEL BUILDING" OR THE "STATESIDE HOTEL"); AND

(2) ON LAND RETAINED BY THE RESORT OWNER THAT SITS ADJACENT OR NEAR TO THE STATESIDE BASE AREA AT THE RESORT, AND LEASED TO THE PARTNERSHIP UNDER ONE OR MORE GROUND LEASES, CONSTRUCTING AND ERECTING UP TO EIGHTY FOUR (84) MOUNTAIN COTTAGES WITH ONE, TWO OR MORE BEDROOMS IN EACH THAT WILL BE OWNED BY THE PARTNERSHIP AND LEASED TO AND OPERATED AS VACATION RENTAL UNITS BY A TENANT TO BE APPROVED BY THE PARTNERSHIP (THE "COTTAGES"); AND

(3) ON LAND RETAINED BY THE RESORT OWNER AT THE RESORT, DEVELOPING A GUEST RECREATION CENTER (THE "RECREATION CENTER"), TO BE LEASED BY THE LIMITED PARTNERSHIP FOR NOMINAL CONSIDERATION FROM THE RESORT OWNER AND SUBLEASING THE RECREATION CENTER AND ITS OPERATIONS FOR MARKET RENT TO A TENANT TO BE APPROVED BY THE PARTNERSHIP; AND

(4) AT THE LOCATION OF THE STATESIDE BASE AREA, SNOWLINE LODGE AREA OR ELSEWHERE AT THE RESORT, CREATING AND DEVELOPING A MEDICAL CENTER, TO BE LEASED FOR NOMINAL CONSIDERATION TO THE LIMITED PARTNERSHIP AND SUBLEASED FOR MARKET RENT TO ONE OR MORE SUBTENANTS APPROVED BY THE PARTNERSHIP (THE "MEDICAL CENTER" AND TOGETHER WITH THE STATESIDE HOTEL BUILDING, COTTAGES, RECREATION CENTER, IS THE "PROJECT").

IT IS PROJECTED THAT THE RESORT OWNER, DIRECTLY OR INDIRECTLY THROUGH AN AFFILIATE, WILL INVEST $20 MILLION IN CASH, LAND OR OTHER VALUE INTO THE PROJECT TO CREATE AND UPGRADE CERTAIN RESORT FACILITIES, INCLUDING LIFT RELOCATIONS, ADDING ACCESS ROADS, SNOW MAKING FACILITIES, COMMERCIAL AREAS BUILD OUT AND RESORT/PROJECT INFRASTRUCTURE.

THE JAY PEAK HOTEL SUITES STATESIDE L.P PROJECT, AMOUNTING TO $67 MILLION OF DEVELOPMENT COSTS TO BE FINANCED PURSUANT TO THIS OFFERING MEMORANDUM, AND THE ADDITIONAL INVESTMENT IN CASH, LAND OR VALUE OF $20 MILLION PROJECTED TO BE PROVIDED BY THE RESORT OWNER, EQUATES TO THE ESTIMATED OVERALL DEVELOPMENT COSTS OF $ $87,000,000 (SEE SUMMARY OF OFFERING; PROJECT SUMMARY).

CREATING THE STATESIDE HOTEL, COTTAGES, RECREATION CENTER AND MEDICAL CENTER WILL AID THE FURTHER EXPANSION OF JAY PEAK AS AN "ALL SEASONS RESORT." JAY PEAK HOTEL SUITES STATESIDE L.P. WILL STIMULATE

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ECONOMIC DEVELOPMENT AND IS PROJECTED TO CREATE MANY NEW JOBS AT THE RESORT, IN THE GREATER JAY PEAK REGION, WITHIN THE STATE OF VERMONT REGIONAL CENTER, AND IN THE REST OF THE UNITED STATES.

INVESTMENT INTO PROJECT

THE HOTEL SUITES STATESIDE PROJECT IS OPEN BOTH TO US INVESTORS AND FOREIGN INVESTORS, WITH EACH FOREIGN INVESTOR SEEKING CLASSIFICATION AS AN "ALIEN ENTREPRENEUR" AS REQUIRED BY LAW TO CURRENTLY INVEST $500,000 USD TO THE PROJECT. THE PROJECT WILL REQUIRE INVESTMENT AMOUNTING TO $67 MILLION OF DEVELOPMENT COSTS TO BE FINANCED PURSUANT TO THIS OFFERING MEMORANDUM, WHICH WILL BE SUPPLEMENTED WITH THE ADDITIONAL INVESTMENT IN CASH, LAND OR VALUE OF $20 MILLION PROVIDED BY THE RESORT OWNER, RAISING THE ESTIMATED OVERALL DEVELOPMENT COSTS TO $87,000,000 (SEE SUMMARY OF OFFERING; PROJECT SUMMARY).

WHILE OVERALL PLANNING IS AS CONTAINED WITHIN THE APPROVED RESORT MASTER DEVELOPMENT PLAN OF THE RESORT, PLANNING AND COMPLETING DEVELOPMENT APPLICATIONS, PERMITTING REVIEW AND STATE AND TOWN REGULATORY APPLICATIONS FOR THE INDIVIDUAL STATESIDE PROJECT COMPONENTS WILL COMMENCE IN EARLY 2012. THE STATE OF VERMONT LAND DEVELOPMENT LAWS DETERMINE WHEN AND HOW MUCH LAND MAY BE OPENED FOR DEVELOPMENT AT ANY ONE TIME, AND UNDER WHAT CONDITIONS, AND SUBJECT THERETO THE PROJECT IS ANTICIPATED TO BEGIN PRELIMINARY GROUND BREAKING IN SPRING OF 2012, SUBJECT TO APPROVAL AND ISSUANCE OF THE NECESSARY GOVERNMENTAL AND REGULATORY PERMITS. THE APPROVED PROJECT COMPONENT'S OPERATORS ARE PROJECTED TO COMMENCE BUSINESS OPERATIONS FOR THE 2013/2014 WINTER SEASON (SUBJECT TO NO UNFORESEEN PERMITTING OR OTHER DELAYS OR INCLEMENT WEATHER FACTORS DURING THE EXTERIOR STRUCTURES BUILD PHASE).

IT IS PROJECTED THAT THIS WOULD CONSUME MOST OF THE CASH INVESTED INTO THE PARTNERSHIP OVER APPROXIMATELY A 12 MONTH PERIOD.

IT IS PROJECTED THAT THE INVESTMENT PROJECT WILL, AFTER COMPLETION OF THE DEVELOPMENT PHASE AND SHORTLY AFTER THE COMMENCEMENT OF BUSINESS OPERATIONS, START TO PROVIDE THE INVESTOR WITH A MONTHLY OR QUARTERLY INCOME FROM LEASE RENTAL PAYMENTS.

BY CREATING THIS STATESIDE PROJECT, AND DEVELOPING A FURTHER PORTION OF THE STATE OF VERMONT APPROVED JAY PEAK RESORT MASTER EXPANSION PLAN FOR THE TRANSITION OF JAY PEAK INTO AN "ALL SEASONS RESORT", JAY PEAK HOTEL SUITES STATESIDE L.P. WILL STIMULATE ECONOMIC DEVELOPMENT AND CREATE MANY NEW PERMANENT JOBS AT THE RESORT, IN THE GREATER JAY PEAK REGION, WITHIN THE STATE OF VERMONT REGIONAL CENTER AND OUTSIDE THE REGIONAL CENTER.

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SOURCE AND APPLICATION OF FUNDS

THE TABLE BELOW DEPICTS THE TOTAL FUNDS INTO THE PROJECT AND THE SOURCE OF FUNDS. INVESTORS ARE BEING OFFERED THE OPPORTUNITY TO PURCHASE LIMITED PARTNERSHIP INTERESTS. THE CAPITAL CONTRIBUTION OF EACH LIMITED PARTNER TO THE PROJECT SHALL BE A MINIMUM OF $500,000 IN CASH, WHICH SHALL BE APPLIED TO THE PROJECT AS INVESTOR FUNDS. THE LIMITED PARTNER SHALL NOT BE OBLIGATED TO MAKE ANY ADDITIONAL CAPITAL CONTRIBUTIONS TO THE PARTNERSHIP. THE TOTAL OF INVESTMENT FUNDS TO BE RECEIVED FROM LIMITED PARTNERS IS $67,000,000, ADDITIONALLY JAY PEAK INC. WILL, DIRECTLY OR INDIRECTLY THROUGH AN AFFILIATE, CONTRIBUTE IN CASH, ASSETS AND SERVICES A TOTAL VALUE OF $20,000,000 AND THE USE OF THESE FUNDS IS DETAILED IN THE TABLE AND RELATED NOTES DETAILED BELOW.

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JAY PEAK VERMONT

JAY PEAK HOTEL SUITES STATESIDE L.P.
134 EB-5 INVESTORS $67,000,000

Stateside Hotel, Cottages Complex, Guest Services Recreation Center and Medical Center
$67m Project Financed by $67m from EB-5 Investors, $20m from Jay Peak

		UNITS		COST	TOTALS
OWNED BY L.P.					
VACATION RENTAL COTTAGES: Approx 1,100 sq ft average each unit			Total Living Units	84	
		Cost Sq. ft.			
	1100 sq ft	$185		$8,547,000	
	1100 sq ft	$185		$8,547,000	
Fit Out	$27,500 per each res.unit	$55,000		$2,310,000	$19,404,000
Unit Infrastructure	$15,000 Pad	84	15000	$1,260,000	$1,260,000
Utilities, Stormwater, Arch, Etc. Fees, Permits, Roads					$1,800,000
				TOTAL	$22,464,000
Construction Supervision Costs:		Based upon:	$22,464,000		
Supervision			10%		$2,246,400
Supevision Expenses			5%		$1,123,200
				SUB-TOTAL	$25,833,600
STATESIDE HOTEL SUITES					
72,000 sq ft building on three floors (1 or 2 Buildings)		72000			
	12 Units Studio Apartments apprx 600 sq ft. unit	7200	300	$2,160,000	
Residential Second Floor	36 Units Studio Apartments apprx 600 sq ft. unit	21600	300	$6,480,000	
Residential Third Floor	36 Units Studio Apartments apprx 600 sq ft. unit	21600	300	$6,480,000	
		50400			
	Common Areas	7200	245	$1,764,000	
	Indoor Swimming Pool and Leisure Area	3600	385	$1,386,000	
		61200			
Fit Out	Fixtures and Equipment	84	30000	$2,520,000	$20,790,000
Construction Supervision Costs:		Based upon:	$20,790,000		
Supervision			15%		$3,118,500
Supevision Expenses			5%		$1,039,500
Sub-total					$24,948,000
10800 sq ft commercial	Commercial Retail, Restaurant, and Services	10800	200	$2,160,000	$2,160,000
			HOTEL COMPLEX	TOTAL	$27,108,000
OWNED BY JAY PEAK LEASED TO L.P.					
MEDICAL CENTER: Stage 1					
Square Feet		5000	Cost Sq. ft.	$295	$1,475,000
Fit Out					$600,000
Groundworks and Utilities					$250,000
TOTAL					$2,325,000
OWNED BY JAY PEAK LEASED TO L.P.					
GUEST RECREATIONAL SERVCES CENTER					
Square Feet		15000	Cost Sq. ft.	$300	$4,500,000
Fit Out and recreational elements and units			Cost Sq. ft.	$150	$2,250,000
Groundworks and Utilities					$500,000
TOTAL					$7,250,000
OTHER COSTS:					
LAND: Golf Cottages - per duplex pad	84	$30,000	$2,520,000	$2,520,000	
Hotel Suites Bonaventure per unit	84	$25,000		$2,100,000	
Credit for commercial areas owned/operated by Jay Peak Inc.				-$2,160,000	
				$2,460,000	$2,460,000
Hotel Infrastructure				$525,000	$525,000
PARKING, PATHWAYS etc.					$1,340,000
Working Capital					$158,400
SUB-TOTAL OTHER COSTS					$4,483,400
INVESTOR PROJECT COSTS					$67,000,000
JAY PEAK PROJECT CONTRIBUTIONS					
New Access Rd: #3 and #4	$1,500,000				$1,500,000
Main Drainage, Storm Water Allocation	$2,500,000				$2,500,000
Commercial Areas Build out	$4,000,000				$4,000,000
General Infrastructure, Waste Management	$1,500,000				$1,500,000
New Snowmaking Facilities	$3,000,000				$3,000,000
Lift relocations	$7,500,000				$7,500,000
FUNDS FROM JAY PEAK INC.					$20,000,000
TOTAL PROJECT INVESTMENT FUNDS					$87,000,000

Report prepared by Rapid USA Visas, Inc. Naples FL | K Douglas Holme FCCA Tel. 239.594.5400 10/31/2011

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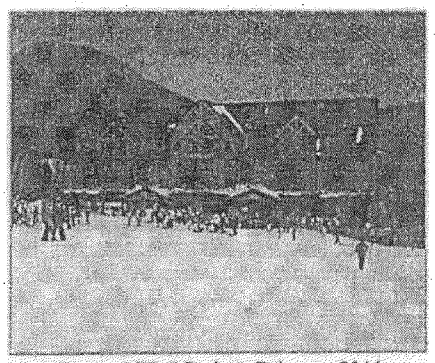
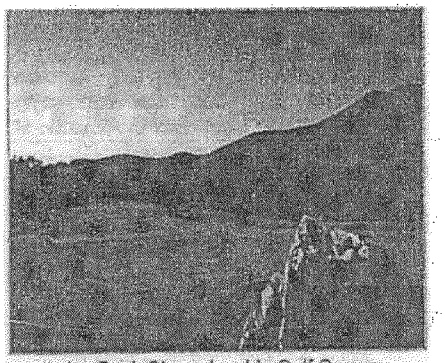
JAY PEAK RESORT

ALTHOUGH JAY PEAK HOTEL SUITES STATESIDE L.P. IS A NEWLY FORMED ENTITY, JAY PEAK RESORT HAS BEEN A SUCCESSFUL, LARGELY WINTER RESORT FOR OVER 50 YEARS AND IS ONE OF THE LEADING SKI RESORTS IN NORTH AMERICA. JAY PEAK, (WWW.JAYPEAKRESORT.COM) WITH 344 INCHES OF AVERAGE ANNUAL SNOWFALL, THE HEAVIEST NATURAL SNOWFALL OF ANY SKI RESORT IN THE EAST, IS, WITH ITS NEW 18-HOLE CHAMPIONSHIP GOLF COURSE WHICH OPENED IN JUNE 2007, FAST BECOMING AN ESTABLISHED YEAR-ROUND FAMILY RESORT. THE COMPLETION AND OPENING OF A 57 UNIT ALL-SUITE HOTEL IN 2009, AND THE OPENING IN 2010 OF THE ICE HAUS ARENA AND GOLF CLUBHOUSE CENTER, BOTH FACILITIES BEING A PART OF THE ANCILLARY PROJECTS WITHIN THE PHASE II EB-5 PROJECT, HAVE ALSO CONTRIBUTED TO ESTABLISHING JAY PEAK AS A YEAR-ROUND FAMILY RESORT. WITH THE PROJECTED OPENING OF AN INDOOR WATER PARK IN DECEMBER 2011, AN ALL-SUITE 120 UNIT HOTEL IN JANUARY/FEBRUARY 2012, AND THE PENTHOUSE SUITES SHORTLY THEREAFTER, THE JAY PEAK EB-5 VISA PROGRAM CONTINUES TO BE AN OUTSTANDING SUCCESS. AS OF THE DATE OF THIS OFFERING MEMORANDUM, ALL INVESTOR PETITIONS FOR PHASE I AND PHASE II FILED AND ADJUDICATED WITH USCIS HAVE BEEN APPROVED, A 100% SUCCESS RATE. THESE PROJECTS HAVE BEEN AN OUTSTANDING SUCCESS FOR THE CREATION OF NEW JOBS IN THE STATE OF VERMONT, FOR THE IMMIGRANT INVESTORS AND THEIR FAMILIES, MAKING A NEW LIFE IN THE USA, AND FOR JAY PEAK RESORT.



Phase 1 EB-5 Project: February 2011



Jay Peak Championship Golf Course

WITH AN ESTABLISHED ALPINE AND NORDIC SKI TRAIL SYSTEM AND CHAMPIONSHIP GOLF COURSE, WHICH WAS RECENTLY VOTED BEST IN VERMONT FOR 2011 BY BOTH GOLF WEEK MAGAZINE AND GOLF DIGEST ALREADY AT THE RESORT, THE NEW HOTEL SUITES STATESIDE PROJECT WILL PROVIDE ADDITIONAL ACCOMMODATIONS AND ANCILLARY FACILITIES FOR SKIERS, GOLFERS AND OTHER VISITORS. A NEW 84 UNIT ALL SUITES HOTEL IS TO BE LOCATED AT WHAT IS KNOWN AS THE 'STATESIDE BASE AREA' AT THE RESORT. COTTAGES WILL BE LOCATED ADJACENT TO AND AROUND THE STATESIDE SKI TRAIL NETWORK AND CHAMPIONSHIP GOLF COURSE, SURROUNDED WITH PRISTINE VIEWS OF THE MOUNTAINS AND VALLEY, PROVIDING THE PERFECT SETTING FOR THOSE SKIERS, GOLFERS AND OTHER VISITORS SEEKING A VACATION PACKAGE EXPERIENCE BEYOND THE ORDINARY. IN WINTER, THE COTTAGES WILL BE FEATURED AS SKI CHALETS, AND THE GOLF COURSE AND NEWLY OPENED GOLF CLUB HOUSE WILL CONVERT TO A NORDIC SKIING CENTER WITH AN EXPANSIVE NETWORK OF PATHS AND TRAILS FOR CROSS COUNTRY SKIING AND SNOWSHOEING. THE STATESIDE HOTEL WILL HAVE SKI-IN/SKI-OUT ACCESS TO AN ALPINE SKI TRAIL SYSTEM. THE STATESIDE HOTEL AND COTTAGES WILL BE CENTRALLY LOCATED AT THE STATESIDE BASE AREA OF THE RESORT WITH EASY ACCESS TO ALL RESORT AMENITIES, AND PROVIDE WONDERFUL INDOOR AND OUTDOOR LIVING FOR THE ULTIMATE "APRÈS-GOLF" OR "APRÈS-SKI" EXPERIENCE AT ALL TIMES OF THE YEAR.

THE HOTEL SUITES STATESIDE PROJECT ALSO FEATURES A GUEST SERVICES RECREATION CENTER THAT INCLUDES MANY OF THE INDOOR RECREATIONAL ACTIVITIES PREFERRED BY THE RESORT GUESTS. THE RECREATION CENTER IS TO BE LOCATED ADJACENT TO THE STATESIDE HOTEL. THE CREATION AND DEVELOPMENT OF A MEDICAL CENTER IS EXPECTED FOR USE BY RESORT GUESTS TO TEND TO AILMENTS THAT MAY HAPPEN DURING THEIR STAY, ASWELL AS FOR LOCAL RESIDENTS IN THE TOWNS OF JAY, TROY AND MONTGOMERY CENTER.

LOCATION

JAY PEAK RESORT IS LOCATED IN THE CENTRAL PORTION OF NORTHERN VERMONT, APPROXIMATELY 65 MILES NORTHEAST OF BURLINGTON, VERMONT AND APPROXIMATELY 90 MILES SOUTHEAST OF MONTREAL, QUEBEC. THE RESORT IS LOCATED IN THE TOWN OF JAY, VERMONT IN ORLEANS COUNTY, TWO AIR MILES FROM THE CANADIAN BORDER. THE RESORT (FOUNDED IN 1955) HAS EVOLVED AS A WINTER ALPINE SKI RESORT OVER THE PAST 55 YEARS. IN RECENT YEARS, JAY PEAK HAS BEEN WORKING TOWARD THE CREATION OF A YEAR-ROUND RESORT SO THAT ECONOMIC VIABILITY IS STRENGTHENED, NEW PERMANENT JOBS ARE CREATED, AND THE REGION PROSPERS FROM THIS 4-SEASON ECONOMIC STRUCTURE. JAY PEAK HAS 75 SKI-TRAILS, GLADES AND CHUTES COVERING

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APPROXIMATELY 450 ACRES, DIVIDED APPROXIMATELY 50% FOR INTERMEDIATE SKIERS (APPEALING TO THE MAJORITY OF SKIERS), 25% FOR EXPERT SKIERS AND 25% FOR BEGINNING SKIERS. THE TRAIL AND LIFT SYSTEM ALLOWS FOR A SUBSTANTIAL INCREASE IN SKIER VISITS AND PERMITS A COMFORTABLE LEVEL OF UTILIZATION, WITH LOWER THAN AVERAGE LIFT LINES COMPARED TO OTHER MAJOR SKI RESORTS IN VERMONT. JAY PEAK RESORT LAND AREA CONSISTS OF APPROXIMATELY 4,000 ACRES. ABUNDANT WATER IS AVAILABLE TO THE PROPERTY AND A MODERN $7 MILLION CENTRAL SEWAGE TREATMENT FACILITY HAS BEEN COMPLETED BY THE TOWNS OF JAY AND TROY. ACCESS TO THE RESORT IS CONVENIENT AND EASY FOR FAMILIES THROUGHOUT NEW ENGLAND, NEW YORK, BOSTON, AND THE PROVINCE OF QUEBEC IN CANADA, WITH MONTREAL AND ITS OVER 3 MILLION PEOPLE BEING ONLY AROUND 90 MINUTES DRIVE OR LESS TO JAY PEAK. IN FACT, JAY PEAK IS LOCATED WITHIN 6 HOURS DRIVE OF OVER 60 MILLION PEOPLE.

MARKET REVIEW

Jay Peak Golf Clubhouse opened June 2010

THE MOMENTUM THAT JAY PEAK IS CREATING IS IN LARGE PART DUE TO THE FACT THAT JAY PEAK HAS BEEN TRUE TO THEIR PLAN AND TRUE TO THEIR STRATEGY AND THE MARKET RECOGNIZING THAT DEPENDABILITY AND CONTINUITY. THE THEME BRAND DEVELOPMENT OF JAY PEAK IS BASED ON MAXIMIZING THE BRAND STRENGTHS OF VERMONT WHICH ARE ENVIRONMENTAL FRIENDLINESS, GREEN TECHNOLOGY, AUTHENTICITY OF PRODUCT BOTH IN DESIGN, ARCHITECTURE AND OPERATIONS ALL LOCATED IN THE MIDDLE OF THE MOST AUTHENTIC AND GENUINE SETTING IN THE STATE WITH RURAL, NATURAL LANDSCAPE BOTH AT JAY PEAK AND IN THE SURROUNDING COMMUNITIES.

THE RESORT MASTER DEVELOPMENT PLAN WAS APPROVED BY THE TOWN OF JAY AND STATE OF VERMONT IN 1997 AND INCLUDED A FEDERALLY FUNDED SEWAGE TREATMENT PLANT FACILITY TO ACCOMMODATE ALL OF JAY PEAK'S PROJECTED GROWTH NEEDS. THE TOWN OF JAY HAS ENDORSED JAY PEAK'S EXPANSION PLANS IN LINE WITH THEIR MASTER PLANS BOTH LOCALLY AND REGIONALLY. THE RESORT MASTER PLAN PROVIDES IDENTIFICATION OF CURRENT AND CONTEMPORARY BED BASE DEVELOPMENT PODS IN THE VARIOUS LOCATIONS THAT ARE CONSIDERED TO BE OF GREATEST DEMAND WHILE ADHERING TO ENVIRONMENTAL CONCERNS AND IN KEEPING WITH THE NATURAL SETTING AND BEAUTY OF THE RESORT. THE CONTINUED GROWTH AND EXPANSION AT THE RESORT IS CONSISTENT WITH THE APPROVED MASTER PLAN AND DEMONSTRATES CONTINUITY FROM INITIAL EXPANSION TO THE CURRENT IMPLEMENTATION.

Vermont Governor Peter Shumlin visits Bill Stenger at the Indoor Water Park March 2011

JAY PEAK IS ONE OF THE FOUR LARGEST SKI MOUNTAINS AND SKI RESORT FACILITIES IN ALL OF NEW ENGLAND, YET CURRENTLY HAS THE SMALLEST BED BASE OF ANY MAJOR SKI RESORT, WITH LESS THAN 1,500 BEDS AT PRESENT. RESORTS THAT JAY PEAK COMPETES WITH HAVE NO LESS THAN 10,000 BEDS PER RESORT AND SOME AS HIGH AS 20,000 BEDS.

MANY VISITORS TO THE RESORT PREVIOUSLY ONLY HAD THE OPPORTUNITY TO VISIT AS DAY TRIPPERS OR IN SOME INSTANCES SEEK ALTERNATE ACCOMMODATIONS. VISITORS OFTEN PASS ON JAY PEAK DUE TO INSUFFICIENT AVAILABLE ACCOMMODATIONS. THE CONTINUED EXPANSION OF RESORT AMENITIES, INCLUDING FACILITIES THAT NO OTHER SKI RESORT IN EASTERN NORTH AMERICA CURRENTLY HAVE AVAILABLE, IS EXPECTED TO CAUSE A RAPID ACCELERATION IN DEMAND FOR ACCOMMODATIONS AT JAY PEAK RESORT. ADVANCED MARKETING OF THE NEWI FACILITIES HAS BEGAN AND IT IS PROJECTED THAT FOR ALL OF THE ACCOMMODATIONS JAY PEAK IS CURRENTLY BUILDING AND PLANNING TO BUILD, THERE WILL BE AN IMMEDIATE DEMAND.

FUTURE MARKET DEVELOPMENT WILL BE ENHANCED AS JAY'S POSITIONING AND PHYSICAL CHARACTERISTICS PROVIDE SUBSTANTIAL ADVANTAGES OVER OLDER, LESS ENVIRONMENTALLY SENSITIVE FACILITIES. WINTER BUSINESS WILL CONTINUE TO FOCUS ON BOTH ALPINE AND CROSS COUNTRY/NORDIC SKIING AND THE SKI VACATION PRODUCT. FAMILY SKI VACATIONS, SKI CLUB OUTINGS AND INDIVIDUAL AND COUPLES' BUSINESS WILL PROVIDE THE FRAMEWORK FOR WINTER BUSINESS DEVELOPMENT.

ACCENTUATING THE TWO AND THREE DAY WEEKEND STAY, AND THE THREE, FIVE, AND SEVEN-DAY SKI WEEK EXPERIENCE WILL BE THE PRIMARY FOCUS OF THE RESORT'S WINTER MARKETING EFFORTS. THE RESORT'S MARKETS

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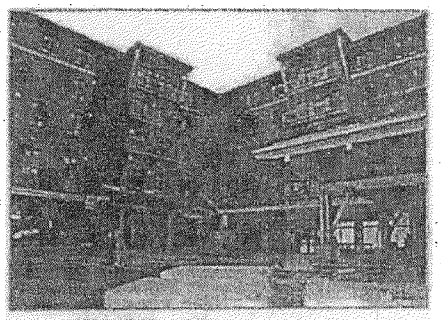
FOR WINTER ACTIVITY AND HOTEL UTILIZATION WILL BE EASTERN CANADA, ALL OF NEW ENGLAND AND THE MID-ATLANTIC STATES OF THE UNITED STATES. FURTHER DESTINATION MARKETS SUCH AS THE MID-SOUTH AND FLORIDA ARE VIABLE THROUGH AIRLINE CONNECTIONS INTO THE BURLINGTON, VERMONT AIRPORT AND THE PIERRE ELLIOT TRUDEAU (DORVAL) AIRPORT SERVING MONTRÉAL, QUEBÉC, CANADA.

SUMMER BUSINESS DEVELOPMENT WILL LARGELY FOCUS ON FAMILY VACATIONS INVOLVING ACTIVE, OUTDOOR AND ENVIRONMENTALLY BALANCED EXPERIENCES. WITH SUCH A UNIQUE AND UNSPOILED SETTING, JAY PEAK CAN PROVIDE ITS VACATIONING PUBLIC AN OPPORTUNITY TO HIKE, BIKE, FISH, SAIL,MOUNTAIN AND ROAD BIKE, GOLF AND SIGHTSEE IN OR NEAR THE RESORT IN A SETTING THAT IS TRULY UNDEVELOPED. NATURE TRAILS ALONG PRISTINE MOUNTAIN STREAMS WILL PROVIDE THE MOST NATURAL OF SETTINGS FOR FAMILY OUTINGS. OTHER TYPICAL RECREATION ENJOYED IN SUMMER WILL ALSO BE ON THE RESORT PREMISES, BUT EVERYTHING FROM SIGNAGE TO LIGHTING TO PROGRAM DESIGN WILL EMIT AN ENVIRONMENTAL SENSITIVITY THAT WILL, ONCE AGAIN, DIFFERENTIATE JAY PEAK RESORT FROM OTHER RESORTS THAT HAVE LARGELY BEEN BUILT ON A LEGACY OF RAPID EXPANSION IN THE 1970'S AND 1980'S.



Phase 2 Hotel Building Under Construction

ALTHOUGH JAY PEAK ALREADY HAS A VERY SUCCESSFUL SKI RESORT, MANY TIMES, EVEN IN PEAK SEASON, POOR WEATHER WILL RESULT IN TRIPS, VACATIONS AND MEETINGS BEING CANCELLED. THE RESORT SOUGHT OPPORTUNITIES THAT WOULD HELP EXPAND IT INTO A YEAR-ROUND DESTINATION, AND INSULATE THE RESORT FROM THE IMPACT OF WEATHER, CREATE WEATHER-PROOF VACATIONS, CAPTURE YEAR-ROUND REVENUES, YET ALLOW THE FREEDOM TO THE RESORT TO CONTINUE TO DO WHAT IT HAS DONE SO WELL FOR THE LAST 55 YEARS.

WITH THE NEAR COMPLETION OF THE ONGOING WATER PARK AND HOTEL JAY DEVELOPMENT AND PENTHOUSE SUITES PROJECT, JAY PEAK RESORT WILL TRULY BE A "DESTINATION RESORT" WITH A 12 MONTH VENUE. THE ANCILLARY FACILITIES SUCH AS THE INDOOR WATER PARK, ICE ARENA, SPA AND CONVENTION CENTER TOGETHER WITH THE MOUNTAINLEARNING CENTER WILL LIKELY FILL ROOMS DURING MOST WEEKENDS ALL YEAR LONG AND DURING SCHOOL BREAK PERIODS. HOTELS/RESORTS WITH AN INDOOR WATERPARK ARE REPORTEDLY ABLE TO EXTEND THEIR PEAK SEASONS FROM ABOUT 100 DAYS TO ABOUT 300 DAYS OR MORE. THE ICE ARENA COMPLETED IN MAY 2010 OPENED SHORTLY THEREAFTER AND THE GOLF CLUBHOUSE COMPLEX, WHICH DOUBLES AS A NORDIC SKI CENTER DURING THE WINTER MONTHS, OPENED IN JUNE 2010. IT IS PROJECTED THAT THE INDOOR WATER PARK, SPA, CONVENTION CENTER AND HOTEL JAY INCLUDING THE PENTHOUSE SUITES WILL BE COMPLETED FOR THE 2011/2012WINTER SEASON. WITH A CHAMPIONSHIP GOLF COURSE AND OTHER TYPICAL RECREATION AMENITIES AND OPPORTUNITIES ENJOYED IN THE SUMMER ALSO WITHIN THE RESORT PREMISES AND WITH THE COMPLETION OF HOTEL JAY, AND THE UPSCALE ACCOMMODATIONS PROVIDED BY THE PENTHOUSE LEVEL, JAY PEAK RESORT WILL BE POISED TO CAPTURE A MARKET SHARE AS A CONFERENCE AND CONVENTION DESTINATION THAT PROVIDES LUXURY AND BUSINESS SPECIFIC ACCOMMODATION FOR THOSE ATTENDEES.

Phase 2 Developments – Opening 2012

OTHER ACCOMMODATIONS AND AMENITIES ALREADY CONSTRUCTED AND OPEN FOR BUSINESS OR PROJECTED TO COME ONLINE IN 2012 INCLUDE: THE TRAM HAUS LODGE, WHICH OPENED IN DECEMBER 2009 AND A MOUNTAIN LEARNING CENTER WHICH SEEKS TO CAPTURE SUMMER BUSINESS AND WILL LARGELY FOCUS ON CAMPS, ECO-TOURS AND FAMILY VACATIONS INVOLVING ACTIVE, OUTDOOR, EDUCATIONAL AND ENVIRONMENTALLYBALANCED EXPERIENCES, PROVIDINGVISITORS AN OPPORTUNITY TO HIKE, BIKE, FISH, ZIP-LINE, SIGHTSEE AND PARTICIPATE IN SHOOTING CLAYS.

WITH AN ESTABLISHED CHAMPIONSHIP GOLF COURSE, THE ADDITION OF THE ACCOMMODATIONS AND ANCILLARY FACILITIES FEATURED IN THE HOTEL SUITES STATESIDE PROJECT WILL FURTHER ENHANCE THE SKIING, GOLF AND CROSS COUNTRY SKIING PRODUCT. INDEPENDENT MARKET RESEARCH SHOWS THE PREFERENCE BY CERTAIN MARKET SEGMENTS FOR MORE PERSONABLE ACCOMMODATIONS DETACHED FROM THE LARGE RESORT HOTELS. THE HOTEL SUITES STATESIDE PROJECT ALSO FEATURES A NEW GUEST SERVICES RECREATION CENTER THAT AIMS TO PROVIDE MANY OF THE INDOOR RECREATION ACTIVITIES PREFERRED BY RESORT GUESTS. THIS RECREATION CENTER BUILDING WILL BE A FURTHER COMPONENT OF THE PLANNED MULTI-COMPONENT DEVELOPMENT AT THE STATESIDE AREA OF THE RESORT ALONG WITH CREATING AND DEVELOPING A MEDICAL CENTER FOR USE BY RESORT GUESTS AND PEOPLE IN THE TOWNS OF JAY, TROY AND MONTGOMERY CENTER.

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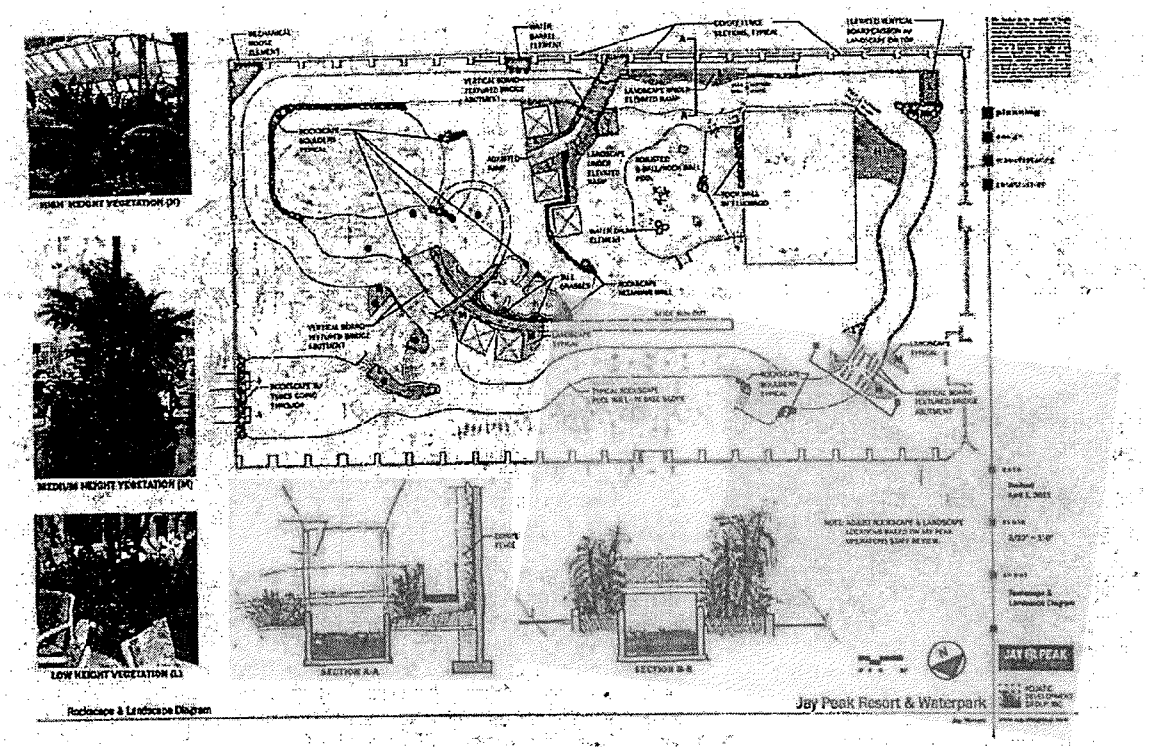
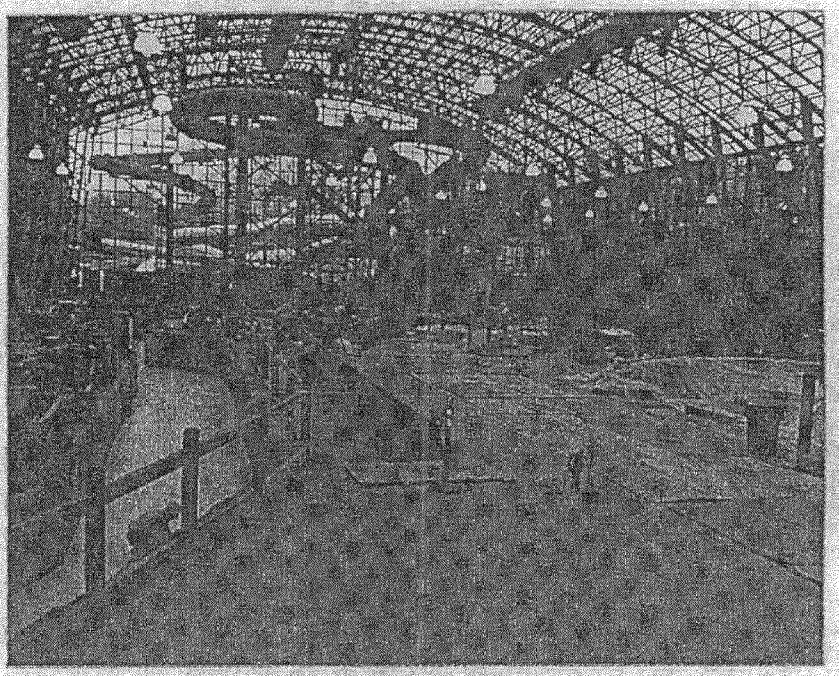


Plan of Vermont's largest Indoor Water Park with Retractable Roof at Jay Peak. Seen below is a development picture of that plan.



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THE PROJECT – BUSINESS STRUCTURE

THE FLOW CHART DEPICTED BELOW ILLUSTRATES THE BUSINESS STRUCTURE AND ACTIVITIES OF THE PARTNERSHIP: THE PARTNERSHIP WILL RECEIVE INVESTOR FUNDS TO CONSTRUCT, FIT UP, FURNISH, OWN AND LEASE OUT ON PRIME REAL ESTATE AN 84 SUITE STATESIDE HOTEL AND 84 COTTAGE UNITS TO BE LOCATED ADJACENT TO AND AROUND JAY PEAK'S CHAMPIONSHIP GOLF COURSE AND STATESIDE SKI TRAILS.

THE STATESIDE HOTEL AND COTTAGES WILL BE LEASED TO AN APPROVED TENANT AND OPERATED AS A HOTEL AND VACATION RENTALS BY THE TENANT WHO MUST BE APPROVED BY THE PARTNERSHIP AND FURTHER COMPLY WITH THE SPECIAL TERMS OF THE LEASE WHICH WILL REQUIRE THE TENANT TO PROVIDE FULL DOCUMENTATION AND EVIDENCE RELATING TO REVENUES, AND EMPLOYMENT TO THE PARTNERSHIP. (SEE DRAFT LEASE: SECTION 5; EXHIBIT "Q"). THE STATESIDE HOTEL WILL BE PART OF A CONDOMINIUM REGIME THAT INCLUDES ADDITIONAL CONDOMINIUM UNITS COMPRISED OF ONE OR MORE COMMERCIAL UNITS OWNED BY THE RESORT OWNER AND OFFERING AN INDOOR POOL AND LEISURE AREA, AS WELL AS COMMERCIAL RETAIL AND OTHER SERVICES.

IN ADDITION THE PARTNERSHIP WILL CONSTRUCT, FIT UP AND FURNISH IN ONE OR MORE BUILDINGS (COLLECTIVELY THE "ANCILLARY FACILITIES BUILDINGS") ON LAND OWNED BY THE RESORT OWNER AT THE RESORT, BEING A GUEST SERVICES RECREATION CENTER AND CREATING AND DEVELOPING A MEDICAL CENTER, TO BE LEASED BACK FROM THE RESORT-OWNER FOR NOMINAL CONSIDERATION. THE FACILITIES WILL BE SUBLEASED TO ONE OR MORE TENANTS TO BE APPROVED BY THE PARTNERSHIP THAT WILL OPERATE ALL THE ACTIVITIES IN AND RELATED TO THE ANCILLARY FACILITIES BUILDINGS PROVIDE FULL DOCUMENTATION AND EVIDENCE RELATING TO REVENUES, AND EMPLOYMENT TO THE PARTNERSHIP. (SEE DRAFT SUBLEASE: SECTION 5; EXHIBITS "S & T")

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FLOWCHART – STRUCTURE OF BUSINESS OPERATIONS

(note: Stateside Hotel Condominium Units omitted from this chart for clarity)

JAY PEAK HOTEL SUITES STATESIDE L.P. - STRUCTURE OF OPERATIONS

PROJECT:

LP BUILDS/OWNS STATESIDE HOTEL – 84 SUITES AND COTTAGES – 84 UNITS (168 TOTAL UNITS)

JAY PEAK, INC. OWNS RECREATION CENTER AND MEDICAL CENTER WHICH ARE LEASED TO THE L.P. for 10 YRS RENT FREE.

JOB CREATION

Requisite jobs created by:

- The money invested into the project
- Tenants lease occupancy, activities and use of premises
- Increased visitor spending at the Resort

INVESTMENT:

$87 MILLION

$67 million – from 134 EB-5 investors at $500,000 per investor

$20 million in cash, land or other value from Jay Peak to provide

JAY PEAK HOTEL SUITES STATESIDE L.P.

- Develops and Creates Jobs, Builds real estate to rent out to third party tenants.
- LP Income source: partnership acts as landlord and receives rents from tenants
- Lease rentals structured to provide a projected rental return of 4.2% pa for the first full year of business operations to the partnership.

Jay Peak Inc. cash, land or other value applied to:

Jay Peak Inc. Stateside commercial area build out

And-

General Resort Infrastructure – Access road, Drainage, Wetlands etc. Snowmaking facilities and lift relocations etc.

LP builds and owns Stateside Hotel which contains 84 suites to be leased to approved tenant

LP builds and owns Cottages Complex which contains 84 units leased to approved tenant

Develops and constructs a Medical Center. JP, Inc owns building, 10 yr lease to L.P.

Develops and constructs Guest Services Recreation Center. JP, Inc owns building, 10 yr lease to L.P.

Stateside Hotel is leased out to pre-approved tenant who operates the hotel. Pays rental to partnership and tenant creates jobs at the Resort.

Cottages are leased out to pre-approved tenant who operates vacation rentals. Pays rental to partnership and tenant creates jobs at Resort.

Leased out to pre-approved tenant who operates, pays rental to LP and tenant creates jobs at the Resort.

Leased out to pre-approved tenant who operates, pays rental to LP and tenant creates jobs at the Resort.

EXIT STRATEGY & RETURNS:

JP, INC HAS EXCLUSIVE RIGHT OF SALE AND RENTAL. ALL UNITS MUST BE IN RENTAL POOL

- EB-5 investors stay invested for until such time as all I-829 applications have been decided by USCIS, at this time fractional ownership units would be allocated to the Limited Partners.
- Each Limited Partner may receive deeded equity allocation at fair market value.
- JP has exclusive right of sale, or will be exclusive rental agent.

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THE FINANCIAL TRANSACTION

INVESTMENT FUNDS AND VALUE TOTALING $87,000,000 ARE ESTIMATED AS REQUIRED TO COMPLETE THE PROJECT, INVESTORS PROVIDING UP TO $67,000,000 PURSUANT TO THE OFFERING MEMORANDUM AND JAY PEAK INC. $20,000,000.

WHILE OVERALL PLANNING IS AS CONTAINED WITHIN THE APPROVED RESORT MASTER DEVELOPMENT PLAN, PLANNING, PERMITTING REVIEW AND STATE AND COUNTY REGULATORY APPLICATIONS FOR THE INDIVIDUAL PROJECT COMPONENTS IS PROJECTED TO COMMENCE IN EARLY 2012. THE STATE OF VERMONT LAND DEVELOPMENT LAWS DETERMINE WHEN AND HOW MUCH LAND MAY BE OPENED FOR DEVELOPMENT AT ANY ONE TIME AND SUBJECT THERETO THE PROJECT IS ANTICIPATED TO BEGIN PRELIMINARY GROUND BREAKING IN SPRING OF 2012, SUBJECT TO APPROVAL AND ISSUANCE OF THE GOVERNMENTAL AND REGULATORY PERMITS.THE APPROVED OPERATORS ARE PROJECTED TO COMMENCE BUSINESS OPERATIONS FOR THE 2013/2014 WINTER SEASON. (SUBJECT TO NO UNFORESEEN DELAYS OR INCLEMENT WEATHER FACTORS DURING THE EXTERIOR STRUCTURES BUILD PHASE).

(SEE CHART: RIMS II INPUT DATA: SUMMARY OF BUILD PHASES AND JOB CREATION POINTS)

THE REVENUES TO THE PARTNERSHIP WILL BE FROM RENTAL INCOME DERIVED FROM THE LEASES TO APPROVED TENANTS FOR THE FACILITIES, NAMELY THE STATESIDE HOTEL, THE COTTAGES, THE GUEST SERVICES RECREATION CENTER AND THE MEDICAL CENTER.

A TEN YEAR SUMMARY OF PROJECTED PARTNERSHIP INCOME AND MANAGEMENT COSTS IS SHOWN ON THE TABLE BELOW.

A SUMMARY OF PROJECTED BUSINESS OPERATIONS FOR EACH ACTIVITY DETAILING INCOME GENERATED AND VISITOR SPENDING GENERATED BY THE PROJECT IS SHOWN ELSEWHERE IN THE BUSINESS PLAN.

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TEN YEAR PROJECTIONS

SUMMARY OF PARTNERSHIP INCOME

JAY PEAK HOTEL SUITES STATESIDE L.P. 134 INVESTORS $67,000,000

PROJECTED STATEMENT OF PARTNERSHIP RENTAL INCOME

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
FINANCED BY 134 EB-5 INVESTORS $67m										
REVENUES										
COTTAGES										
BASE RENTAL INCOME	898,560	916,531	934,862	953,559	972,630	992,083	1,011,925	1,032,163	1,052,806	1,073,862
PERCENTAGE RENT	493,050	522,063	551,067	580,070	585,871	597,589	609,540	657,056	687,078	707,650
STATESIDE HOTEL SUITES										
BASE RENTAL INCOME	783,324	798,990	783,758	799,433	815,422	831,731	848,365	865,332	882,639	900,292
PERCENTAGE RENT	327,919	354,152	364,777	375,720	386,992	427,626	464,855	478,800	497,952	500,216
MOUNTAIN CLINIC										
BASE RENTAL INCOME	94,500	96,390	98,318	100,284	102,290	104,336	106,422	108,551	110,722	112,936
PERCENTAGE RENT	0	0	0	0	0	0	0	0	0	0
GUEST RECREATION CENTER										
BASE RENTAL INCOME	140,000	142,800	145,656	148,569	151,541	154,571	157,663	160,816	164,032	167,313
PERCENTAGE RENT	90,234	98,784	101,098	103,474	105,920	108,437	129,530	136,180	143,993	145,131
SUMMARY										
BASE RENTAL INCOME	1,866,384	1,924,112	1,962,594	2,001,846	2,041,883	2,082,720	2,124,375	2,166,862	2,210,200	2,254,403
PERCENTAGE RENT	911,212	975,000	1,016,940	1,059,265	1,078,783	1,133,651	1,203,925	1,282,046	1,329,023	1,353,036
PARTNERSHIP NET OPERATING INCOME	$2,797,596	$2,899,112	$2,979,534	$3,061,111	$3,120,666	$3,216,372	$3,328,300	$3,448,908	$3,539,223	$3,607,440
UNIT INVESTOR INCOME	$20,877.58	$21,635.16	$22,235.33	$22,844.11	$23,288.55	$24,002.77	$24,838.06	$25,738.12	$26,412.11	$26,921.19
Annual % Return on Investment	4.18%	4.33%	4.45%	4.57%	4.66%	4.80%	4.97%	5.15%	5.28%	5.38%

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. data provided by W Stenger, President and CEO Jay Peak Resort. 9/29/2011
Updated Report prepared by Rapid USA Visas, Inc. Naples FL : K Douglas Hulme FCCA Tel: 239.594.5400 10/20/11
See Disclaimer "Forward looking Statements"

Dividends paid monthly or quarterly in arrears, subject to the limited partnership agreement, to Investors based upon available cash funds.

TOTAL PROJECTED INCOME TO PARTNERSHIP FROM RENTAL INCOME: YEAR 1: $2,797,596, YEAR 5: $3,120,666, YEAR 10: $3,607,440

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PROJECTED STATEMENT OF INCOME FROM OPERATIONS

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JAY PEAK VERMONT

JAY PEAK HOTEL SUITES STATESIDE L.P. 134 INVESTORS $67,000,000
PROJECTED STATEMENT OF INCOME FROM OPERATIONS

See Risk Factors: Forward looking Statements

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
REVENUES FROM BUSINESS OPERATIONS OF JAY PEAK AND TENANTS										
GOLF / CHALET UNITS	$6,288,782	$6,655,071	$7,021,494	$7,388,033	$7,464,656	$7,615,362	$7,769,124	$8,002,198	$8,242,264	$8,489,532
NET INCOME	*$472,410*	*$648,850*	*$830,189*	*$994,386*	*$867,061*	*$884,574*	*$902,442*	*$900,049*	*$937,495*	*$976,273*
STATESIDE HOTEL SUITES	$4,203,580	$4,534,636	$4,670,675	$4,810,796	$4,955,120	$5,152,147	$5,407,329	$5,569,549	$5,791,045	$6,021,362
NET INCOME	*$362,519*	*$482,488*	*$510,389*	*$551,694*	*$575,896*	*$580,524*	*$621,482*	*$594,447*	*$649,667*	*$724,427*
MOUNTAIN CLINIC	$945,000	$1,080,000	$1,215,000	$1,350,000	$1,377,000	$1,404,540	$1,432,631	$1,461,283	$1,490,509	$1,520,319
NET INCOME	*$104,450*	*$142,130*	*$178,704*	*$217,169*	*$221,041*	*$224,907*	*$228,845*	*$232,977*	*$237,061*	*$241,200*
GUEST RECREATION CENTER	$1,503,696	$1,646,406	$1,664,938	$1,724,572	$1,765,341	$1,807,282	$1,850,433	$1,891,393	$1,919,910	$1,935,076
NET INCOME	*$166,803*	*$187,994*	*$189,004*	*$189,992*	*$185,871*	*$212,007*	*$196,003*	*$193,425*	*$187,374*	*$187,234*
GRAND TOTALS										
OPERATOR TENANT REVENUES	$12,941,238	$13,916,114	$14,602,108	$15,273,400	$15,562,116	$15,979,331	$16,459,518	$16,924,423	$17,443,727	$17,966,289
NET PROJ. INCOME TO FACILITY OPERATOR(S)	$939,385	$1,273,476	$1,526,281	$1,673,249	$1,663,999	$1,690,065	$1,752,870	$1,727,472	$1,824,223	$1,941,900
ADDITIONAL REVENUES FROM VISITOR SPENDING AT JAY PEAK RESORT BY OCCUPANTS OF COTTAGES (SEE STATESIDE HOTEL AND GOLF PROJECTIONS ANALYSIS OF VISITOR SPENDING)										
PROJECTED SPENDING										
GOLF COTTAGES PROJECT	$6,638,529	$7,110,800	$7,395,232	$7,543,137	$7,693,999	$7,847,879	$8,004,837	$8,164,934	$8,328,232	$8,494,797
STATESIDE HOTEL SUITES	$5,939,077	$6,457,526	$6,386,676	$6,718,410	$6,892,778	$6,969,834	$7,129,830	$7,276,223	$7,417,667	$7,566,021
VISITOR SPENDING SUB-TOTAL	$25,578,644	$27,484,440	$28,574,016	$29,534,948	$30,168,891	$30,517,044	$31,601,980	$32,341,580	$33,189,627	$34,027,108
VISITORS										
GOLF COTTAGES - 84 Unit project	71,114	74,670	78,226	81,782	82,599	83,425	84,260	85,102	85,953	86,813
MOUNTAIN CLINIC	0	0	0	0	0	0	0	0	0	0
STATESIDE BONAVENTURE HOTEL SUITES	70,643	73,365	74,632	76,329	77,092	77,863	78,252	78,644	79,037	79,432
REGREATION CENTER	13,002	13,262	13,527	13,798	14,074	14,355	14,643	14,935	14,935	14,935
SUBTOTALS	154,660	161,297	166,385	171,908	173,765	175,643	177,155	178,681	179,926	181,180
ADDITIONAL DAY VISITORS TO RESORT (8%)	12,373	12,904	13,327	13,753	13,901	14,052	14,172	14,295	14,394	14,494
TOTALS	167,033	174,201	179,712	185,661	187,667	189,695	191,327	192,976	194,320	195,675
ADD TOTAL OTHER SPEND AS BELOW PROJECTED AT RESORT GENERATED FROM STATESIDE SUITES PROJECT										
REVENUES - OTHER RESORT FACILITIES										
RETAIL TRADE SKI WEAR SKI BIKES ETC	$1,002,195	$1,045,206	$1,079,474	$1,113,987	$1,126,000	$1,138,172	$1,147,962	$1,157,855	$1,165,917	$1,174,048
BARS (night) & RESTAURANTS, SNACKS	$1,102,415	$1,149,727	$1,187,421	$1,225,383	$1,238,600	$1,251,990	$1,262,758	$1,273,640	$1,282,609	$1,291,453
SPA AND SALONS	$106,571	$113,231	$116,943	$120,680	$121,983	$123,302	$124,382	$125,434	$126,308	$127,189
CONFERENCES CONVENTION	$300,000	$350,000	$367,500	$385,875	$465,169	$426,427	$446,699	$469,033	$492,485	$517,109
COMPETITIONS - golf - mtn./bikes	$100,000	$200,000	$220,000	$242,000	$266,200	$292,820	$322,102	$354,312	$389,743	$428,718
TOTALS	$2,613,181	$2,858,164	$2,971,339	$3,087,884	$3,167,953	$3,231,711	$3,303,882	$3,380,275	$3,456,963	$3,536,518
ADD, Spend in Jay Peak Stateside Hotel										
Commercial Areas	$3,204,000	$3,268,080	$3,333,442	$3,400,110	$3,468,113	$3,537,475	$3,608,224	$3,680,383	$3,753,997	$3,828,077
GRAND OVERALL TOTALS	$31,396,025	$33,610,683	$34,878,796	$36,022,941	$36,734,959	$37,588,230	$38,508,091	$39,422,243	$40,400,586	$41,394,699
Total Visitors	167,033	174,201	179,712	185,661	187,667	189,695	191,327	192,976	194,320	195,675
TOTAL AVERAGE VISITOR SPEND	$188	$193	$194	$194	$196	$198	$201	$204	$208	$212

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc.

29-Sep-11

HIGHLIGHTS

- TOTAL STATESIDE HOTEL CONSTRUCTION SQUARE FOOTAGE (EST.) 84 UNITS IN THE COMPLEX WITH APPROX. OVERALL AVERAGE SIZE PER UNIT 600 SQ FT.; COTTAGES CONSTRUCTION SQUARE FOOTAGE (EST.) 84 UNITS IN THE COMPLEX WITH APPROX. OVERALL AVERAGE SIZE PER UNIT 1,100 SQ FT.; GUEST SERVICES RECREATION CENTER 15,000 +/-SQ FT; CONSTRUCTING, DEVELOPING AND FIT-OUT OF MEDICAL CENTER. CONSTRUCTION OF FACILITIES AND INFRASTRUCTURE BUILT BY JAY PEAK, INC. WILL COVER EXTENSIVE AREAS OF MOUNTAINSIDE WITHIN THE JAY PEAK RESORT.
- TOTAL PROJECT COST $87,000,000; FROM EB-5 INVESTORS: $67,000,000; FROM JAY PEAK INC.: $20,000,000
- GROUND BREAKINGPROJECTED TO COMMENCE IN SPRING 2012, ESTIMATED COMPLETION AND OPENING FOR THE 2013/2014 WINTER SEASON.
- PROJECTED OPERATOR REVENUES ON COMPLETION OF PROJECT: YR 1 $11,437,432 YR 5: $13,796,776 YR. 10; $16,031,213
- PROJECTED TOTAL VISITOR SPENDING JAY PEAK RESORT COMPLETION PROJECT: YR 1 $31,396,025 YR 5 $36,734,959 YR. 10; $41,394,699

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STATESIDE HOTEL SUITES INCOME STATEMENT

JAY PEAK VERMONT

OPERATOR PROJECTIONS STATESIDE HOTEL SUITES

**See Important Note: Forward Looking Statements:

84 UNITS LEASED FROM JAY PEAK HOTEL SUITES STATESIDE LP: LEASED COMPLETE WITH BUILD OUT INC. F & F's

PROSPECTIVE TENANTS POSSIBLE BUSINESS OPERATIONS AND PROJECTED STATEMENT OF INCOME AND EXPENSE BASED UPON USE OF PREMISES AND FACILITIES

TABLE 1

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Stabilization Adjustment: First 4 years of operations	*85%*	*90%*	*95%*	*100%*						
REVENUES										
ROOMS	$4,098,985	$4,426,904	$4,559,711	$4,696,502	$4,837,397	$5,030,893	$5,282,438	$5,440,911	$5,658,547	$5,884,889
TELEPHONE	$104,595	$107,733	$110,965	$114,294	$117,723	$121,254	$124,892	$128,639	$132,498	$136,473
	$4,203,580	$4,534,636	$4,670,675	$4,810,796	$4,955,120	$5,152,147	$5,407,329	$5,569,549	$5,791,045	$6,021,362
GROSS REVENUES	$4,203,580	$4,534,636	$4,670,675	$4,810,796	$4,955,120	$5,152,147	$5,407,329	$5,569,549	$5,791,045	$6,021,362
VISITORS (See Hotel Assumptions Schedule)										
OCCUPANCY 69%: ROOM DAYS 249 - 84 Suites	*70543*	*73365*	*74832*	*76329*	*77092*	*77863*	*78252*	*78644*	*79037*	*79432*
DIRECT COSTS										
LABOR	$1,151,150	$1,174,173	$1,197,656	$1,221,610	$1,233,826	$1,258,502	$1,283,672	$1,309,346	$1,335,533	$1,362,243
OTHER VARIABLE EXPENSES	$573,858	$619,766	$638,359	$657,510	$677,236	$704,325	$739,541	$761,727	$792,197	$823,884
SUB-TOTAL	$1,725,008	$1,793,939	$1,836,016	$1,879,120	$1,911,061	$1,962,827	$2,023,213	$2,071,073	$2,127,729	$2,186,128
TELEPHONE	$83,676	$86,186	$88,772	$91,435	$94,178	$97,003	$99,914	$102,911	$105,998	$109,178
TOTAL DIRECT COSTS	$1,808,684	$1,880,126	$1,924,788	$1,970,555	$2,005,239	$2,059,831	$2,123,127	$2,173,984	$2,233,727	$2,295,306
EST. EMPLOYEES (FTE) (Avg Wage$11 p/h $23,023 incl EC)	50	52	53	53	54	54	55	55	55	55
GROSS PROFIT	$2,394,896	$2,654,511	$2,745,888	$2,840,241	$2,949,880	$3,092,317	$3,284,202	$3,395,565	$3,557,317	$3,726,056
INDIRECT COST & ADMIN. EXPENSES										
BASE RENT	$753,324	$768,390	$783,758	$799,433	$815,422	$831,731	$848,365	$865,332	$882,639	$900,292
PERCENTAGE RENT	$327,919	$354,152	$364,777	$375,720	$386,992	$427,626	$454,855	$478,800	$497,952	$500,216
ELECTRICITY & HEATING UTILITIES	$252,215	$272,078	$280,241	$288,648	$297,307	$309,129	$324,440	$334,173	$347,463	$361,282
MAINTENANCE & REPAIRS	$245,939	$265,614	$273,583	$281,790	$290,244	$327,608	$389,771	$435,273	$452,684	$470,791
MARKETING & PROMOTION	$245,939	$265,614	$273,583	$281,790	$290,244	$301,854	$316,946	$326,455	$339,513	$353,093
OTHER ADMINISTRATIVE COSTS	$122,970	$132,807	$136,791	$140,895	$145,122	$150,927	$158,473	$163,227	$169,756	$176,547
TOTAL COSTS	$1,948,305	$2,058,656	$2,112,732	$2,168,277	$2,225,331	$2,348,274	$2,482,849	$2,603,260	$2,690,007	$2,762,220
EBITDA	$446,591	$595,854	$633,155	$671,964	$724,550	$744,043	$801,353	$792,305	$867,310	$963,836
RESERVE FOR REPLACEMENT	$84,072	$113,366	$116,767	$120,270	$148,654	$163,519	$179,871	$197,858	$217,644	$239,408
PROJ. EARNINGS - SUITE HOTEL	$362,519	$482,488	$516,389	$551,694	$575,896	$580,524	$621,482	$594,447	$649,667	$724,427
	8.62%	*10.64%*	*11.06%*	*11.47%*	*11.62%*	*11.27%*	*11.49%*	*10.67%*	*11.22%*	*12.03%*

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc. 6-Sep-11

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ADDITIONAL SPENDING BY OCCUPANTS OF STATESIDE HOTEL SUITES AND ANCILLARY FACILITIES

TABLE 2

ADDITIONAL SPENDING AT JAY PEAK RESORT FACILITIES ARISING FROM THE OCCUPANTS OF THE STATESIDE SUITES

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Recreation and Amusement Revenues:										
Lift Passes	$801,790	$952,332	$971,380	$990,807	$1,010,624	$1,030,836	$1,051,453	$1,072,482	$1,093,931	$1,115,810
Ski Rental,	$617,253	$678,978	$692,558	$706,409	$720,537	$734,948	$749,647	$764,640	$779,933	$795,531
Ski School	$423,259	$465,585	$474,897	$484,395	$494,083	$503,964	$514,044	$524,324	$534,811	$545,507
WaterPark	$432,250	$466,830	$476,167	$485,690	$495,404	$505,312	$515,418	$525,726	$536,241	$546,966
Ice Arena	$216,125	$242,060	$246,901	$251,839	$256,876	$262,014	$267,254	$272,599	$278,051	$283,612
Golf Course	$105,815	$110,047	$112,248	$114,493	$116,783	$119,119	$121,501	$123,931	$126,410	$128,938
Total Revenues: Rec:	**$2,676,492**	**$2,916,834**	**$2,974,151**	**$3,033,634**	**$3,094,305**	**$3,156,193**	**$3,218,316**	**$3,283,703**	**$3,349,377**	**$3,416,364**
Meals Revenues:										
Breakfasts	$705,432	$747,758	$762,713	$777,967	$793,527	$809,397	$825,585	$842,097	$858,939	$876,118
Lunch	$564,346	$609,493	$621,683	$634,117	$646,799	$659,735	$672,930	$686,388	$700,116	$714,118
Dinner	$1,629,548	$1,727,321	$1,761,867	$1,797,105	$1,833,047	$1,869,708	$1,907,102	$1,945,244	$1,984,149	$2,023,832
Golf/Clubhouse/Nordic Center Bars/Rest.	$423,259	$457,120	$466,262	$475,588	$485,099	$494,801	$504,697	$514,791	$525,087	$535,589
Total Revenues: Meals	**$3,322,585**	**$3,541,692**	**$3,612,526**	**$3,684,776**	**$3,758,472**	**$3,833,641**	**$3,910,314**	**$3,988,520**	**$4,068,291**	**$4,149,657**
GRAND TOTAL: REVENUES	**$5,999,077**	**$6,457,526**	**$6,586,676**	**$6,718,410**	**$6,852,778**	**$6,989,834**	**$7,129,630**	**$7,272,223**	**$7,417,667**	**$7,566,021**

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc. 16-Oct-11

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PROJECTED SPEND AT COMMERCIAL AREAS STATESIDE HOTEL

TABLE 3:

OTHER SPEND PROJECTED AT COMMERCIAL AREAS STATESIDE HOTEL

PROJECTED REVENUES

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
RETAIL TRADE	$1,441,800	$1,499,472	$1,529,461	$1,560,051	$1,591,252	$1,623,077	$1,655,538	$1,688,649	$1,722,422	$1,756,870
BARS & RESTAURANTS, SNACKS	$1,762,200	$1,768,528	$1,803,981	$1,840,059	$1,876,861	$1,914,398	$1,952,686	$1,991,740	$2,031,575	$2,071,207
TOTALS	$3,204,000	$3,268,000	$3,333,442	$3,400,110	$3,468,113	$3,537,475	$3,608,224	$3,680,389	$3,753,997	$3,828,077

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc.

16-Oct-11

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GOLF COTTAGES / MOUNTAIN CHALETS INCOME STATEMENT

OPERATOR PROJECTIONS GOLF COTTAGES /MOUNTAIN CHALETS

**See Important Note: Forward Looking Statements:

84 TOTAL UNITS LEASED FROM JAY PEAK HOTEL SUITES STATESIDE L.P. LEASED COMPLETE WITH BUILD OUT INC. F & F's

PROSPECTIVE TENANTS POSSIBLE BUSINESS OPERATIONS AND PROJECTED STATEMENT OF INCOME AND EXPENSES BASED UPON USE OF PREMISES AND FACILTITIES

TABLE 1

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Stabilization Adjustment: First 4 years of operations	*85%*	*90%*	*95%*	*100%*						
REVENUES										
ROOMS	$6,163,248	$6,525,792	$6,888,336	$7,250,880	$7,323,389	$7,469,857	$7,619,254	$7,847,831	$8,083,266	$8,325,764
TELEPHONE	$125,514	$129,279	$133,158	$137,153	$141,267	$145,505	$149,870	$154,366	$158,997	$163,767
	$6,288,762	$6,655,071	$7,021,494	$7,388,033	$7,464,656	$7,615,362	$7,769,124	$8,002,198	$8,242,264	$8,489,532
OCCUPANCY 68% ROOM DAYS 249 - 4 persons	71114	74670	78226	81782	82599	83425	84260	85102	85953	86813
DIRECT COSTS										
LABOR	$1,078,568	$1,142,014	$1,171,017	$1,232,650	$1,281,593	$1,307,225	$1,333,369	$1,373,370	$1,414,572	$1,457,009
OTHER VARIABLE EXPENSES	$1,171,017	$1,060,441	$1,119,355	$1,178,268	$1,190,051	$1,213,852	$1,238,129	$1,275,273	$1,313,531	$1,352,937
SUB-TOTAL	$2,249,586	$2,202,455	$2,290,372	$2,410,918	$2,471,644	$2,521,077	$2,571,498	$2,648,643	$2,728,102	$2,809,945
TELEPHONE	$100,411	$103,424	$106,526	$109,722	$113,014	$116,404	$119,896	$123,493	$127,198	$131,014
	$2,349,997	$2,305,878	$2,396,898	$2,520,640	$2,584,657	$2,637,481	$2,691,394	$2,772,136	$2,855,300	$2,940,959
EMPLOYEES (FTE) (Avg Wage$11 p/h $23023 Incl EC)	47	50	50	52	53	54	55	55	55	56
GROSS PROFIT	$3,938,765	$4,349,193	$4,624,596	$4,867,393	$4,879,999	$4,977,881	$5,077,730	$5,230,062	$5,386,963	$5,548,572
INDIRECT COST & ADMIN. EXPENSES										
RENT	$898,560	$916,531	$934,862	$953,559	$972,630	$992,083	$1,011,925	$1,032,163	$1,052,806	$1,073,862
PERCENTAGE RENT	$493,050	$522,063	$551,067	$580,070	$585,871	$597,589	$609,540	$667,086	$687,078	$707,690
ELECTRICITY & HEATING	$503,101	$532,406	$561,720	$591,043	$597,172	$609,229	$621,530	$640,176	$659,381	$679,163
MAINTENANCE & REPAIRS	$462,244	$489,434	$516,625	$543,816	$549,254	$560,239	$571,444	$588,587	$606,245	$624,432
MARKETING & PROMOTION	$389,795	$391,548	$413,300	$435,053	$439,403	$448,191	$457,155	$470,870	$484,996	$499,546
OTHER ADMINISTRATIVE COSTS	$246,530	$261,032	$275,533	$290,035	$292,936	$298,794	$304,770	$313,913	$323,331	$333,031
	$2,973,289	$3,113,014	$3,253,107	$3,393,576	$3,437,267	$3,506,125	$3,576,364	$3,712,775	$3,813,837	$3,917,724
EBITDA	$965,476	$1,236,179	$1,371,489	$1,473,817	$1,442,732	$1,471,756	$1,501,366	$1,517,287	$1,573,127	$1,630,849
RESERVE FOR REPLACEMENT	$493,060	$587,321	$551,067	$580,070	$585,871	$597,589	$609,540	$627,827	$646,661	$666,061
PROJ. EARNINGS - GOLF COTTAGES COMPLEX	$472,416	$648,858	$820,422	$893,746	$856,861	$874,167	$891,825	$889,460	$926,465	$964,788
Income per available suite (room) p.a. (PAR)	*$5,624.00*	*$7,724.50*	*$9,766.93*	*$10,639.84*	*$10,200.72*	*$10,406.75*	*$10,616.97*	*$10,588.81*	*$11,029.35*	*$11,485.57*
TOTAL NET EARNINGS	$472,416	$648,858	$830,189	$904,366	$867,061	$884,574	$902,442	$900,049	$937,495	$976,273
	7.51%	*9.75%*	*11.82%*	*12.24%*	*11.62%*	*11.62%*	*11.62%*	*11.25%*	*11.37%*	*11.50%*

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc. 6-Sep-11

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ADDITIONAL SPENDING BY OCCUPANTS OF COTTAGES AND ANCILLARY FACILITIES

TABLE 2

ADDITIONAL SPENDING AT JAY PEAK RESORT FACILITIES ARISING FROM THE OCCUPANTS OF GOLF CHALETS

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Recreation and Amusement Revenues:										
Lift Passes	$888,930	$960,044	$998,446	$1,018,415	$1,038,783	$1,059,559	$1,080,750	$1,102,365	$1,124,413	$1,146,901
Ski Rental,	$622,251	$684,476	$711,855	$726,092	$740,614	$755,426	$770,535	$785,946	$801,665	$817,698
Ski School	$420,666	$469,355	$488,129	$497,892	$507,850	$518,007	$528,367	$538,934	$549,713	$560,707
WaterPark	$248,900	$268,612	$279,565	$285,156	$290,859	$296,677	$302,610	$308,662	$314,836	$321,132
Ice Arena	$142,229	$159,296	$165,668	$168,981	$172,361	$175,808	$179,324	$182,911	$186,569	$190,301
Golf Course	$960,044	$998,446	$1,038,384	$1,059,152	$1,080,335	$1,101,941	$1,123,980	$1,146,460	$1,169,389	$1,192,777
Amusement and Gaming Activies	$330,682	$347,216	$363,760	$380,284	$384,087	$387,928	$391,807	$395,725	$399,683	$403,679
Total Revenues: Recreation	$3,289,041	$3,540,430	$3,682,048	$3,755,689	$3,830,802	$3,907,418	$3,985,567	$4,065,278	$4,146,584	$4,229,516
Meals Revenues:										
Breakfasts	$711,144	$753,813	$783,966	$799,644	$815,637	$831,950	$848,589	$865,561	$882,872	$900,530
Lunch	$568,915	$614,428	$639,006	$651,786	$664,821	$678,118	$691,680	$705,514	$719,624	$734,017
Dinner	$1,642,743	$1,741,307	$1,810,959	$1,847,179	$1,884,122	$1,921,805	$1,960,241	$1,999,446	$2,039,435	$2,080,223
GolfClubhouse/Nordic Center Bars/Rest.	$426,686	$460,821	$479,254	$488,839	$498,616	$508,588	$518,760	$529,135	$539,718	$550,512
Total Revenues: Meals	$3,349,488	$3,570,370	$3,713,184	$3,787,448	$3,863,197	$3,940,461	$4,019,270	$4,099,656	$4,181,649	$4,265,282
GRAND TOTAL: REVENUES	$6,638,529	$7,110,800	$7,395,232	$7,543,137	$7,693,999	$7,847,879	$8,004,837	$8,164,934	$8,328,232	$8,494,797

Report prepared by K.Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc. 28-Sep-11

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HIGHLIGHTS

TABLE 1: STATESIDE HOTEL SUITES AND COTTAGES / MOUNTAIN CHALETS INCOME STATEMENT:

- TOTAL STATESIDE HOTEL SUITESAND COTTAGES REVENUES: ACCOMMODATION AND PHONE ONLY: YR 1 $7,900,337 YR5 $9,745,460 YR10: $12,421,421
- TOTAL RENTAL PAYMENT ($'S) TO JAY PEAK HOTEL SUITES STATESIDE L.P.

RENTS DETAIL	YEAR 1	YEAR 2	YEAR 5	YEAR 10
BASE RENT	1,651,884	1,684,921	1,788,052	1,974,154
PERCENT RENT	820,979	876,215	972,863	1,207,906
TOTALS	2,472,863	2,561,136	2,760,915	3,182,060

- BASE RENT IS CALCULATED ON THE ADJUSTED BASIS OF UP TO APPROX. 2% OF CAPITAL COST OF FACILITY, AND RENTAL INCREASES OF UP TO 2% PER ANNUM
- THE PERCENTAGE RENT IS ADDITIONAL RENT AMOUNT PAYABLE TO THE PARTNERSHIP BASED UPON PERCENTAGE ANNUAL REVENUES OF FACILITY
- ANNUAL STATESIDE HOTEL AND COTTAGES GROSS REVENUES ARE CALCULATED BASED UPON DATA EXTRACTED FROM THE OPERATOR ASSUMPTIONS TABLE EXHIBITED BELOW.
- EMPLOYEE AVERAGE WAGE IS BASED UPON AN AVERAGE WAGE RATE OF $11 PER HOUR, 35 HOUR WEEK, PLUS EMPLOYER CONTRIBUTIONS AND BENEFITS.
- EXPENSES FIXED AND VARIABLE ARE BASED UPON EXTRACTS OF DATA FROM JAY PEAK RESORT HOTEL OPERATIONS OVER THE PAST 10 YEARS.
- VISITOR NUMBERS AND OCCUPANCY AT THE HOTEL AND VACATION RENTALS ARE CALCULATED FROM PROJECTIONS WITHIN THE HOTEL AND VACATION RENTALS ASSUMPTION TABLES SHOWN BELOW, AND INCLUDES AN ANALYSIS BASED UPON SEASONAL OCCUPANCY, ROOM RATES AND ADR (AVERAGE DAILY RATE).

TABLE 2: ADDITIONAL SPENDING AT JAY PEAK RESORT FROM OCCUPANTS OF STATESIDE HOTEL, COTTAGES, AND ANCILLARY FACILITIES

JAY PEAK RESORT IS A DESTINATION RESORT WITH MANY RESTAURANTS, SHOPS, RECREATION, GOLF AND FOOD FACILITIES: THE ADDITIONAL SPENDING IS BASED UPON THE OCCUPANCY/VISITOR NUMBERS EXTRACTED FROM THE VACATION RENTALS ASSUMPTIONS TABLE.

MEALS:

THE SPENDING IS ALLOCATED OUT ON AN AVERAGE BASIS FOR BREAKFASTS, MORNING COFFEES, LUNCH AND DINNER, APPLYING AVERAGE COSTS PER MEAL TYPE CHARGED BY JAY PEAK RESORT.

JAY PEAK RESORT ALSO OFFERS A WIDE RANGE OF RECREATIONAL ACTIVITIES WITH SKIING, INDOOR WATER PARK, INDOOR ICE ARENA, CHAMPIONSHIP GOLFING, SHOPPING, SPA, FUNCTIONS AND CONFERENCES: THE ADDITIONAL SPENDING IS BASED UPON THE OCCUPANCY/VISITOR NUMBER S EXTRACTED FROM THE HOTEL ASSUMPTION TABLE:

RECREATION:

THE SPENDING IS ALLOCATED OUT ON AN AVERAGE BASIS FOR THE USE OF THE ABOVE RECREATIONAL ACTIVITY, APPLYING AVERAGE RESORT CHARGES AND USAGE PER RECREATION TYPE AS CHARGED BY JAY PEAK RESORT TO ITS VISITORS.

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STATESIDE HOTEL SUITES OPERATOR PROJECTIONS

JAY PEAK VERMONT

OPERATOR PROJECTIONS STATESIDE HOTEL UNITS
A complex comprising 84 hotel suites
DRAFT ASSUMPTIONS - UNITS AND OCCUPANCY
*See Important Note: Forward Looking Statements

ASSUMPTIONS - AVERAGE DAILY RATE

SUITES UNIT ANALYSIS	Approx. sq ft	Units	Prime Time Unit Rate	Per Day	High season Room Rate	Per Day	Low Season Room Rate	Per Day	Totals
								0	
Hotel Suites	600	84	$315.00	26460	$255.00	21420	$165.00	13860	
								0	
Totals		84		26460		21420		13860	
Days Occupied (see Occupancy Table below)				73		98		58	228
Gross Revenue Per Season Per Annum				$1,931,580		$2,093,805		$796,950	$4,822,335
				73		98		58	
Average Daily Rate per Unit									252
Note: Three years projected to reach stabilized occupancy with Year 10 estimated at 85% of full operations								$4,822,335	85.00% $4,098,985

ASSUMPTIONS - OCCUPANCY

OCCUPANCY RATE	HOTEL SUITES YEAR 1			HOTEL SUITES YEAR 4			HOTEL SUITES YEAR 10		
	DAYS AVAIL.	PERCENT OCCUPIED	DAYS OCCUPIED	DAYS AVAIL.	PERCENT OCCUPIED	DAYS OCCUPIED	DAYS AVAIL.	PERCENT OCCUPIED	DAYS OCCUPIED
PRIME TIME	#	%	#	#	%	#	#	%	#
CHRISTMAS & NEW YEAR	8	100%	8	8	100%	8	8	100%	8
GEORGES WASHINGTON W/E	5	90%	5	5	90%	5	5	90%	5
SCHOOL BREAK, QUEBEC	5	85%	4	5	85%	4	5	85%	4
SCHOOL BREAK, ONTARIO	5	100%	5	5	100%	5	5	100%	5
EASTER	3	85%	3	3	85%	3	3	85%	3
WEEKEND,WINTER	24	90%	22	24	95%	23	24	95%	23
WEEKEND,SUMMER	20	90%	18	20	95%	19	20	95%	19
CONSTRUCTION HOLIDAY	10	90%	9	10	95%	10	10	95%	10
	80		73	80		78	80		76
OTHER PERIODS									
WEEKDAYS,WINTER	55	65%	36	55	60%	33	55	70%	39
WEEKDAYS,SUMMER	70	60%	42	70	60%	42	70	70%	49
FALL & SPRING DAYS	40	50%	20	40	60%	24	40	70%	28
	165		98	165		99	165		116
LOW OCCUPANCY PERIODS	115	50%	58	115	60%	69	115	70%	81
CLEANING DAYS	5			5			5		
TOTAL	365	63%	228	365	67%	244	365	74%	272

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GOLF COTTAGES / MOUNTAIN CHALETS OPERATOR PROJECTIONS

JAY PEAK VERMONT

OPERATOR PROJECTIONS GOLF COTTAGES / MOUNTAIN CHALETS
A complex comprising 84 Golf /Mtn. Units
DRAFT ASSUMPTIONS - VACATION RENTAL UNITS AND OCCUPANCY

*See Important Note: Forward Looking Statements:

ASSUMPTIONS - AVERAGE DAILY RATE

SUITES UNIT ANALYSIS		Units	Prime Time Unit Rate	Per Day	High season Room Rate	Per Day	Low Season Room Rate	Per Day	Totals
								0	
Golf /Mtn. Chalets	1100	84	$440.00	36960	$355.00	29820	$235.00	19740	
								0	
Totals		84		36960		29820		19740	
Days Occupied (see Occupancy Table below)				73		107		69	249
Gross Revenue Per Season Per Annum				$2,698,080		$3,190,740		$1,362,060	$7,250,880
				73		107		69	
Average Daily Rate per Unit									347
Note: Three years projected to reach stabilized occupancy with Year 1 - estimated at 85% of full operations							*$7,250,880*	*85.00%*	*$6,163,248*

ASSUMPTIONS - OCCUPANCY

OCCUPANCY RATE	HOTEL SUITES YEAR 1			HOTEL SUITES YEAR 4			HOTEL SUITES YEAR 10		
	DAYS AVAIL.	PERCENT OCCUPIED	DAYS OCCUPIED	DAYS AVAIL.	PERCENT OCCUPIED	DAYS OCCUPIED	DAYS AVAIL.	PERCENT OCCUPIED	DAYS OCCUPIED
PRIME TIME	#	%	#	#	%	#	#	%	#
CHRISTMAS & NEW YEAR	8	100%	8	8	100%	8	8	100%	8
GEORGES WASHINGTON W/E	5	90%	5	5	90%	5	5	90%	5
SCHOOL BREAK, QUEBEC	5	85%	4	5	85%	4	5	85%	4
SCHOOL BREAK, ONTARIO	5	100%	5	5	100%	5	5	100%	5
EASTER	3	85%	3	3	85%	3	3	85%	3
WEEKEND,WINTER	24	90%	22	24	95%	23	24	95%	23
WEEKEND,SUMMER	20	90%	18	20	95%	19	20	95%	19
CONSTRUCTION HOLIDAY	10	90%	9	10	95%	10	10	95%	10
	80		73	80		76	80		76
OTHER PERIODS									
WEEKDAYS,WINTER	55	65%	36	55	75%	41	55	80%	44
WEEKDAYS,SUMMER	70	65%	46	70	75%	53	70	80%	56
FALL & SPRING DAYS	40	65%	26	40	75%	30	40	75%	30
	165		107	165		124	165		130
LOW OCCUPANCY PERIODS	115	60%	69	115	70%	123	115	75%	141
CLEANING DAYS	5			5			5		
TOTAL	365	68%	249	365	75%	274	365	78%	292

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STATESIDE HOTEL SUITES AND COTTAGES MANAGEMENT

THE TENANT AND OPERATOR OF THE JAY PEAK HOTEL SUITES STATESIDE LP HOTEL AND VACATION RENTAL FACILITIES WILL BE APPROVED BY JAY PEAK GP SERVICES STATESIDE, INC. THE GENERAL PARTNER, UNDER A PROPERTY MANAGEMENT AGREEMENT WHICH INTER ALIA PROVIDES FOR COMPENSATION TO MANAGEMENT AGENT OF UP TO 10% OF RENTAL REVENUES, AND REQUIRES EXTENSIVE DISCLOSURES BY TENANT OF EMPLOYEE AND REVENUE DATA PURSUANT TO TERMS OF LEASE.

THE TENANT OPERATORS MANAGEMENT AND STAFF FOR THE STATESIDE HOTELAND COTTAGES VACATION RENTAL OPERATION WILL BE NEW EMPLOYEES HIRED FROM THE REGION.

THE FOLLOWING ARE EXPECTED TO BE AMONG THE ANTICIPATED PRINCIPAL DUTIES AND SERVICES OF THE NEW STAFF AND THE TYPE OF EMPLOYEE MAY BE:

- ACCOUNTING FUNCTION
- CHECK-IN AND CHECK-OUT SERVICES
- SECURITY DEPOSIT SYSTEM MANAGEMENT
- PAYMENT OF ACCOUNTS
- DEPOSITS OF RECEIPTS
- TAX FILING AND OTHER GOVERNMENTAL FINANCIAL REPORTING
- MARKETING AND SALES
- GROUP BUSINESS SALES
- HOUSEKEEPING AND MAINTENANCE
- GUEST SERVICES

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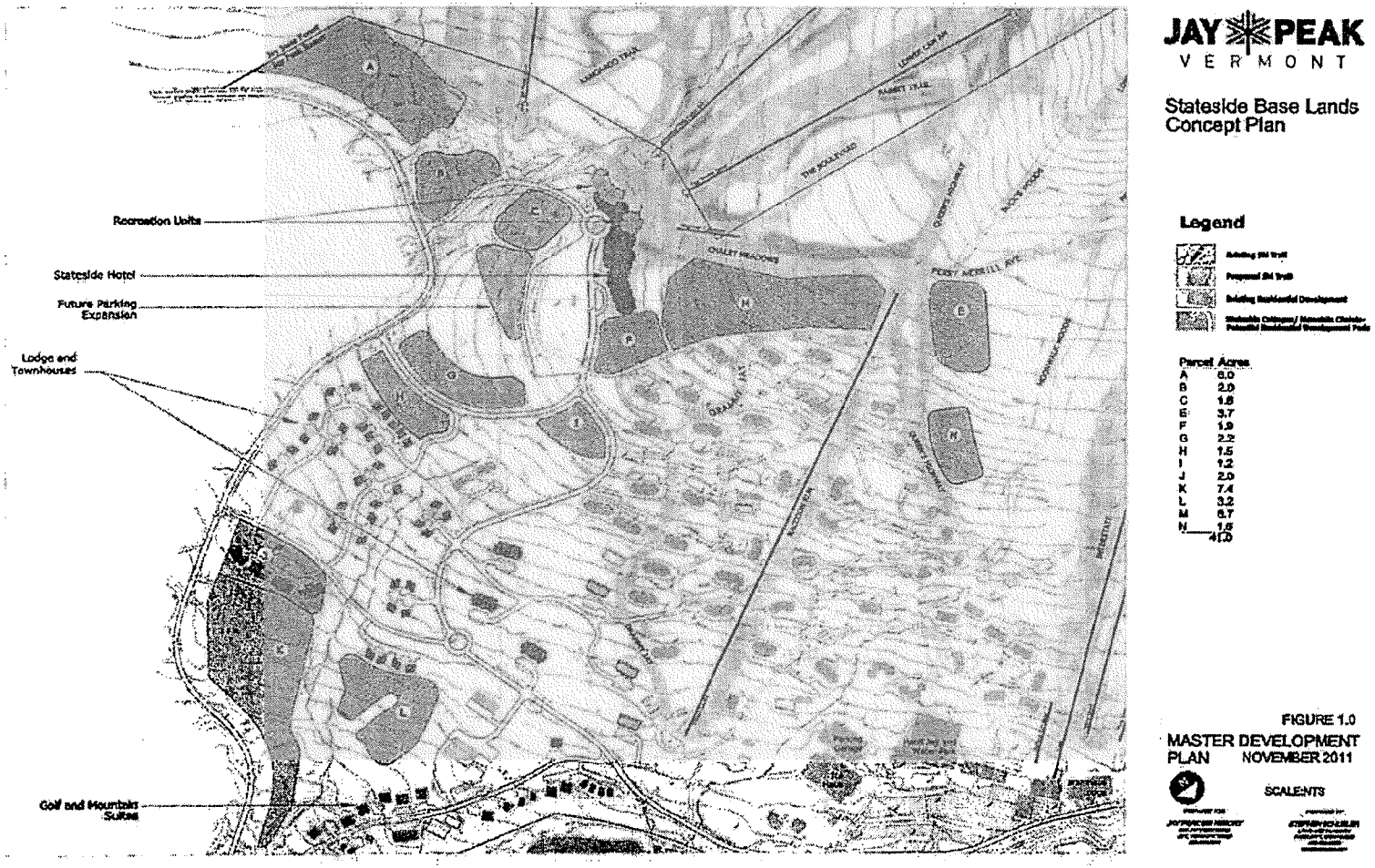
FACILITIES: ANALYSIS OF ACCOMMODATIONS



PHASE III-C STATESIDE HOTEL SUITES WITH 84 SUITES (LOCATION HIGHLIGHTED IN ORANGE ABOVE) AND PROPOSED DEVELOPMENT PODS FOR STATESIDE COTTAGE COMPLEX WITH UP TO 84 UNITS ADJACENT OR NEAR TO JAY PEAK'S CHAMPIONSHIP GOLF COURSE AND STATESIDE SKI TRAIL SYSTEM.

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GUEST SERVICES RECREATION CENTER

OPEN YEAR ROUND, (*SUBJECT TO WEATHER CONDITIONS*) AT THE STATESIDE BASE AREA OF JAY PEAK MOUNTAIN, AND LOCATED ADJACENT TO THE STATESIDE HOTELFACILITY, A FACILITY THAT AIMS TO PROVIDE THE INDOOR RECREATION ACTIVITIES PREFERRED BY RESORT GUESTS.

TEN YEAR INCOME PROJECTIONS: GUEST SERVICES RECREATION CENTER

JAY PEAK VERMONT

JAY PEAK GUEST SERVICES RECREATION CENTER 15,000 SQFT
OPERATOR PROJECTED STATEMENT OF INCOME; LEASED COMPLETE WITH BUILD OUT INC. F & F's
See Important Note: Forward Looking Statements!

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
RECREATION CENTER CAPACITY (400 persons (Est))	210	292	296	299	303	306	310	314	318	319
ANNUAL VISITORS PROJECTED	66,586	72,204	73,059	73,925	74,802	75,691	76,591	77,504	78,129	78,761
HOTEL AND COTTAGE COMPLEX GUESTS	53,584	58,942	59,532	60,127	60,728	61,335	61,949	62,568	63,194	63,826
Average Admission Charge (not incl. in total ADR Calc.)	$12	$12.24	$12.49	$12.73	$12.99	$13.25	$13.51	$13.78	$14.00	$14.00
OTHER RESORT GUESTS	13,002	13,262	13,527	13,798	14,074	14,355	14,643	14,935	14,935	14,935
Average Admission Charge	$15	$15.30	$15.61	$15.92	$16.24	$16.56	$16.89	$17.00	$17.00	$17.00
REVENUES										
HOTEL GUESTS	$643,005	$721,452	$743,239	$765,695	$788,809	$812,631	$837,172	$862,455	$884,715	$893,562
OTHER RESORT GUESTS	$195,032	$202,912	$211,109	$219,638	$228,511	$237,743	$247,348	$253,992	$253,992	$253,992
GROSS REVENUE/ADMISSION	$838,037	$924,363	$954,348	$985,333	$1,017,320	$1,050,374	$1,084,520	$1,116,446	$1,138,708	$1,147,554
FAST FOOD CAFE										
REVENUES $10 pp	$665,859	$722,043	$730,590	$739,248	$748,021	$756,908	$765,913	$775,038	$781,293	$787,612
DIRECT FOOD & MISC COSTS 40%	$266,344	$288,817	$292,236	$295,699	$299,208	$302,763	$306,365	$310,015	$312,517	$315,045
GROSS PROFIT	$399,515	$433,226	$438,354	$443,549	$448,812	$454,145	$459,548	$465,022	$468,776	$472,567
DIRECT COSTS										
LABOR	$339,215	$369,745	$381,739	$394,129	$406,928	$393,890	$406,695	$418,634	$428,981	$439,299
OTHER VARIABLE EXPENSES	$209,509	$231,091	$238,587	$246,331	$254,330	$262,594	$271,130	$279,089	$284,654	$286,868
SUB-TOTAL	$544,724	$600,836	$620,327	$640,460	$661,258	$656,484	$677,825	$697,723	$711,635	$717,165
SUB TOTAL GROSS PROFIT	$692,628	$756,753	$772,376	$788,412	$804,874	$848,035	$866,243	$883,855	$895,757	$902,956
GROSS PROFIT RECONCILIATION										
TOTAL REVENUES	$1,503,890	$1,646,406	$1,684,930	$1,724,572	$1,765,341	$1,807,281	$1,850,433	$1,891,383	$1,919,610	$1,933,078
TOTAL DIRECT COSTS	$811,262	$889,653	$912,557	$936,159	$960,466	$959,247	$984,190	$1,007,797	$1,024,153	$1,032,210
GROSS PROFIT TOTAL	$692,628	$756,753	$772,376	$788,412	$804,874	$848,035	$866,243	$883,855	$895,757	$902,956
EMPLOYEES (FTE) (Avg Wage $11 ph $23,023 incl EC)	15	16	17	17	18	17	18	18	19	19
INDIRECT COST & ADMIN. EXPS.	$140,800	$142,800	$145,656	$148,569	$151,541	$154,571	$157,663	$160,816	$154,032	$167,313
RENT	$80,234	$98,784	$101,098	$103,474	$105,920	$108,437	$129,530	$136,180	$143,993	$145,131
PERCENTAGE RENT	$83,804	$92,436	$95,435	$98,532	$101,732	$105,037	$108,452	$111,638	$113,862	$114,746
ELECTRICITY, AC & HEATING & UTILITIES	$67,043	$73,949	$76,348	$78,826	$81,386	$84,030	$86,762	$89,309	$91,089	$91,797
MAINTENANCE & REPAIRS	$41,902	$46,218	$47,717	$49,268	$50,868	$52,519	$54,226	$55,818	$56,931	$57,373
MARKETING & PROMOTION	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000
PROPERTY TAXES AND INSURANCE	$50,282	$55,462	$57,261	$59,119	$61,039	$63,022	$65,071	$66,981	$68,317	$68,848
OTHER ADMINSTRATIVE COSTS	$509,255	$545,650	$559,513	$573,787	$588,484	$603,617	$637,704	$656,740	$674,224	$681,208
EBITDA	$183,594	$211,103	$212,862	$214,625	$216,391	$244,419	$228,539	$226,916	$221,533	$221,658
RESERVE FOR REPLACEMENT	$16,761	$23,109	$23,859	$24,633	$30,520	$31,511	$32,536	$33,491	$34,158	$34,424
PRO FORMA NOI RECREATION CENTER	$166,833	$187,994	$189,004	$189,992	$185,871	$212,907	$195,903	$193,425	$187,374	$187,234

Report prepared by Rapid USA Visas, Inc. Naples FL; K Douglas Hulme FCCA Tel: 239.584.5400 revised 10/28/11
See Disclaimer: "Forward looking Statements"

HIGHLIGHTS

- CONSTRUCTION OF GUEST SERVICES RECREATION CENTER IS IN KEEPING WITH THE NATURAL THEME AND SETTING OF THE RESORT, AND OPEN ALL YEAR ROUND.(*SUBJECT TO WEATHER CONDITIONS*)
- CONSTRUCTION TO COMMENCE ESTIMATED IN 2013, ESTIMATED COMPLETION 2014 SUBJECT TO WEATHER CONDITIONS AND ANY OTHER UNFORSEEN DELAYS
- PROJECTED REVENUES ON COMPLETION OF PROJECT: YR 1: $1,503,890, YR 5: $1,017,320, YR 10: $1,147,464.

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JAY PEAK MEDICAL CENTER

OPEN YEAR ROUND, (*SUBJECT TO WEATHER CONDITIONS*) AT THE STATESIDE AREA OF JAY PEAK MOUNTAINA FACILITY THAT AIMS TO PROVIDEFIRST AID AND MEDICAL SERVICES FOR RESORT GUESTS AND AREA POPULATON.

TEN YEAR INCOME PROJECTIONS: MEDICAL CENTER

JAY PEAK VERMONT

JAY PEAK MEDICAL CENTER / CLINIC
OPERATOR PROJECTED STATEMENT OF INCOME

*See Important Note: Forward Looking Statements:

YEAR OF OPERATIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
REVENUES	$945,000	$1,080,000	$1,215,000	$1,350,000	$1,377,000	$1,404,540	$1,432,631	$1,461,284	$1,490,509	$1,520,319
Labor	$378,000	$432,000	$486,000	$540,000	$550,800	$561,816	$573,052	$584,513	$596,204	$608,128
EMPLOYEES (FTE)	12	14	16	17	17	18	18	18	19	19
(Avg. Wage $35000)										
Other Variable Expenses	$189,000	$216,000	$243,000	$270,000	$275,400	$280,908	$286,526	$292,257	$298,102	$304,064
SUB TOTAL	$567,000	$648,000	$729,000	$810,000	$826,200	$842,724	$859,578	$876,770	$894,305	$912,192
GROSS PROFIT	$378,000	$432,000	$486,000	$540,000	$550,800	$561,816	$573,052	$584,513	$596,204	$608,128
INDIRECT COSTS										
Overheads										
Rent	$94,500	$96,390	$98,318	$100,284	$102,290	$104,336	$106,422	$108,551	$110,722	$112,936
Percentage Rent	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities	$52,000	$53,560	$55,167	$56,822	$58,526	$60,282	$62,091	$63,953	$65,872	$67,848
Prop Taxes	$24,000	$24,720	$25,462	$26,225	$27,012	$27,823	$28,657	$29,517	$30,402	$31,316
Insurance	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000
Maintenance and repairs	$37,800	$43,200	$48,600	$54,000	$55,080	$56,182	$57,305	$58,451	$59,620	$60,813
Other Admin Costs	$47,250	$54,000	$60,750	$67,500	$68,850	$70,227	$71,632	$73,064	$74,525	$76,016
TOTAL	$273,550	$289,870	$306,296	$322,831	$329,759	$336,849	$344,107	$351,537	$359,142	$366,928
TOTAL COSTS	$840,550	$937,870	$1,035,296	$1,132,831	$1,155,959	$1,179,573	$1,203,686	$1,228,307	$1,253,448	$1,279,119
PROJECTED NET INCOME	$104,450	$142,130	$179,704	$217,169	$221,041	$224,967	$228,945	$232,977	$237,061	$241,200

REVENUE BREAKDOWN ANALYSIS
$,000 AS OF YEAR 1

	Injuries	General Medical	Rehab	Misc Services	Stabilization Period Year 1	Year 2	Year 3	Total
Gross Revenues - Full Operational Activity - Visits per year			Patients per day					pre-stabilization
Patient Numbers	5,000	5,000			70%	80%	90%	
Rate	$150	$70						
Revenues	$750,000	$350,000		$250,000				$1,350,000

Report prepared by Rapid USA Visas, Inc. Naples FL : K Douglas Hulme FCCA Tel: 239.594.3400

Revised 9/18/11 See Disclaimer "Forward looking Statements"

HIGHLIGHTS

- CONSTRUCTION OF THE MEDICAL CENTER IS IN KEEPING WITH THE NATURAL THEME AND SETTING OF THE RESORT, AND OPEN ALL YEAR ROUND. (*SUBJECT TO WEATHER CONDITIONS*)
- CONSTRUCTION TO COMMENCE ESTIMATED IN 2013, ESTIMATED COMPLETION 2014 SUBJECT TO WEATHER CONDITIONS AND ANY OTHER UNFORSEEN DELAYS

PROJECTED REVENUES ON COMPLETION OF PROJECT: YR 1: $945,000, YR 5: $1,377,000, YR 10: $1,520,319.

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PROJECT JOB CREATION CALCULATION

RIMS II MATRIX

THE METHODOLOGY EMPLOYED IN THE ANALYSIS FOR THE HOTEL SUITES STATESIDE PROJECT WAS DERIVED FROM THE REGIONAL INPUT-OUTPUT MODELING SYSTEM (RIMS II) DEVELOPED BY THE BUREAU OF ECONOMIC ANALYSIS (BEA).RIMS II IS BASED ON AN ACCOUNTING FRAMEWORK CALLED AN I-O TABLE. FOR EACH INDUSTRY, AN I-O TABLE SHOWS THE INDUSTRIAL DISTRIBUTION OF INPUTS PURCHASED AND OUTPUTS SOLD. A TYPICAL I-O TABLE IN RIMS II IS DERIVED MAINLY FROM TWO DATA SOURCES: BEA'S NATIONAL I-O TABLE, WHICH SHOWS THE INPUT AND OUTPUT STRUCTURE OF NEARLY 500 U.S INDUSTRIES, AND BEA'S REGIONAL ECONOMIC ACCOUNTS, WHICH ARE USED TO ADJUST THE NATIONAL I-O TABLE TO SHOW A REGIONAL INDUSTRIAL STRUCTURE AND TRADING PATTERNS.

RIMS II IS WIDELY USED IN BOTH THE PUBLIC AND PRIVATE SECTOR. IN THE PUBLIC SECTOR, FOR EXAMPLE, THE DEPARTMENT OF DEFENSE USES RIMS II TO ESTIMATE THE REGIONAL IMPACTS OF MILITARY BASE CLOSINGS. STATE TRANSPORTATION DEPARTMENTS USE RIMS II TO ESTIMATE THE REGIONAL IMPACTS OF AIRPORT CONSTRUCTION AND EXPANSION. IN THE PRIVATE SECTOR, ANALYSTS AND CONSULTANTS USE RIMS II TO ESTIMATE THE REGIONAL IMPACTS OF A VARIETY OF PROJECTS, SUCH AS THE DEVELOPMENT OF SHOPPING MALLS AND SPORTS STADIUMS.

JAY PEAK HOTEL SUITES STATESIDE L.P. HAS RETAINED ECONOMIC DEVELOPMENT RESEARCH GROUP OF BOSTON (EDR) MASSACHUSETTS TO CALCULATE, PREPARE AND SUBMIT THE JOB CREATION REPORT FOR THE PROJECT. THE EDR GROUP TEAM IS HEADED BY MS. LISA PETRAGLIA, DIRECTOR OF ECONOMIC RESEARCH. MS. PETRAGLIA HAS OVER 17 YEARS OF EXPERIENCE WORKING IN ECONOMIC MODELING AND POLICY ANALYSIS, FOCUSING SPECIFICALLY ON ECONOMIC IMPACT EVALUATION.

"EDR" HAS PERFORMED JOB CREATION CALCULATIONS DEMONSTRATING PROJECT JOB CREATION OF 1,296 NEW FULL TIME NON-DIRECT JOBS FOR THE PERIOD OF THE DEVELOPMENT PHASE OF THE PROJECT WITHIN THE U.S. ECONOMY, AND AT THE PROJECT LOCATION WITHIN THE REGIONAL CENTER, NEW FULL TIME JOBS FROM VISITOR SPENDING TOTAL 587 FOR YEAR 1, AND 627 BY YEAR 2. THE TOTAL OF YEAR 2 FULL TIME JOBS COMPRISES 132 INDIRECT JOBS TO BE EMPLOYED BY THE TENANT OPERATOR OF THE PHASE III-C FACILITIES AT THE RESORT, AND 495 INDIRECT JOBS WITHIN THE NW VT REGION. THE TOTAL PROJECT JOB CREATION WITHIN THE VT. ECONOMY IS 1,923 NEW FULL TIME JOBS (1,296 JOBS FOR DEVELOPMENT PHASE AND 627 JOBS FROM OPERATIONS.) TOTAL JOBS CREATED FAR EXCEEDS THE REQUISITE JOB CREATION TOTAL OF 1,340 JOBS FOR 134 FOREIGN EB-5 INVESTORS. EDR BELOW PROVIDES A SYNOPSIS OF THE JOB GENERATING IMPACTS.

ALLOCATION OF JOBS CREATED - ALTHOUGH THE PROJECT IS OPEN TO BOTH U.S. AND FOREIGN INVESTORS, FULL TIME EQUIVALENT INDIRECT AND OR DIRECT JOBS CREATED AS STATED IN THE SUPPLIED PROJECT ECONOMIC ANALYSIS WILL BE APPLIED ONLY TO FOREIGN INVESTORS SEEKING TO UTILIZE THE INVESTMENT FOR IMMIGRATION PURPOSE.

EXHIBIT:

RIMS II INPUT DATA SUMMARY SHEET INCLUDING CONSTRUCTION COSTS AND TIME FRAME INPUTS, AND LOCATION PHASE REVENUES FROM BUSINESS OPERATION AND SPENDING INPUTS PROVIDED FOR THE ECONOMIC IMPACT ASSESSMENT REPORT PREPARED BY EDR FROM BOSTON MA.

HIGHLIGHTS: YEAR 1

DEVELOPMENT PHASE JOB CREATION: CAPITAL EXPENDITURE INTO THE PROJECT:

DATA RESOURCE: RIMS II MULTIPLIERS: STATE OF VERMONT (SEE ANNEXED EXHIBITS)

BUILD COST: $76,701,600 **FIXTURES COST: $7,680,000** **OTHER: $2,618,400***

HIGHLIGHTS: YEARS 2 AND 3

LOCATION PHASE BUSINESS OPERATIONS JOB CREATION BASED UPON VISITOR SPENDING

FOUR COUNTY REGION OF JAY PEAK, VERMONT, THE "HIGH IMPACT AREA" BASED UPON 2010 CENSUS DATA.
YEAR 2: VISITOR SPENDING GENETRATED BY PROJECT: $31,396,025
YEAR 3: VISITOR SPENDING GENETRATED BY PROJECT: $33,610,683
*land and working capital excluded from calculation.

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Economic Development
RESEARCH GROUP

Summary of Job Generating Impacts – Jay Peak Master Expansion Plan

"HOTEL SUITES STATESIDEPHASE III-C Project"

October, 2011

A RIMS II analysis (using region specific data for 2008) was conducted to evaluate the business plan for the Jay Peak (located in Jay, Vermont) *HOTEL SUITES STATESIDE* expansion for job generation potential.

Key findings are as follows:

- One-time development phase activity-associated with a $87 million budget (in 2011$), $84.4 million as economic transactions, will support 1,296 *indirect* jobs in the State of Vermont. These 1,296 FTE jobs represent *non-direct* jobs supported during an approximate 12-month development phase.
- Once the facilities are completed –Stateside Hotel, *Cottages, Guest Services Recreation Center, Medical Center*– expectations for additional visitors to the resort will bring more over-night guests as well as day visits for recreation and special events. Additional visitor spending in each of the first two years of operation (of the new facilities) is valued at $31.4 million and $33.61 million in 2011$.
- The *total* indirect job generating effects of the annual visitor spending are 587 FTE's and 627 FTE's for YR1 and YR2 respectively within the Vermont regional center.

Job Generation effects of Jay Peak Proposed Expansion *Source:* RIMS II Matrix

Phase ==>	Operations		Development Phase
Study Region =>	4-county NW VT*		*State of Vermont*
	Year 1	Year 2	1 Year
Visitor spending (mil.$2011)	$ 31.396	$ 33.561	
Construction Budget (mil. 2011$)**			$ 84.382
direct Partnership jobs (FTE)	0	0	not applicable
tenant operator's employees (FTE)	124	132	0
non-direct Jobs (FTE)	463	495	1296
FTE Job impacts	587	627	1296

* includes *Orleans, Lamoille, Franklin, and Chittenden counties*
** excludes land contribution, and working capital
^Development phase non-direct job impacts in NW VT region include Construction contractors and their laborers on-site

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SUMMARY OF DATA APPLIED FOR RIMS II ANALYSIS

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JAY PEAK HOTEL SUITES STATESIDE L.P. 134 INVESTORS $67,000,000
SUMMARY OF DATA APPLIED FOR RIMS II ANALYSIS (2011 $'s)
Development Phase Job Creation

CAPITAL EXPENDITURE INTO PROJECT	BUILD	FURNISHINGS & FIXTURES FOR SUITES FIT OUT	OTHER	DEVELOPMENT Stage 1	Stage 2	Stage 3	Stage 4
STATESIDE HOTEL SUITES	$18,270,000			$4,567,500	$4,567,500	$4,567,500	$4,567,500
		$2,520,000					$2,520,000
Commercial	$2,160,000						$2,160,000
CONTRACTOR							
SUPERVISION COSTS AND EXPENSES	$4,158,000			$1,039,500	$1,039,500	$1,039,500	$1,039,500
Structural, Engineering, Utilities	$525,000			$262,500	$131,250	$131,250	
COTTAGES	$17,094,000			$4,273,500	$4,273,500	$4,273,500	$4,273,500
		$2,310,000					$2,310,000
CONTRACTOR							
SUPERVISION COSTS AND EXPENSES	$3,369,600			$842,400	$842,400	$842,400	$842,400
Structural, Engineering, Utilities	$3,060,000			$1,530,000	$765,000	$765,000	
GUEST SERVICES RECREATION CENTER	$5,000,000			$625,000	$625,000	$2,500,000	$1,250,000
		$2,250,000				$1,125,000	$1,125,000
MEDICAL CENTER	$1,725,000					$862,500	$862,500
		$600,000				$210,000	$390,000
INFRASTRUCTURE, LIFTS, SNOW MAKING							
COMMON AREAS AND COMMERCIAL	$21,340,000			$3,556,667	$3,556,667	$7,113,333	$7,113,333
SUB-TOTALS				$16,697,067	$15,800,817	$23,429,983	$28,453,733
OTHER							
LAND CONTRIBUTION			$2,460,000				
WORKING CAPITAL			$158,400				
TOTALS	$76,701,600	$7,680,000	$2,618,400		$87,000,000		
GRAND TOTAL		$84,381,600	$87,000,000				$84,381,600
RIMS II						Other	$2,618,400
INDIRECT JOBS TOTALS	see Report prepared by EDR Group, Boston MA					Check total	$87,000,000

Location Phase: Project Operations Job Creation	YEAR 1	YEAR 2	YEAR 3	YEAR 4
INDIRECT JOBS EMPLOYED BY TENANT OPERATOR				
Stateside Hotel	50	52	53	53
Cottages	47	50	50	52
Guest Services Recreation Center	15	16	17	17
Medical Center	12	14	15	17
TOTALS	124	132	135	139

SUMMARY OF VISITOR SPENDING GENERATED BY PROJECT	YEAR 1	YEAR 2	YEAR 3	YEAR 4
			For information only	
STATESIDE HOTEL / COTTAGES				
Accomodations	$10,492,342	$11,189,707	$11,692,169	$12,198,829
Recreation	$5,965,533	$6,456,264	$6,656,199	$6,789,323
Meals	$6,672,073	$7,112,062	$7,325,710	$7,472,224
GUEST SERVICES RECREATION CENTER				
Meals	$665,859	$722,043	$730,590	$739,248
Recreation	$838,037	$924,363	$954,349	$965,323
	$1,503,896	$1,646,406	$1,684,938	$1,724,572
MEDICAL CENTER	$945,000	$1,080,000	$1,215,000	$1,350,000
OTHER RESORT SPENDING AND DAY VISITORS				
RETAIL TRADE SKI WEAR SKI BIKES ETC	$1,002,195	$1,045,206	$1,079,474	$1,113,967
BARS (night) & RESTAURANTS (lunch)	$1,102,415	$1,149,727	$1,187,421	$1,225,363
SPA AND SALONS	$108,571	$113,231	$116,943	$120,680
CONFERENCES CONVENTIONS	$300,000	$350,000	$367,500	$385,875
COMPETITIONS - golf - mtn./bikes	$100,000	$200,000	$220,000	$242,000
	$2,613,181	$2,858,164	$2,971,339	$3,087,884
JAY PEAK INC. STATESIDE HOTEL COMME	$3,204,000	$3,268,080	$3,333,442	$3,400,110
RIMS II INDIRECT JOBS TOTALS see Report prepared by EDR Group, Boston MA	$31,396,025	$33,610,683	$34,874,795	$36,022,942

Prepared by Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. data provided by W Stenger President and CEO Jay Peak Resort, Inc.

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DEVELOPMENT OF THE PROJECT

DEVELOPMENT PHASES

WHILE OVERALL PLANNING IS CONTAINED WITHIN THE APPROVED RESORT MASTER DEVELOPMENT PLAN, PLANNING, PERMITTING REVIEW AND STATE AND COUNTY REGULATORY APPLICATIONS FOR THE INDIVIDUAL PROJECT COMPONENTS ARE PROJECTED TO COMMENCE IN EARLY 2012. THE STATE OF VERMONT LAND DEVELOPMENT LAWS DETERMINE WHEN AND HOW MUCH LAND MAY BE OPENED FOR DEVELOPMENT AT ANY ONE TIME AND SUBJECT THERETO THE PROJECT IS ANTICIPATED TO BEGIN PRELIMINARY GROUND BREAKING IN SPRING OF 2012, SUBJECT TO APPROVAL AND ISSUANCE OF THE GOVERNMENTAL AND REGULATORY PERMITS.

THE MAJORITY OF THE FUNDS RAISED IN THIS OFFERING ARE EXPECTED TO BE CONSUMED OVER APPROXIMATELY A 12-MONTH ACTUAL BUILD CYCLE AS IS PROJECTED IN THE RIMS II INPUT TABLE ANNEXED TO THIS BUSINESS PLAN. THE APPROVED OPERATORS ARE PROJECTED TO COMMENCE BUSINESS OPERATIONS FOR THE 2013/2014 WINTER SEASON. (SUBJECT TO NO UNFORESEEN DELAYS OR INCLEMENT WEATHER FACTORS DURING THE EXTERIOR STRUCTURES BUILD PHASE).

THE JOB CREATION INFORMATION IS DETAILED IN THE ECONOMIC JOB IMPACT REPORT IN THE EXHIBITS IN SECTION 5 OF THIS OFFERING, AND PREPARED BY ECONOMIC AND DEVELOPMENT RESEARCH GROUP OF BOSTON, MA DETAILING THE FULL TIME PERMANENT INDIRECT JOBS CREATED BY THE PROJECT.

DEVELOPER AND CONSTRUCTION

THE CONSTRUCTION OF THE HOTEL SUITES STATESIDE PROJECT WILL BE OVERSEEN BY JAY PEAK INC, WHO WILL ENTER INTO A CONTRACT WITH THE GENERAL PARTNER FOR THE PROJECT. JAY PEAK INC. WILL RECEIVE CONTRACTOR SUPERVISION PAYMENT OF 15% OF THE BUILD COST. JAY PEAK INC. HAS EXTENSIVE EXPERIENCE IN THE GENERAL CONTRACTING ROLE AND WILL ACT AS THE GENERAL CONTRACTOR. JAY PEAK INC. HAS CONSTRUCTED IN EXCESS OF 300 CONDOMINIUMS AND TOWNHOUSES AT JAY PEAK RESORT OVER A 10-YEAR PERIOD REPRESENTING OVER $60 MILLION IN CONSTRUCTION COSTS, TOGETHER WITH COMPLETING THE TRAM HOUSE LODGE, INDOOR ICE ARENA AND GOLF CLUBHOUSE CENTER. JAY PEAK INC. WILL FACILITATE THE CONSTRUCTION OF THE JAY PEAK HOTEL SUITES STATESIDE PROJECT AND ITS ANCILLARY FACILITIES.

DEVELOPMENT PERMITS

THE JAY PEAK MASTER PLAN FOR THE ENTIRE JAY PEAK RESORT WAS CONCEPTUALLY APPROVED IN 1997 BY THE STATE OF VERMONT DISTRICT #7 ENVIRONMENTAL COMMISSION ("DEC") AND ALSO APPLIES TO THE AREA DESIGNATED FOR THIS PROJECT (COPY OF MASTER PLAN RESORT EXPANSION STUDY BELOW). THE DEC'S CONCEPTUAL APPROVAL IN 1997 OF FUTURE DEVELOPMENT PLANS BY JAY PEAK RESORT, INCLUDING HOTEL FACILITIES, PROVIDES CONDITIONS AND GUIDANCE FOR DEVELOPMENT APPLICATIONS MADE BY JAY PEAK RESORT UNDER THE LAND USE LAWS OF THE STATE OF VERMONT TO OBTAIN DEVELOPMENT PERMITS (SO-CALLED ACT 250 PERMITS), INCLUDING AN APPLICATION THAT WAS MADE FOR THE CONSTRUCTION OF THE JAY PEAK HOTEL SUITES PROJECTS.

ON FEBRUARY 15TH, 2008 THE JAY/TROY SEWER AUTHORITY SIGNED AN AGREEMENT WITH JAY PEAK RESORT COMMITTING 500,000 GALLONS PER DAY OF SEWAGE CAPACITY FROM ITS WASTE WATER FACILITY.

THE RESORT MASTER PLAN EXHIBITED BELOW HAS BEEN APPROVED BY THE TOWN OF JAY AND STATE OF VERMONT AND INCLUDES A FEDERALLY FUNDED SEWAGE TREATMENT PLANT FACILITY TO ACCOMMODATE ALL OF JAY PEAK'S GROWTH NEEDS. THE TOWN OF JAY HAS ENDORSED JAY PEAK'S EXPANSION PLANS IN LINE WITH THEIR MASTER PLANS INCLUDING THE HOTEL SUITES STATESIDE PROJECT BOTH LOCALLY AND REGIONALLY. THE RESORT MASTER PLAN PROVIDES IDENTIFICATION OF CURRENT AND CONTEMPORARY BED BASE DEVELOPMENT PODS IN THE VARIOUS LOCATIONS. THE TOWN OF JAY DEVELOPMENT REVIEW BOARD/PLANNING COMMISSION WILL SHORTLY COMPLETE THEIR REVIEW AND ARE EXPECTED TO ISSUE APPROVAL FOR THE HOTEL SUITES STATESIDE PROJECT. THE APPROVAL LETTER WILL BE ON FILE AT THE JAY TOWN CLERKS OFFICE. THE HOTEL SUITES STATESIDE PROJECT IS CONSISTENT WITH THE APPROVED MASTER PLAN.

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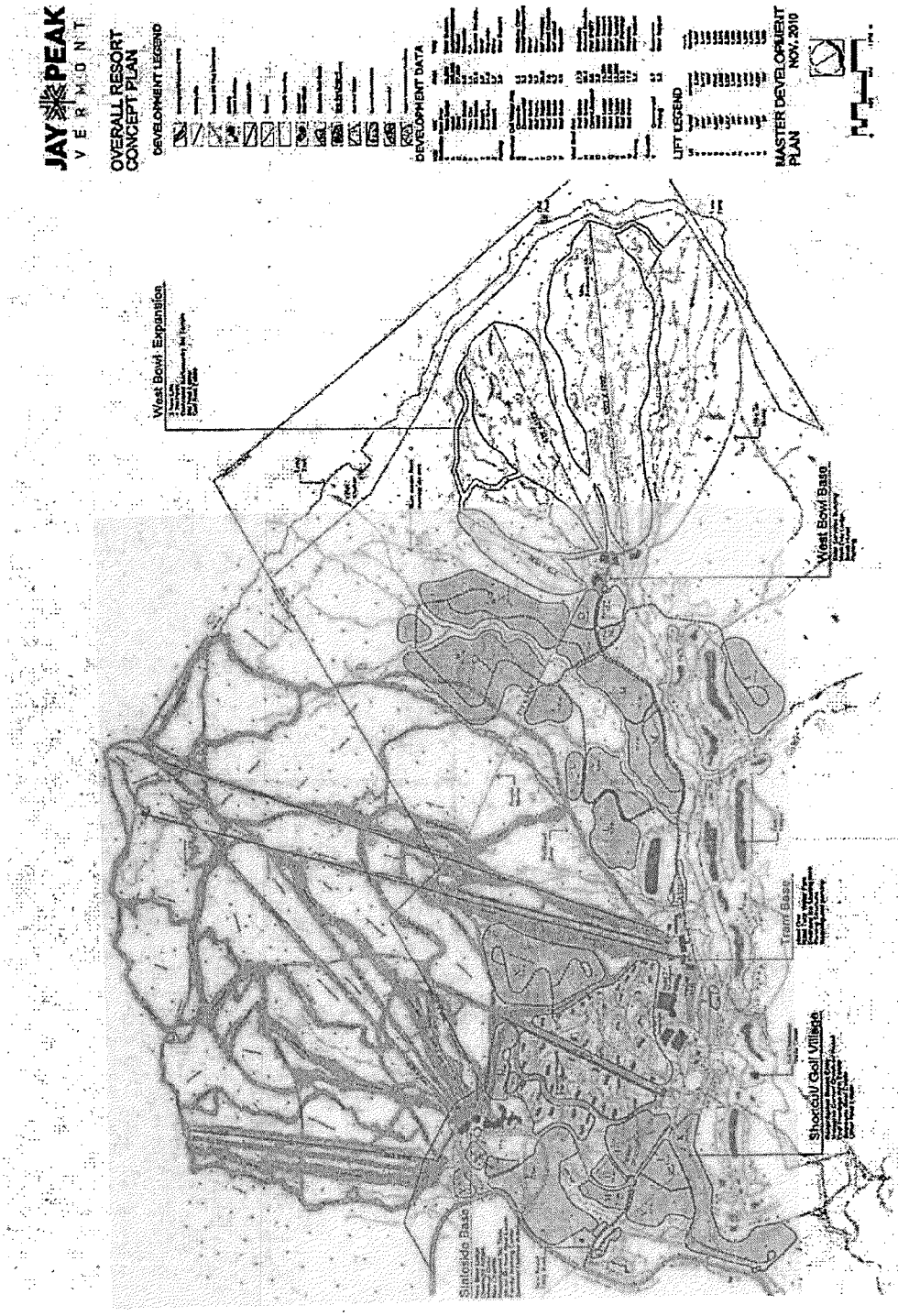
JAY PEAK RESORT CONCEPT MASTER PLAN



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HOTEL SUITES STATESIDE PROJECT – CONCEPTUAL

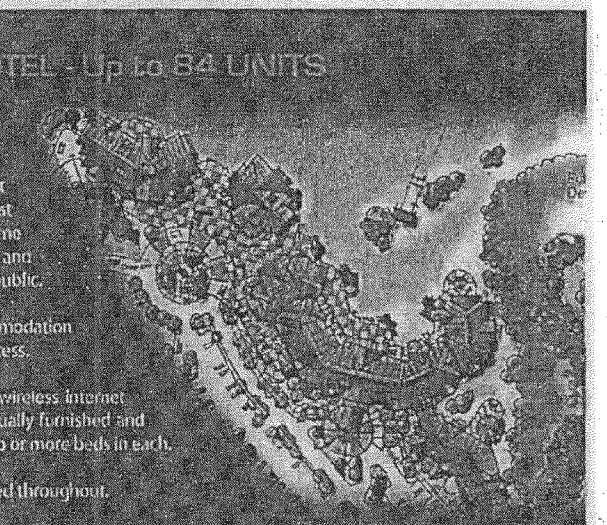
STATESIDE ALL SUITES HOTEL - Up to 84 UNITS

The **Stateside All Suites Hotel** is to be situated at the base of the ski slopes known as the 'Stateside' base area, this area is on the East side of the Jay Peak Mountain. The 'Stateside' ski area at Jay Peak Resort represents the initial ski area when the resort first opened for business in 1955, and to this day offers some of the most scenic and challenging skiing and snowboarding available to the Jay Peak vacationing public.

The **Stateside Hotel** will consist of up to 84 accommodation units and will offer highly desireable ski-in/ski-out access.

Amenities within the hotel will include high speed wireless internet and extensive in-room services. All units are individually furnished and provide kitchen, dining and living space with one, two or more beds in each.

The "Jay Peak Resort" architectural style will be featured throughout.



Conceptual Stateside Base Area

STATESIDE COTTAGES - Up to 84 UNITS

Conceptual Stateside Cottages

The **Stateside Cottages** are situated in a fantastic location near to the challenging slopes of the 'Stateside' ski terrain. The cottages will provide quick access to ski terrain, golf and resort facilities.

Amenities in the **Stateside Cottages** will include high speed wireless internet and extensive in-room services. All units are individually furnished and include a fully equipped kitchen, living and dining area with one, two or more bedrooms and each with separate bath facilities.

The "Jay Peak Resort" architectural style of these properties will be featured throughout and will include natural stone, pine and cedar shingle outer surfaces, tastefully designed interiors with hardwood floors, yellow pine paneling and exposed beams, all blends into the natural surroundings of the Resort.

JAY PEAK MEDICAL CENTER

This **Medical Center / Clinic facility** is intended to be used by both resort guests and local residents in the Jay, North Troy and Montgomery Center area.

Initial use of the facility would be for first aid and minor clinical procedures, with future growth of facility operations projected.

GUEST SERVICES RECREATION CENTER

This approximately 15,000 square feet indoor recreation center is to serve resort guests who have a penchant for recreational activities that can be accomplished without worry of being generally affected by adverse weather conditions.

The recreation center is to also feature snack food service and beverages.

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GENERAL PARTNER

THE GENERAL PARTNER, JAY PEAK GP SERVICES STATESIDE INC. WILL PERFORM SERVICES IN CONNECTION WITH THE ACQUISITION, SALE AND LEASING OF THE PARTNERSHIP PROPERTY, ON TERMS TO BE NEGOTIATED BY THE GENERAL PARTNER, INCLUDING ANY AGREEMENTS NEEDED WITH THE RESORT OWNER AS TO THE HOTEL LAND OR RESORT LAND. FURTHER SERVICES OF THE GENERAL PARTNER SHALL INCLUDE, BUT NOT BE LIMITED TO, ACT ON BEHALF OF THE PARTNERSHIP WITH FEDERAL, STATE AND LOCAL AUTHORITIES WITH RESPECT TO THE PROJECT; MONITOR COMPLIANCE WITH ZONING, LAND USE AND OTHER REQUIREMENTS; AND PREPARE OR CAUSE TO BE PREPARED SUCH THIRD PARTY STUDIES AS IT DEEMS NECESSARY IN CONNECTION WITH THE ACQUISITION, SALE AND LEASING OF THE PARTNERSHIP PROPERTY AND CONSTRUCTION OF THE BUILDINGS AND OTHER NECESSARY IMPROVEMENTS ON THE PARTNERSHIP PROPERTY AND RESORT LAND; ADDITIONALLY THE GENERAL PARTNER WILL OVERSEE CONSTRUCTION OF THE STATESIDE HOTEL ANDCOTTAGES AND MANAGE THE LEASE OF THE STATESIDE HOTEL AND COTTAGES, AND NEGOTIATE THIRD PARTY AGREEMENTS TO CONSTRUCT THE STATESIDE HOTEL AND COTTAGES; AND FURTHER OVERSEE CONSTRUCTION OF THE ANCILLARY FACILITIES BUILDINGS, INCLUDING NEGOTIATING THIRD PARTY AGREEMENTS TO CONSTRUCT THE ANCILLARY FACILITIES BUILDINGS, AND MANAGE THE LEASE OF THE ANCILLARY FACILITIES BUILDINGS; ALL PLANNING, PERMITTING, BID MANAGEMENT AND QUALITY CONTROL MANAGEMENT OF THE BUILDINGS, INCLUDING THE STATESIDE HOTEL, COTTAGES AND ANCILLARY BUILDINGS, AS WELL AS ALL MANAGEMENT OF AFFILIATE(S) WILL BE BORNE BY THE GENERAL PARTNER. ALL AUTHORITY, RESPONSIBILITIES AND DUTIES OF THE GENERAL PARTNER ARE MORE FULLY DESCRIBED IN THE LIMITED PARTNERSHIP AGREEMENT ANNEXED HERETO.

FEES TO GENERAL PARTNER AND AFFILIATED ENTITIES

GENERAL PARTNER'S MANAGEMENT COMPENSATION

OTHER THAN RECEIVING ITS GENERAL PARTNERSHIP INTEREST HEREIN, BEING REIMBURSED FOR ALL OF ITS EXPENSES AND COSTS INCURRED RELATED DIRECTLY OR INDIRECTLY TO THE DEVELOPMENT OF THE PROJECT (INCLUDING BUT NOT LIMITED TO PERMITTING FEES, PROFESSIONAL FEES AND THIRD PARTY CONSULTANT FEES), AND RECEIVING REIMBURSEMENT FOR EXPENSES AND OTHER COSTS INCURRED DIRECTLY OR INDIRECTLY BY THE GENERAL PARTNER TO FULFILL ITS DUTIES UNDER THE LIMITED PARTNERSHIP AGREEMENT, THE GENERAL PARTNER SHALL NOT BE ENTITLED TO COMPENSATION FOR ITS SERVICES RENDERED PURSUANT TO THE LIMITED PARTNERSHIP AGREEMENT.

THE GENERAL PARTNER MAY, IN THE NAME AND ON BEHALF OF THE PARTNERSHIP, ENTER INTO AGREEMENTS OR CONTRACTS FOR PERFORMANCE OF SERVICES FOR THE PARTNERSHIP WITH AN AFFILIATE OF THE GENERAL PARTNER, INCLUDING WITHOUT LIMITATION SERVICES NECESSARY TO OVERSEE CONSTRUCTION OF THE BUILDINGS AND OTHER IMPROVEMENTS AND FOR THE LEASING OF THE STATESIDE HOTEL, COTTAGES AND THE ANCILLARY FACILITIES BUILDINGS, AND THE GENERAL PARTNER MAY OBLIGATE THE PARTNERSHIP TO PAY COMPENSATION FOR AND ON ACCOUNT OF ANY SUCH SERVICES; PROVIDED, HOWEVER, SUCH COMPENSATION SHALL BE AT COSTS TO THE PARTNERSHIP NOT IN EXCESS OF THOSE DISCLOSED IN THE CONFIDENTIAL MEMORANDUM, BUT SUCH LIMITATION ON COSTS SHALL NOT PREVENT THE RESORT OWNER, IF NECESSARY, FROM ADVANCING FUNDS OR OTHER VALUE TO COMPLETE THE PROJECT AND BEING REIMBURSED WITH THE GRANT OF LIMITED PARTNERSHIP INTERESTS IN A SEPARATE CLASS FROM THE EB-5 INVESTORS. IN ADDITION, THE GENERAL PARTNER SHALL PAY THE RESORT OWNER ITS DEVELOPMENT FEES AND PAY WHOMEVER IT HIRES TO MANAGE THE LEASES A FEE EQUAL OF UP TO TEN PERCENT (10%) OF THE RENT PAID BY THE TENANTS, IN ADDITION, THE GENERAL PARTNER SHALL DELEGATE ITS DUTY TO SUPERVISE THE CONSTRUCTION OF THE PROJECT, INCLUDING BUT NOT LIMITED TO THE CONSTRUCTION AND BUILD OUT OF THE PROJECT, TO JAY PEAK INC. OR ANOTHER AFFILIATE FOR A MANAGEMENT FEE TO BE PAID BY THE PARTNERSHIP IN AN AMOUNT EQUAL TO FIFTEEN PERCENT (15%) OF THE OVERALL COST OF THE CONSTRUCTION AND FIT OUT, AS BUDGETED HEREUNDER.

LIMITATION OF LIABILITY OF GENERAL PARTNER AND ACTIVE PARTICIPATION

LIABILITY TO PARTNERSHIP AND LIMITED PARTNERS: THE GENERAL PARTNER, AND ITS AFFILIATES, ADVISORS AND THEIR OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, REPRESENTATIVES, ATTORNEYS, ACCOUNTANTS AND OTHER PERSONS OPERATING ON ITS BEHALF SHALL NOT BE LIABLE, RESPONSIBLE, OR ACCOUNTABLE IN DAMAGES OR OTHERWISE (INCLUDING ATTORNEYS FEES AND EXPENSES) TO THE LIMITED PARTNERS OR TO THE PARTNERSHIP FOR ANY ACTS PERFORMED IN GOOD FAITH AND WITHIN THE SCOPE OF AUTHORITY OF THE GENERAL PARTNER, OR ITS AFFILIATES IF ANY OF THE GENERAL PARTNER'S DUTIES HAVE BEEN CONTRACTUALLY DELEGATED TO THEM, PURSUANT TO THE LIMITED PARTNERSHIP AGREEMENT. **ACTIVE PARTICIPATION:**THE LIMITED PARTNERSHIP AGREEMENT, IN AN EFFORT TO REFLECT THE EB-5 REGULATIONS GOVERNING WHAT LEVEL OF PARTICIPATION IS

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ACCEPTABLE TO MEET THE EB-5 CRITERIA, MANDATES THAT EACH LIMITED PARTNER SHALL PARTICIPATE IN THE MANAGEMENT OF THE BUSINESS OF THE PARTNERSHIP BY MAKING SUGGESTIONS OR RECOMMENDATIONS TO THE GENERAL PARTNER ON ISSUES OF POLICY IMPORTANT TO THE PARTNERSHIP. THE LIMITED PARTNERSHIP AGREEMENT ALSO PERMITS LIMITED PARTNERS TO PARTICIPATE IN ONE OR MORE OF THE ACTIVITIES (I) PERMITTED OF LIMITED PARTNERS UNDER THE VERMONT REVISED UNIFORM LIMITED PARTNERSHIP ACT AND (II) OTHERWISE SET FORTH UNDER THE LIMITED PARTNERSHIP AGREEMENT. (SEE LIMITED PARTNERSHIP AGREEMENT)

PROPERTY MANAGEMENT AGREEMENT

THE MANAGEMENT AGREEMENT WILL BECOME EFFECTIVE AS THE STATESIDE HOTEL, COTTAGES AND ANCILLARY PROJECTS COMMENCE OPERATIONS. THE GENERAL PARTNER WILL RETAIN SQ PROPERTY MANAGEMENT, LLC, INC. TO MANAGE THE PARTNERSHIP PROPERTY PORTFOLIO, THE COLLECTION OF RENTS, AND THE TENANTS LEASES AND OBLIGATIONS UNDER THEIR LEASES. SQ PROPERTY MANAGEMENT, LLC IS ENTITLED, PURSUANT TO THE MANAGEMENT ARRANGEMENT, TO VARIOUS FEES AS DETAILED ELSEWHERE HEREIN.

DISTRIBUTIONS TO INVESTORS

ANY NET PROCEEDS FROM THE RENTAL INCOME WILL BE PAID IN ARREARS TO LIMITED PARTNERS ON A MONTHLY OR QUARTERLY BASIS. NET PROCEEDS WILL BE REVENUE ON HAND AFTER TYPICAL OPERATIONAL EXPENSES ARE PAID, AND ANY RESERVES MADE, OR OTHER FUNDS WITHHELD AS DEEMED NECESSARY BY THE GENERAL PARTNER IN ITS SOLE DISCRETION (SEE LIMITED PARTNERSHIP AGREEMENT).

EXIT STRATEGIES

AS MORE FULLY DESCRIBED IN THE LIMITED PARTNERSHIP AGREEMENT, ONCE ALL I-829 PETITIONS FILED UNDER THE EB-5 PROGRAM FOR ALL QUALIFIED INVESTORS WHO HAVE INVESTED INTO THE PARTNERSHIP HAVE BEEN DECIDED, IT IS ANTICIPATED THAT THE GENERAL PARTNER MAY SUBDIVIDE THE STATESIDE HOTEL SUITES AND COTTAGES INTO FRACTIONAL UNITS AND GRANT EACH LIMITED PARTNER FRACTIONAL UNITS IN EXCHANGE FOR EACH LIMITED PARTNER'S INTEREST IN THE PARTNERSHIP.

ALL SUCH FRACTIONAL UNITS MUST BE MADE SUBJECT TO A RENTAL POOL OPERATED BY THE RESORT OWNER, WHICH RENTAL RATES WILL BE SET BY THE RESORT OWNER AT ITS SOLE DISCRETION AND THE RESORT OWNER WILL BE ENTITLED TO ITS STANDARD RENTAL MANAGEMENT FEE CURRENT AT THAT TIME. THE GENERAL PARTNER WILL, AS A CONDITION OF THE SALE, REQUIRE LIMITED PARTNERS AND OR PURCHASERS TO MAKE THEIR PROPERTY INTERESTS AVAILABLE TO COMMERCIALLY REASONABLE, ON-GOING HOTEL AND OR VACATION RENTAL OPERATIONS WHICH WILL ASSIST TO MAINTAIN PERMANENT EMPLOYMENT CREATED BY THIS PROJECT. EACH LIMITED PARTNER MAY SELL HIS FRACTIONAL UNITS WHENEVER HE WISHES AND FOR A PRICE AT HIS DISCRETION, BUT SUCH FRACTIONAL UNITS MUST BE SOLD THROUGH JAY PEAK REALTY AT ITS STANDARD RATE OF COMMISSION FOR THIS PRODUCT.

THIS IS ONE POTENTIAL EXIT STRATEGY FOR INVESTORS BUT THE GENERAL PARTNER MAY IN ITS SOLE DISCRETION DECIDE TO PURSUE WITH THE RESORT OWNER ONE OR MORE OTHER POSSIBLE LIQUIDATION STRATEGIES. EACH INVESTOR ACKNOWLEDGES BY HIS OR HER INVESTMENT INTO THE PROJECT THAT NO GUARANTY HAS BEEN MADE AS TO ANY RETURN ON THE INVESTMENT OR REPAYMENT OF THE INVESTMENT ITSELF.

JAY PEAK INC. RESORT MANAGEMENT TEAM

JAY PEAK RESORT IS LED BY BILL STENGER WHO IS A RESORT INDUSTRY LEADER IN VERMONT AND NATIONALLY. MR. STENGER HAS BEEN PRESIDENT OF JAY PEAK SINCE 1987 AND HAS BEEN LEADER OF THE RESORT SINCE 1985. MR. STENGER IS AIDED BY OTHER KEY QUALITY CORPORATE MANAGERS: STEVE WRIGHT - VICE PRESIDENT OF MARKETING, SALES AND HOSPITALITY; JAKE WEBSTER - VICE PRESIDENT OF DEVELOPMENT; CHERYL WARD - FOOD & BEVERAGE MANAGER; HOWARD NOSEK - DIRECTOR OF GOLF MAINTENANCE; JAIME STENGER - RETAIL AND GOLF OPERATIONS DIRECTOR; ALLYSON BATHALON – HUMAN RESOURCES DIRECTOR; HEATHER WHIPKEY, CPA –MANAGER OF PARTNERSHIP ACCOUNTS C/O JAY PEAK RESORT; GEORGE GULISANO, CPA – CHIEF FINANCIAL OFFICER.

SALES STRATEGY

THE SALES STRATEGY FOR THE PROJECT HAS A CAPTIVE MARKET ALREADY IN PLACE AND WILL HARNESS THE EXISTING FACILITIES OF THE JAY PEAK RESORT BOOKING SYSTEM THAT HAS BEEN CRITICAL TO THE SUCCESS OF THE

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RESORT. THE RESORT WILL MAKE AVAILABLE ITS WEB SITE WITH ON-LINE BOOKING SYSTEM, WEATHER REPORTS AND ADVERTISING/PROMOTION PROGRAM THAT PROMOTES THE RESORT'S EXISTING LODGING.

JAY PEAK RESORT HAS OVER 4,000 ACRES IN ITS OPERATION. THE COMBINATION OF MOUNTAIN FOREST AND VALLEY STREAM LANDSCAPE MAKES JAY PEAK ONE OF THE MOST SCENIC, NATURAL AND UNSPOILED RESORT SETTINGS OF ITS KIND ANYWHERE IN THE WORLD.

WITH THIS MAGNIFICENT NATURAL ASSET AS A BACK DROP, THE WELL PLANNED AND ENVIRONMENTALLY SENSITIVE APPROACH TO THE RESORT LAYOUT MAKES IT A RESORT OF THE FUTURE AND NOT A RE-DONE EFFORT TO REPAIR PAST PLANNING MISTAKES SO COMMON WITH OUTDATED RESORTS.

THE SCALE OF THE FACILITIES AND SCOPE OF THE AMENITIES PLANNED WILL MAKE JAY PEAK A SOUGHT AFTER DESTINATION FOR A BROAD MARKET FOR YEARS TO COME. WITHIN 8HRS DRIVE THERE ARE 100 MILLION NORTH AMERICANS – 25 MILLION CANADIANS AND 75 MILLION AMERICANS. NUMEROUS FOUR LANE HIGHWAYS LEAD TO WITHIN 30 MINUTES OF JAY PEAK FROM CANADA AND THE US, AND JAY PEAK RESORT PROVIDES STRONG MARKETING CAMPAIGNS WITHIN CANADA TO ATTRACT CANADA RESIDENTS.

WORLD CLASS SKIING AND GOLF MAKE WINTER AND SUMMER EXCEPTIONALLY POPULAR BUT WITH A QUALITY SPA, CONFERENCE FACILITIES, AND INDOOR AMENITIES (SUCH AS A WATER PARK, SPA, AND ICE ARENA) THE SHOULDER SEASONS OF EARLY SPRING AND LATE FALL SHOULD BE AS POPULAR FOR VACATIONERS AS THE PEAK SEASONS OF WINTER AND SUMMER.

JAY PEAK HAS A HIGHLY EXPERIENCED MARKETING, SALES AND RESERVATIONS TEAM THAT WILL ASSIST TENANTS / OPERATORS WITH PRESENTING THE UNIQUE ARRAY OF RECREATIONAL FOUR-SEASON ASSETS INTO HIGH OCCUPANCY AND PROFITABLE RESULTS FOR THE STATESIDE HOTEL SUITES AND COTTAGES TENANT / OPERATORS.

JAY PEAK'S WEBSITE (WWW.JAYPEAKRESORT.COM) IS A VIBRANT, ACTIVE SITE THAT OFFERS ONLINE RESERVATIONS AND SPECIAL VACATION PACKAGE PROMOTIONS TO A WORLDWIDE AUDIENCE ON A DAILY BASIS. JAY PEAK AND ITS STAFF ALSO ADVERTISE AND PROMOTE THROUGHOUT REGIONAL RADIO, TELEVISION, NEWSPAPERS, AND MAGAZINES AS WELL AS REGIONAL FOUR-SEASON TRAVEL SHOWS AND EXPOSITIONS.

WITH A DYNAMIC PRODUCT AND A STAFF AND MARKETING PLAN TO MATCH, THE FISCAL PERFORMANCE OF THESE NEW RESORT COMPONENTS WILL TRULY BE EXCITING. BELOW ARE EXAMPLES OF INDEPENDENT COMMENTS ON JAY PEAK MARKETING PROGRAM

JAY PEAK WINS NSAA MARKETING AWARD FOURTHYEAR IN A ROW

05.17.2011 – Jay, VT – The National Ski Area Association (NSAA) announced the winners for the 2010-2011 Marketing and Guest Service Awards, and Jay Peak Resort again claimed the title for Best Overall Marketing Program. This is Jay Peak's third year in a row to win the award, and their fourth time winning out of the last five years. Bill Stenger, President and CEO of Jay Peak Resort, attributes the honor to the hard work of the employees and the direction of Steve Wright, Vice President of Marketing and Sales. Upon being notified of this year's award, Mr. Stenger said "To win this award one year is an accomplishment. To win it three years in a row shows a true understanding of our industry and Jay Peak's special qualities."

Jay Peak aims to not only improve the campaign each year, but also to unite all marketing efforts consistently throughout advertising, customer service, promotions, and social media. Their "Raise 'em Jay" campaign aims to get kids of all ages on the mountain early and often, and turns them into true skiers and riders – following in the footsteps of their parents and creating a whole new generation of dedicated Jay Peakers. The mantra "Raise 'em Jay" is evident in their series of television and print advertisements that feature babies in hats with skulls and crossbones and kids turning snowmen into ski jumps. According to Wright, Jay Peak's marketing success comes from their never-wavering dedication to make skiing and riding their number one priority, and despite the growth and expansion the resort is going through, Jay Peak will always stay true to these most important values.

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JAY PEAK: A CASE STUDY IN SOCIAL MEDIA MARKETING FOR SKI RESORTS

Sep 11th, 2009
By Mike Berard

Fact: Until recently, we've seen very few ski areas demonstrating real social media savvy. Sorry, it's true. While many resorts are showing up on various social media channels (Twitter, Facebook, etc), few are actually getting the point – they make the mistake of selling and promoting in the same way they do in print ads and on their websites. The vast majority are lost in the social media wilderness. Some resorts, however, have managed to stay out of the woods and at the forefront of new media.

Yesterday, Vermont's Jay Peak Resort offered a free lift ticket to the first 20 people who could prove purchase of new media evangelist Mitch Joel's new book, Six Pixels of Separation. With this brilliant social media maneuver, Jay Peak Resort has carved out their spot at the front of the digital media race for ski resorts, leaving much of the competition in their cold smoke powder wake. And here's why:

1. Simply put, they are using social media. Many resorts are still absent from the social media realm, meaning they are most likely watching it run away from them at light speed. Every day they make the choice to not join the conversation, they lose that ability to understand the language. Jay Peak is out there listening and contributing through Facebook, Twitter, a Flickr page and a YouTube page w/ custom content. Their up-to-date blog is updated by "key individuals from across the resort," allowing a transparency that translates into an honest look at what Jay Peak can offer to the consumer.

2. They are offering something of worth. This goes beyond giving away 20 free lift tickets. With their blog post, Jay Peak has simultaneously given you a book recommendation, a chance at a free day of skiing, and a little pick-me-up good news. But it doesn't end there – take a look at Jay Peak's Twitter (amongst other channels) and you'll find a company that is offering value through fun, relevant content and open conversation with its customers. Yes, it is that simple. Social media is not a game of give-and-take, but rather give-and-receive. The difference in the language is small, but the shift in the meaning is massive.

3. They share and promote. By enticing others to get on the social media train by reading Joel's book, Jay Peak is doing more than pumping up their own brand. They are supporting someone else's work. And that person just so happens to be a very influential person, which leads us to...

4. They realize the value of cross promotion. Traditional advertising and marketing often revolves around telling everyone how awesome you are. Social media should not. It is about sharing. By promoting Mitch's book, Jay Peak has made a new friend and ally. The fact that this new friend has many connections is merely a pleasant side-effect, regardless of whether it was planned that way. – Rory Tucker and Mike Berard

LAND CONTRIBUTION

THE NET LAND COSTS PAYABLE BY THE PARTNERSHIP IS $2,420,000 WHICH IS AFTER DEDUCTION OF A CREDIT FOR BUILD OUT BY THE PARTNERSHIP OF A JAY PEAK COMMERCIAL AREA. THE GROSS LAND COST IS $4,620,000 PURSUANT TO THE OFFERING MEMORANDUM AND LIMITED PARTNERSHIP AGREEMENT.

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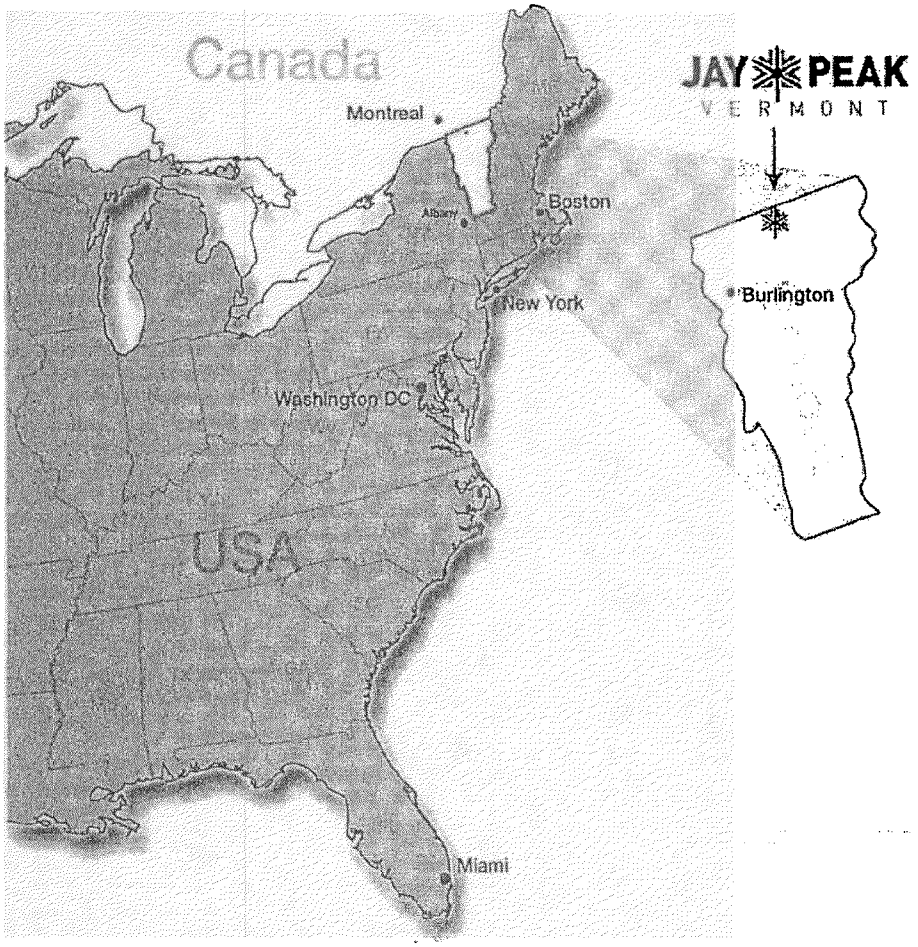
LOCATION MAP OF JAY PEAK RESORT, STATE OF VERMONT



END OF REPORT

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JAY PEAK HOTEL SUITES STATESIDE L.P.

BUSINESS PLAN

FINANCIAL DATA AND INCOME PROJECTIONS

PARTNERSHIP BUSINESS PLAN: SCHEDULE OF EXHIBITS

1. CAPITAL EXEPENDITURE INTO THE PROJECT AND USE OF INVESTOR FUNDS
2. FLOWCHART DEPICTING PARTNERSHIP BUSINESS OPERATIONS AND STRUCTURE
3. LIMITED PARTNERSHIP INCOME STATEMENT
4. SUMMARY OF:

   a) Overall Project Income and Activities
   b) Projected Revenues and Income from the Project
   c) Projected Visitors and Visitor Spending at Jay Peak Resort

   PROJECTIONS OF OPERATOR BUINESS PLANS

5. PROJECTIONS OF STATESIDE HOTEL

   a) Assumptions applied; room rates, seasonal analysis, occupancy, ADR
   b) Income projections and projected net earnings from accommodations
   c) Additional spending at Jay Peak Resort facilities

6. PROJECTIONS OF COTTAGES

   a) Assumptions applied; room rates, seasonal analysis, occupancy, ADR
   b) Income projections and projected net earnings from accommodations
   c) Additional spending at Jay Peak Resort facilities

7. HOTEL SUITES STATESIDE CONCEPT PLAN
8. GUEST SERVICES RECREATION CENTER INCOME STATEMENT
9. MEDICAL CENTER INCOME STATEMENT
10. SUMMARY OF BUSINESS PLAN INPUT DATA APPLIED TO RIMS II MATRIX

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JAY PEAK VERMONT

JAY PEAK HOTEL SUITES STATESIDE L.P.
134 EB-5 INVESTORS $67,000,000

Stateside Hotel, Cottages, Complex, Guest Services Recreation Center and Medical Center
$87m Project Financed by $67m from EB-5 Investors, $20m from Jay Peak

OWNED BY L.P.		UNITS		COST	TOTALS
VACATION RENTAL COTTAGES: Approx 1,100 sq ft average each unit			Total Living Units	84	
		Cost Sq. ft.			
	1100 sq ft	$185		$8,547,000	
	1100 sq ft	$185		$8,547,000	
Fit Out	$27,500 per each res.unit	$55,000		$2,310,000	$19,404,000
Unit Infrastructure	$15,000 Pad:	84	15000	$1,260,000	$1,260,000
Utilities, Stormwater, Arch. Etc. Fees, Permits, Roads					$1,800,000
				TOTAL	$22,464,000
Construction Supervision Costs:		Based upon:	$22,464,000		
Supervision			10%		$2,246,400
Supevision Exepenses			5%		$1,123,200
				SUB-TOTAL	$25,833,600
STATESIDE HOTEL SUITES					
72,000 sq ft building on three floors (1 or 2 Buildings)		72000			
	12 Units Studio Apartments approx 600 sq ft. unit	7200	300	$2,160,000	
Residential Second Floor	36 Units Studio Apartments approx 600 sq ft. unit	21600	300	$6,480,000	
Residential Third Floor	36 Units Studio Apartments approx 600 sq ft. unit	21600	300	$6,480,000	
		50400			
	Common Areas	7200	245	$1,764,000	
	Indoor Swimming Pool and Leisure Area	3600	385	$1,386,000	
		61200			
Fit Out	Fixtures and Equipment	84	30000	$2,520,000	$20,790,000
Construction Supervision Costs:		Based upon:	$20,790,000		
Supervision			15%		$3,118,500
Supevision Expenses			5%		$1,039,500
Sub-total					$24,948,000
10800 sq ft commercial	Commercial Retail, Restaurant, and Services	10800	200	$2,160,000	$2,160,000
			HOTEL COMPLEX	TOTAL	$27,108,000
OWNED BY JAY PEAK, LEASED TO L.P.					
MEDICAL CENTER: Stage 1					
Square Feet		5000	Cost Sq. ft.	$295	$1,475,000
Fit Out					$600,000
Groundworks and Utilities					$250,000
TOTAL					$2,325,000
OWNED BY JAY PEAK, LEASED TO L.P.					
GUEST RECREATIONAL SERVCES CENTER					
Square Feet		15000	Cost Sq. ft.	$300	$4,500,000
Fit Out and recreational elements and units			Cost Sq. ft.	$150	$2,250,000
Groundworks and Utilities					$500,000
TOTAL					$7,250,000
OTHER COSTS:					
LAND: Golf Cottages - per duplex pad	84	$30,000	$2,520,000	$2,520,000	
Hotel Suites Bonaventure per unit	84	$25,000		$2,100,000	
Credit for commercial areas owned/operated by Jay Peak Inc.				-$2,160,000	
				$2,460,000	$2,460,000
Hotel infrastructure				$525,000	$525,000
PARKING, PATHWAYS etc.					$1,340,000
Working Capital					$158,400
SUB-TOTAL OTHER COSTS					$4,483,400
INVESTOR PROJECT COSTS					$67,000,000
JAY PEAK PROJECT CONTRIBUTIONS					
New Access Rd: #3 and #4	$1,500,000				$1,500,000
Main Drainage, Storm Water Allocation	$2,500,000				$2,500,000
Commercial Areas Build out	$4,000,000				$4,000,000
General infrastructure, Waste Management	$1,500,000				$1,500,000
New Snowmaking Facilites	$3,000,000				$3,000,000
Lift relocations	$7,500,000				$7,500,000
FUNDS FROM JAY PEAK INC.					$20,000,000
TOTAL PROJECT INVESTMENT FUNDS					$87,000,000

Report prepared by Rapid USA Visas, Inc. Naples FL K Douglas Hulme FCCA Tel 239 894 5400 10/31/2011
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(note: Stateside Hotel Condominium Units omitted from this chart for clarity)

JAY PEAK HOTEL SUITES STATESIDE L.P. - STRUCTURE OF OPERATIONS

PROJECT:

LP BUILDS/OWNS STATESIDE HOTEL – 84 SUITES AND COTTAGES – 84 UNITS (168 TOTAL UNITS)

JAY PEAK, INC. OWNS RECREATION CENTER AND MEDICAL CENTER WHICH ARE LEASED TO THE LP. for 10 YRS RENT FREE.

JOB CREATION

Requisite jobs created by:

- The money invested into the project
- Tenants lease occupancy, activities and use of premises
- Increased visitor spending at the Resort

INVESTMENT:

$87 MILLION

$67 million – from 134 EB-5 investors at $500,000 per investor

$20 million in cash, land or other value from Jay Peak to provide

JAY PEAK HOTEL SUITES STATESIDE L.P.

- Develops and Creates Jobs, Builds real estate to rent out to third party tenants.
- LP Income source: partnership acts as landlord and receives rents from tenants
- Lease rentals structured to provide a projected rental return of 4.2% pa for the first full year of business operations to the partnership.

Jay Peak Inc. cash, land or other value applied to:

Jay Peak Inc. Stateside commercial area build out

And-

General Resort Infrastructure – Access road, Drainage, Wetlands etc. Snowmaking facilities and lift relocations etc.

LP builds and owns Stateside Hotel which contains 84 suites to be leased to approved tenant

LP builds and owns Cottages Complex which contains 84 units leased to approved tenant

Develops and constructs a Medical Center. JP, Inc owns building, 10 yr lease to L.P.

Develops and constructs Guest Services Recreation Center. JP, Inc owns building, 10 yr lease to L.P.

Stateside Hotel is leased out to pre-approved tenant who operates the hotel. Pays rental to partnership and tenant creates jobs at the Resort.

Cottages are leased out to pre-approved tenant who operates vacation rentals. Pays rental to partnership and tenant creates jobs at Resort.

Leased out to pre-approved tenant who operates, pays rental to LP and tenant creates jobs at the Resort.

Leased out to pre-approved tenant who operates, pays rental to LP and tenant creates jobs at the Resort.

EXIT STRATEGY & RETURNS:

JP, INC HAS EXCLUSIVE RIGHT OF SALE AND RENTAL. ALL UNITS MUST BE IN RENTAL POOL

- EB-5 Investors stay invested for until such time as all I-829 applications have been decided by USCIS, at this time fractional ownership units would be allocated to the Limited Partners.
- Each Limited Partner may receive deeded equity allocation at fair market value.
- JP has exclusive right of sale, or will be exclusive rental agent.

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JAY PEAK VERMONT

JAY PEAK HOTEL SUITES STATESIDE L.P. 134 INVESTORS $67,000,000

PROJECTED STATEMENT OF PARTNERSHIP RENTAL INCOME

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
FINANCED BY 134 EB-5 INVESTORS $67m										
REVENUES										
COTTAGES										
BASE RENTAL INCOME	898,550	916,531	934,862	953,559	972,630	992,083	1,011,925	1,032,163	1,052,806	1,073,862
PERCENTAGE RENT	483,050	522,063	551,067	580,070	585,871	597,589	609,540	667,066	687,078	707,690
STATESIDE HOTEL SUITES										
BASE RENTAL INCOME	763,324	768,990	785,758	799,493	815,422	831,731	848,365	865,332	882,639	900,292
PERCENTAGE RENT	327,919	354,152	364,777	376,720	386,992	427,626	464,855	478,800	497,952	500,216
MOUNTAIN CLINIC										
BASE RENTAL INCOME	94,500	96,390	98,318	100,284	102,290	104,336	106,422	108,551	110,722	112,936
PERCENTAGE RENT	0	0	0	0	0	0	0	0	0	0
GUEST RECREATION CENTER										
BASE RENTAL INCOME	140,000	142,800	145,656	148,569	151,541	154,571	157,663	160,816	164,032	167,313
PERCENTAGE RENT	90,284	98,764	101,086	103,474	105,020	108,437	129,530	136,180	143,993	145,131
SUMMARY										
BASE RENTAL INCOME	1,886,384	1,924,112	1,962,594	2,001,846	2,041,883	2,082,720	2,124,375	2,166,862	2,210,200	2,254,403
PERCENTAGE RENT	911,312	975,000	1,016,940	1,059,265	1,078,783	1,133,651	1,203,925	1,282,046	1,329,023	1,353,035
PARTNERSHIP NET OPERATING INCOME	$3,797,696	$3,899,112	$3,979,534	$4,061,110	$4,120,866	$4,216,372	$4,328,300	$4,448,908	$4,539,223	$4,607,440
UNIT INVESTOR INCOME	$20,977.58	$21,535.16	$22,235.33	$22,844.11	$23,288.55	$24,002.77	$24,838.06	$25,738.12	$26,412.11	$26,921.19
Annual % Return on investment	4.19%	4.31%	4.45%	4.57%	4.66%	4.80%	4.97%	5.15%	5.28%	5.38%

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. data provided by W Stenger, President and CEO Jay Peak Resort. 8/29/2011

Updated Report prepared by Rapid USA Visas, Inc. Naples FL : K Douglas Hulme FCCA Tel: 239.594.5400 *10/20/11*

See Disclaimer "Forward looking Statements"

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JAY PEAK VERMONT

JAY PEAK HOTEL SUITES STATESIDE L.P. 134 INVESTORS $67,000,000
PROJECTED STATEMENT OF INCOME FROM OPERATIONS

See Risk Factors: Forward looking Statements

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
REVENUES FROM BUSINESS OPERATIONS OF JAY PEAK AND TENANTS										
GOLF / CHALET UNITS	$6,288,762	$6,655,070	$7,021,494	$7,388,033	$7,464,655	$7,815,362	$7,769,124	$8,002,198	$8,242,284	$8,489,532
NET INCOME	*$472,416*	*$648,858*	*$830,189*	*$904,386*	*$867,061*	*$884,574*	*$902,442*	*$900,049*	*$937,495*	*$978,273*
STATESIDE HOTEL SUITES	$4,203,630	$4,534,636	$4,870,675	$4,810,796	$4,955,120	$5,152,147	$5,407,329	$5,569,549	$5,791,045	$6,021,362
NET INCOME	*$362,519*	*$482,488*	*$516,389*	*$551,694*	*$575,096*	*$580,524*	*$621,482*	*$594,447*	*$649,667*	*$724,427*
MOUNTAIN CLINIC	$945,000	$1,090,000	$1,215,000	$1,350,000	$1,377,000	$1,404,540	$1,432,631	$1,461,283	$1,490,509	$1,520,319
NET INCOME	*$104,450*	*$142,130*	*$179,704*	*$217,189*	*$221,011*	*$224,967*	*$228,945*	*$232,977*	*$237,061*	*$241,200*
GUEST RECREATION CENTER	$1,503,896	$1,646,406	$1,884,938	$1,724,572	$1,765,341	$1,807,282	$1,850,433	$1,891,393	$1,919,910	$1,935,078
NET INCOME	*$166,803*	*$187,994*	*$189,004*	*$180,992*	*$185,871*	*$218,907*	*$196,003*	*$193,425*	*$187,374*	*$187,234*
GRAND TOTALS										
OPERATOR TENANT REVENUES	$12,941,238	$13,916,114	$14,592,108	$15,273,400	$15,562,116	$15,979,331	$16,459,318	$16,924,423	$17,443,727	$17,966,289
NET PROJ. INCOME TO FACILITY OPERATOR(S)	$939,385	$1,273,476	$1,526,281	$1,673,249	$1,663,999	$1,690,065	$1,752,870	$1,727,472	$1,824,223	$1,941,900
ADDITIONAL REVENUES FROM VISITOR SPENDING AT JAY PEAK RESORT BY OCCUPANTS OF COTTAGES (SEE STATESIDE HOTEL AND GOLF PROJECTIONS ANALYSIS OF VISITOR SPENDING)										
PROJECTED SPENDING										
GOLF COTTAGES PROJECT	$6,638,529	$7,110,800	$7,305,232	$7,543,137	$7,693,999	$7,847,879	$8,004,837	$8,164,934	$8,328,232	$8,494,797
STATESIDE HOTEL SUITES	$5,999,077	$6,457,526	$6,586,676	$6,718,410	$6,852,778	$6,989,834	$7,129,630	$7,272,223	$7,417,667	$7,566,021
VISITOR SPENDING SUB-TOTAL	$28,576,844	$27,484,440	$28,574,010	$29,574,946	$30,108,891	$30,817,044	$31,593,945	$32,381,560	$33,189,827	$34,027,109
VISITORS										
GOLF COTTAGES - 84 Unit project)	71,114	74,670	78,226	81,782	82,599	83,425	84,260	85,102	85,953	86,813
MOUNTAIN CLINIC	0	0	0	0	0	0	0	0	0	0
STATESIDE BONAVENTURE HOTEL SUITES	70,543	73,385	74,832	76,329	77,092	77,863	78,252	78,644	79,037	79,432
RECREATION CENTER	13,002	13,262	13,527	13,798	14,074	14,355	14,643	14,935	14,935	14,935
SUB-TOTALS	154,660	161,297	166,586	171,908	173,765	175,644	177,155	178,681	179,926	181,180
ADDITIONAL DAY VISITORS TO RESORT (8%)	12,373	12,904	13,327	13,753	13,901	14,052	14,172	14,295	14,394	14,494
TOTALS	167,033	174,201	179,912	185,661	187,667	189,695	191,327	192,976	194,320	195,675
ADD TOTAL OTHER SPEND AS BELOW PROJECTED AT RESORT GENERATED FROM STATESIDE SUITES PROJECT										
REVENUES - OTHER RESORT FACILITIES										
RETAIL TRADE SKI WEAR SKI BIKES ETC	$1,002,195	$1,045,206	$1,079,474	$1,113,967	$1,126,000	$1,138,172	$1,147,962	$1,157,855	$1,165,917	$1,174,046
BARS (night) & RESTAURANTS, SNACKS	$1,102,415	$1,149,727	$1,187,421	$1,225,363	$1,238,800	$1,251,990	$1,262,758	$1,273,640	$1,282,509	$1,291,453
SPA AND SALONS	$108,571	$113,231	$116,943	$120,680	$121,983	$123,302	$124,362	$125,434	$126,308	$127,189
CONFERENCES CONVENTION	$300,000	$350,000	$367,500	$385,875	$405,169	$425,427	$446,699	$469,033	$492,485	$517,109
COMPETITIONS - golf - mtn./bikes	$100,000	$200,000	$220,000	$242,000	$266,200	$292,820	$322,102	$354,312	$389,743	$428,718
TOTALS	$2,613,181	$2,858,164	$2,971,338	$3,087,884	$3,157,953	$3,231,711	$3,303,882	$3,380,275	$3,456,963	$3,538,516
ADD. Spend in Jay Peak Stateside Hotel										
Commercial Areas	$3,204,000	$3,288,060	$3,333,442	$3,400,110	$3,468,113	$3,537,475	$3,608,224	$3,680,389	$3,753,997	$3,829,077
GRAND OVERALL TOTALS	$31,396,025	$33,610,683	$34,878,798	$36,022,941	$36,734,959	$37,586,230	$38,508,091	$39,422,243	$40,400,586	$41,394,699
Total Visitors	*167,033*	*174,201*	*179,912*	*185,661*	*187,667*	*189,695*	*191,327*	*192,976*	*194,320*	*195,675*
TOTAL AVERAGE VISITOR SPEND	*$188*	*$193*	*$194*	*$194*	*$196*	*$198*	*$201*	*$204*	*$208*	*$212*

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc.

25-Sep-11

JAY PEAK VERMONT

OPERATOR PROJECTIONS STATESIDE HOTEL UNITS

A complex comprising 84 hotel suites

DRAFT ASSUMPTIONS - UNITS AND OCCUPANCY

**See Important Note; Forward Looking Statements:

ASSUMPTIONS - AVERAGE DAILY RATE

SUITES UNIT ANALYSIS	Units	Prime Time Unit Rate	Per Day	High Season Room Rate	Per Day	Low Season Room Rate	Per Day	Totals
							0	
Approx. sq ft								
Hotel Suites 600	84	$315.00	26460	$255.00	21420	$165.00	13860	
							0	
Totals	84		26460		21420		13860	
Days Occupied (see Occupancy Table below)			73		98		58	228
Gross Revenue Per Season Per Annum			$1,931,580		$2,093,805		$798,950	$4,822,335
			73		98		58	
Average Daily Rate per Unit								252
Note: Three years projected to reach stabilized occupancy with Year 1 assumed at 85% of full operations							$4,822,335	85.00% $4,098,985

ASSUMPTIONS - OCCUPANCY

OCCUPANCY RATE	HOTEL SUITES YEAR 1			HOTEL SUITES YEAR 4			HOTEL SUITES YEAR 10		
	DAYS AVAIL. #	PERCENT OCCUPIED %	DAYS OCCUPIED #	DAYS AVAIL. #	PERCENT OCCUPIED %	DAYS OCCUPIED #	DAYS AVAIL. #	PERCENT OCCUPIED %	DAYS OCCUPIED #
PRIME TIME									
CHRISTMAS & NEW YEAR	8	100%	8	8	100%	8	8	100%	8
GEORGES WASHINGTON W/E	5	90%	5	5	90%	5	5	90%	5
SCHOOL BREAK, QUEBEC	5	85%	4	5	85%	4	5	85%	4
SCHOOL BREAK, ONTARIO	5	100%	5	5	100%	5	5	100%	5
EASTER	3	85%	3	3	85%	3	3	85%	3
WEEKEND,WINTER	24	90%	22	24	95%	23	24	95%	23
WEEKEND,SUMMER	20	90%	18	20	95%	19	20	95%	19
CONSTRUCTION HOLIDAY	10	90%	9	10	95%	10	10	95%	10
	80		73	80		76	80		76
OTHER PERIODS									
WEEKDAYS,WINTER	55	65%	36	55	60%	33	55	70%	39
WEEKDAYS,SUMMER	70	60%	42	70	60%	42	70	70%	49
FALL & SPRING DAYS	40	50%	20	40	60%	24	40	70%	28
	165		98	165		99	165		116
LOW OCCUPANCY PERIODS	115	50%	58	115	60%	69	115	70%	81
CLEANING DAYS	5			5			5		
TOTAL	365	63%	228	365	67%	244	365	74%	272

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JAY PEAK VERMONT

OPERATOR PROJECTIONS STATESIDE HOTEL SUITES

**See Important Note: Forward Looking Statements:

84 UNITS LEASED FROM JAY PEAK HOTEL SUITES STATESIDE LP: LEASED COMPLETE WITH BUILD OUT INC. F & F's

PROSPECTIVE TENANTS POSSIBLE BUSINESS OPERATIONS AND PROJECTED STATEMENT OF INCOME AND EXPENSE BASED UPON USE OF PREMISES AND FACILITIES

TABLE 1

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Stabilization Adjustment: First 4 years of operations	*85%*	*90%*	*95%*	*100%*						
REVENUES										
ROOMS	$4,098,985	$4,426,904	$4,559,711	$4,696,502	$4,837,397	$5,030,893	$5,282,438	$5,440,911	$5,658,547	$5,884,889
TELEPHONE	$104,595	$107,733	$110,965	$114,294	$117,723	$121,254	$124,892	$128,639	$132,498	$136,473
	$4,203,580	$4,534,636	$4,670,675	$4,810,796	$4,955,120	$5,152,147	$5,407,329	$5,569,549	$5,791,045	$6,021,362
GROSS REVENUES	$4,203,580	$4,534,636	$4,670,675	$4,810,796	$4,955,120	$5,152,147	$5,407,329	$5,569,549	$5,791,045	$6,021,362
VISITORS (See Hotel Assumptions Schedule)										
OCCUPANCY 88% ROOM DAYS 249 - 84 Suites	*70543*	*73365*	*74832*	*76329*	*77092*	*77863*	*78252*	*78644*	*79037*	*79432*
DIRECT COSTS										
LABOR	$1,151,150	$1,174,173	$1,197,656	$1,221,610	$1,233,826	$1,258,502	$1,283,672	$1,309,346	$1,335,533	$1,382,243
OTHER VARIABLE EXPENSES	$573,858	$619,766	$638,359	$657,510	$677,236	$704,325	$739,541	$761,727	$792,197	$823,884
SUB-TOTAL	$1,725,008	$1,793,939	$1,836,016	$1,879,120	$1,911,061	$1,962,827	$2,023,213	$2,071,073	$2,127,729	$2,186,128
TELEPHONE	$83,676	$86,186	$88,772	$91,435	$94,178	$97,003	$99,914	$102,911	$105,998	$109,178
TOTAL DIRECT COSTS	$1,808,684	$1,880,126	$1,924,788	$1,970,555	$2,005,239	$2,059,831	$2,123,127	$2,173,984	$2,233,727	$2,295,306
EST. EMPLOYEES (FTE) (Avg Wage$11 p/h $23,023 Incl EC)	50	52	53	53	54	54	55	55	55	55
GROSS PROFIT	$2,394,896	$2,654,511	$2,745,888	$2,840,241	$2,949,880	$3,092,317	$3,284,202	$3,395,565	$3,557,317	$3,726,056
INDIRECT COST & ADMIN. EXPENSES										
BASE RENT	$753,324	$768,390	$783,758	$799,433	$815,422	$831,731	$848,365	$865,332	$882,639	$900,292
PERCENTAGE RENT	$327,919	$354,152	$364,777	$375,720	$386,992	$427,626	$464,855	$478,800	$497,952	$500,216
ELECTRICITY & HEATING UTILITIES	$252,215	$272,078	$280,241	$288,648	$297,307	$309,129	$324,440	$334,173	$347,463	$361,282
MAINTENANCE & REPAIRS	$245,939	$265,614	$273,583	$281,790	$290,244	$327,008	$369,771	$435,273	$452,684	$470,791
MARKETING & PROMOTION	$245,939	$265,614	$273,583	$281,790	$290,244	$301,854	$316,946	$326,455	$339,513	$353,093
OTHER ADMINISTRATIVE COSTS	$122,970	$132,807	$136,791	$140,895	$145,122	$150,927	$158,473	$163,227	$169,756	$176,547
TOTAL COSTS	$1,948,305	$2,058,656	$2,112,732	$2,168,277	$2,225,331	$2,348,274	$2,482,849	$2,603,260	$2,690,007	$2,762,220
EBITDA	$446,591	$595,854	$633,155	$671,964	$724,550	$744,043	$801,353	$792,305	$867,310	$963,836
RESERVE FOR REPLACEMENT	$84,072	$113,366	$116,767	$120,270	$148,654	$163,519	$179,871	$197,858	$217,644	$239,408
PROJ. EARNINGS - SUITEHOTEL	$362,519	$482,488	$516,388	$551,694	$575,896	$580,524	$621,482	$594,447	$649,667	$724,427
	8.62%	*10.64%*	*11.06%*	*11.47%*	*11.62%*	*11.27%*	*11.49%*	*10.67%*	*11.22%*	*12.03%*

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc. 8-Sep-11

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TABLE 2

ADDITIONAL SPENDING AT JAY PEAK RESORT FACILITIES ARISING FROM THE OCCUPANTS OF THE STATESIDE SUITES

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Recreation and Amusement Revenues:										
Lift Passes	$881,790	$952,333	$971,380	$990,807	$1,010,624	$1,030,836	$1,051,453	$1,072,482	$1,093,931	$1,115,810
Ski Rental	$617,253	$678,978	$692,558	$706,409	$720,537	$734,948	$749,647	$764,640	$779,933	$795,531
Ski School	$423,259	$465,585	$474,897	$484,395	$494,083	$503,964	$514,044	$524,324	$534,811	$545,507
WaterPark	$432,250	$466,830	$476,167	$485,690	$495,404	$505,312	$515,418	$525,726	$536,241	$546,966
Ice Arena	$216,125	$242,060	$246,901	$251,839	$256,876	$262,014	$267,254	$272,599	$278,051	$283,612
Golf Course	$106,815	$110,047	$112,248	$114,493	$116,783	$119,119	$121,501	$123,931	$126,410	$128,938
Total Revenues: Rec.	$2,676,492	$2,915,834	$2,974,151	$3,033,634	$3,094,306	$3,156,193	$3,219,316	$3,283,703	$3,349,377	$3,416,364
Meals Revenues:										
Breakfasts	$705,432	$747,758	$762,713	$777,967	$793,527	$809,397	$825,585	$842,097	$858,939	$876,118
Lunch	$564,346	$609,493	$621,683	$634,117	$646,799	$659,735	$672,930	$686,388	$700,116	$714,118
Dinner	$1,629,548	$1,727,321	$1,761,867	$1,797,105	$1,833,047	$1,869,708	$1,907,102	$1,945,244	$1,984,149	$2,023,832
Golf Clubhouse/Nordic Center Bars/Rest.	$423,259	$457,120	$466,267	$475,588	$485,099	$494,801	$504,697	$514,791	$525,087	$535,589
Total Revenues: Meals	$3,322,585	$3,541,692	$3,612,525	$3,684,776	$3,758,472	$3,833,641	$3,910,314	$3,988,520	$4,068,291	$4,149,657
GRAND TOTAL: REVENUES	$5,999,077	$6,457,526	$6,586,676	$6,718,410	$6,852,778	$6,989,834	$7,129,630	$7,272,223	$7,417,667	$7,566,021

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc. 16-Oct-11

TABLE 3

OTHER SPEND PROJECTED AT COMMERCIAL AREAS STATESIDE HOTEL

PROJECTED REVENUES

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
RETAIL TRADE	$1,441,800	$1,499,472	$1,529,461	$1,560,051	$1,591,252	$1,623,077	$1,655,538	$1,688,649	$1,722,422	$1,756,870
BARS & RESTAURANTS, SNACKS	$1,762,200	$1,768,528	$1,803,981	$1,840,059	$1,876,861	$1,914,398	$1,952,686	$1,991,740	$2,031,575	$2,071,207
TOTALS	$3,204,000	$3,268,000	$3,333,442	$3,400,110	$3,468,113	$3,537,475	$3,608,224	$3,680,389	$3,753,997	$3,828,077

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc. 16-Oct-11

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JAY PEAK VERMONT

OPERATOR PROJECTIONS GOLF COTTAGES / MOUNTAIN CHALETS

A complex comprising 84 Golf /Mtn. Units

DRAFT ASSUMPTIONS - VACATION RENTAL UNITS AND OCCUPANCY

**See Important Note: Forward Looking Statements:

ASSUMPTIONS - AVERAGE DAILY RATE

SUITES UNIT ANALYSIS		Units	Prime Time Unit Rate	Per Day	High season Room Rate	Per Day	Low Season Room Rate	Per Day	Totals
								0	
Golf /Mtn. Chalets	1100	84	$440.00	36960	$355.00	29820	$235.00	19740	
								0	
Totals		84		36960		29820		19740	
Days Occupied (see Occupancy Table below)				73		107		69	249
Gross Revenue Per Season Per Annum				$2,698,080		$3,190,740		$1,362,060	$7,250,880
				73		107		69	
Average Daily Rate per Unit									347
Note: Three years projected to reach stabilized occupancy with Year 1 - estimated at 85% of full operations							$7,250,880	85.00%	$6,163,248

ASSUMPTIONS - OCCUPANCY

OCCUPANCY RATE	HOTEL SUITES YEAR 1			HOTEL SUITES YEAR 4			HOTEL SUITES YEAR 10		
	DAYS AVAIL.	PERCENT OCCUPIED	DAYS OCCUPIED	DAYS AVAIL.	PERCENT OCCUPIED	DAYS OCCUPIED	DAYS AVAIL.	PERCENT OCCUPIED	DAYS OCCUPIED
PRIME TIME	#	%	#	#	%	#	#	%	#
CHRISTMAS & NEW YEAR	8	100%	8	8	100%	8	8	100%	8
GEORGES WASHINGTON W/E	5	90%	5	5	90%	5	5	90%	5
SCHOOL BREAK, QUEBEC	5	85%	4	5	85%	4	5	85%	4
SCHOOL BREAK, ONTARIO	5	100%	5	5	100%	5	5	100%	5
EASTER	3	85%	3	3	85%	3	3	85%	3
WEEKEND,WINTER	24	90%	22	24	95%	23	24	95%	23
WEEKEND,SUMMER	20	90%	18	20	95%	19	20	95%	19
CONSTRUCTION HOLIDAY	10	90%	9	10	95%	10	10	95%	10
	80		73	80		76	80		76
OTHER PERIODS									
WEEKDAYS,WINTER	55	65%	36	55	75%	41	55	80%	44
WEEKDAYS,SUMMER	70	65%	46	70	75%	53	70	80%	56
FALL & SPRING DAYS	40	65%	26	40	75%	30	40	75%	30
	165		107	165		124	165		130
LOW OCCUPANCY PERIODS	115	60%	69	115	70%	123	115	75%	141
CLEANING DAYS	5			5			5		
TOTAL	365	68%	249	365	75%	274	365	78%	292

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28-Sep-11

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JAY PEAK VERMONT

OPERATOR PROJECTIONS GOLF COTTAGES /MOUNTAIN CHALETS

**See Important Note: Forward Looking Statements:

84 TOTAL UNITS LEASED FROM JAY PEAK HOTEL SUITES STATESIDE L.P. LEASED COMPLETE WITH BUILD OUT INC. F & F's

PROSPECTIVE TENANTS POSSIBLE BUSINESS OPERATIONS AND PROJECTED STATEMENT OF INCOME AND EXPENSES BASED UPON USE OF PREMISES AND FACILTIITIES

TABLE 1

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Stabilization Adjustment: First 4 years of operations	*85%*	*90%*	*95%*	*100%*						
REVENUES										
ROOMS	$6,163,248	$6,525,792	$6,888,336	$7,250,880	$7,323,389	$7,469,857	$7,619,254	$7,847,831	$8,083,266	$8,325,764
TELEPHONE	$125,514	$129,279	$133,158	$137,153	$141,267	$145,605	$149,870	$154,366	$158,997	$163,767
	$6,288,762	$6,655,071	$7,021,494	$7,388,033	$7,464,656	$7,615,362	$7,769,124	$8,002,198	$8,242,264	$8,489,532
OCCUPANCY 68% ROOM DAYS 249 - 4 persons	71114	74670	78226	81782	82598	83425	84260	85102	85953	86813
DIRECT COSTS										
LABOR	$1,078,568	$1,142,014	$1,171,017	$1,232,650	$1,281,593	$1,307,225	$1,333,369	$1,373,370	$1,414,572	$1,457,009
OTHER VARIABLE EXPENSES	$1,171,017	$1,060,441	$1,119,355	$1,178,268	$1,190,051	$1,213,852	$1,238,129	$1,275,273	$1,313,531	$1,352,937
SUB-TOTAL	$2,249,585	$2,202,455	$2,290,372	$2,410,918	$2,471,644	$2,521,077	$2,571,498	$2,648,643	$2,728,102	$2,809,945
TELEPHONE	$100,411	$103,424	$106,526	$109,722	$113,014	$116,404	$119,896	$123,493	$127,198	$131,014
	$2,349,997	$2,305,878	$2,396,898	$2,520,640	$2,584,657	$2,637,481	$2,691,394	$2,772,136	$2,855,300	$2,940,959
EMPLOYEES (FTE) (Avg Wage$13 b/h $23028 incl EC)	47	50	50	52	53	54	55	55	55	56
GROSS PROFIT	$3,938,765	$4,349,193	$4,624,596	$4,867,393	$4,879,999	$4,977,881	$5,077,730	$5,230,062	$5,386,963	$5,548,572
INDIRECT COST & ADMIN. EXPENSES										
RENT	$898,560	$916,531	$934,862	$953,559	$972,630	$992,083	$1,011,925	$1,032,103	$1,052,806	$1,073,862
PERCENTAGE RENT	$493,060	$522,063	$551,067	$580,070	$585,871	$597,589	$609,540	$667,066	$687,078	$707,690
ELECTRICITY & HEATING	$503,101	$532,406	$561,720	$591,043	$597,172	$609,229	$621,530	$640,176	$659,381	$679,163
MAINTENANCE & REPAIRS	$462,244	$489,434	$516,625	$543,816	$549,254	$560,239	$571,444	$588,587	$606,245	$624,432
MARKETING & PROMOTION	$369,796	$391,548	$413,300	$435,053	$439,403	$448,191	$457,155	$470,870	$484,996	$499,546
OTHER ADMINISTRATIVE COSTS	$246,530	$261,032	$275,533	$290,035	$292,936	$298,794	$304,770	$313,913	$323,331	$333,031
	$2,973,289	$3,113,014	$3,253,107	$3,393,576	$3,437,267	$3,506,125	$3,576,364	$3,712,775	$3,813,837	$3,917,724
EBITDA	$965,476	$1,236,179	$1,371,489	$1,473,817	$1,442,732	$1,471,756	$1,501,366	$1,517,287	$1,573,127	$1,630,849
RESERVE FOR REPLACEMENT	$493,060	$587,321	$551,067	$580,070	$585,871	$597,589	$609,540	$627,827	$646,661	$666,061
PROJ. EARNINGS - GOLF COTTAGES COMPLEX	$472,416	$648,858	$820,422	$893,746	$856,861	$874,167	$891,825	$889,460	$926,465	$964,788
Income per available suite (room) p.a. (PAR)	*$5,624.00*	*$7,724.50*	*$9,766.93*	*$10,639.84*	*$10,200.72*	*$10,406.75*	*$10,616.97*	*$10,588.81*	*$11,029.35*	*$11,485.57*
TOTAL NET EARNINGS	$472,416	$648,858	$830,189	$904,386	$867,061	$884,574	$902,442	$900,049	$937,495	$976,273
	7.51%	*9.75%*	*11.82%*	*12.24%*	*11.62%*	*11.62%*	*11.62%*	*11.25%*	*11.37%*	*11.50%*

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc. 6-Sep-11

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TABLE 2

ADDITIONAL SPENDING AT JAY PEAK RESORT FACILITIES ARISING FROM THE OCCUPANTS OF GOLF CHALETS

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Recreation and Amusement Revenues:										
Lift Passes	$888,930	$960,044	$998,446	$1,018,415	$1,038,783	$1,059,559	$1,080,750	$1,102,365	$1,124,413	$1,146,901
Ski Rental.	$622,261	$684,476	$711,855	$726,092	$740,614	$755,426	$770,535	$785,946	$801,665	$817,698
Ski School	$426,686	$469,355	$488,129	$497,892	$507,850	$518,007	$528,367	$538,934	$549,713	$560,707
WaterPark	$248,900	$268,812	$279,565	$285,156	$290,859	$296,677	$302,610	$308,662	$314,836	$321,132
Ice Arena	$142,229	$159,296	$165,668	$168,981	$172,361	$175,808	$179,324	$182,911	$186,569	$190,301
Golf Course	$960,044	$998,446	$1,038,384	$1,059,152	$1,080,335	$1,101,941	$1,123,980	$1,146,460	$1,169,389	$1,192,777
Amusement and Gaming Activites	$330,692	$347,216	$363,750	$380,284	$384,087	$387,928	$391,807	$395,725	$399,683	$403,679
Total Revenues: Recreation:	$3,289,041	$3,540,430	$3,682,048	$3,755,689	$3,830,802	$3,907,418	$3,985,567	$4,065,278	$4,146,584	$4,229,515
Meals Revenues:										
Breakfasts	$711,144	$753,813	$783,965	$799,644	$815,637	$831,950	$848,589	$865,561	$882,872	$900,530
Lunch	$568,915	$614,428	$639,006	$651,786	$664,821	$678,118	$691,680	$705,514	$719,624	$734,017
Dinner	$1,642,743	$1,741,307	$1,810,959	$1,847,179	$1,884,122	$1,921,805	$1,960,241	$1,999,446	$2,039,435	$2,080,223
GolfClubhouse/Nordic Center Bars/Rest.	$426,686	$460,821	$479,254	$488,839	$498,616	$508,588	$518,760	$529,135	$539,718	$550,512
Total Revenues: Meals	$3,349,488	$3,570,370	$3,713,184	$3,787,448	$3,863,197	$3,940,461	$4,019,270	$4,099,656	$4,181,649	$4,265,282
GRAND TOTAL: REVENUES	$6,638,529	$7,110,800	$7,395,232	$7,543,137	$7,693,999	$7,847,879	$8,004,837	$8,164,934	$8,328,232	$8,494,797

Report prepared by K Douglas Hulme FCCA: Chartered Certified Accountant: Rapid USA Visas, Inc. from data provided by W Stenger, President and CEO Jay Peak Resort, Inc. 29-Sep-11

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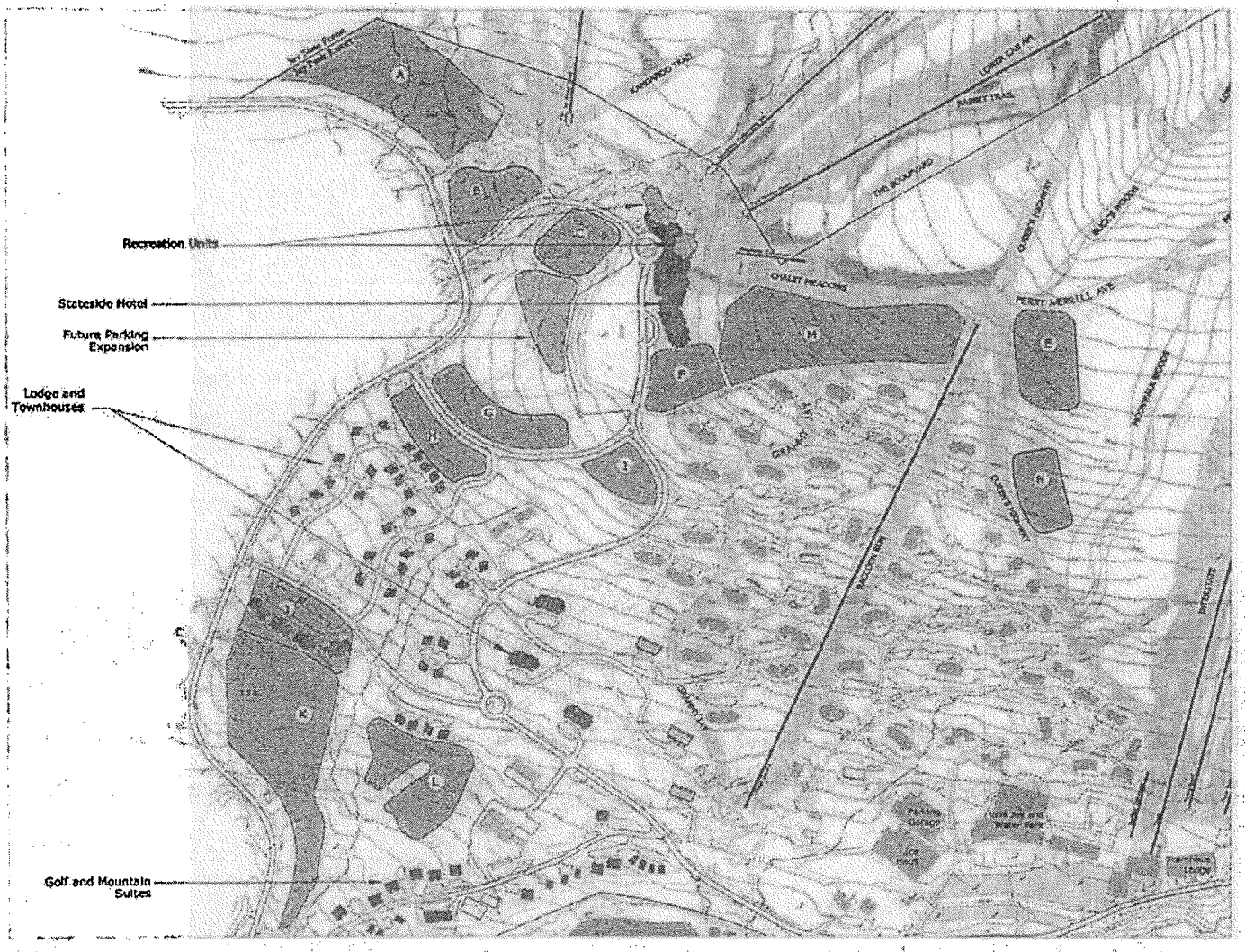

JAY PEAK
VERMONT

Stateside Base Lands Concept Plan

Legend

Parcel	Acres
A	6.0
B	2.0
C	1.6
E	3.7
F	1.9
G	2.2
H	1.5
I	1.2
J	2.0
K	7.4
L	3.2
M	6.7
N	1.6
	41.0

FIGURE 1.0
MASTER DEVELOPMENT PLAN NOVEMBER 2011

SCALE:NTS

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JAY PEAK VERMONT

JAY PEAK GUEST SERVICES RECREATION CENTER 15,000 SQFT

OPERATOR PROJECTED STATEMENT OF INCOME; LEASED COMPLETE WITH BUILD OUT INC. F & F's

**See Important Note: Forward Looking Statements:

YEAR OF OPERATION		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
RECREATION CENTER CAPACITY	400 persons (Est)	270	292	296	299	303	306	310	314	316	319
ANNUAL VISITORS PROJECTED		66,686	72,204	73,059	73,925	74,802	75,691	76,591	77,504	78,129	78,761
HOTEL AND COTTAGE COMPLEX GUESTS		53,584	58,942	59,532	60,127	60,728	61,335	61,949	62,568	63,194	63,826
Average Admission Charge	(not incl. in hotel ADR Calcs)	$12	$12.24	$12.48	$12.73	$12.99	$13.25	$13.51	$13.78	$14.00	$14.00
OTHER RESORT GUESTS		13,002	13,262	13,527	13,798	14,074	14,355	14,643	14,935	14,935	14,935
Average Admission Charge		$15	$15.30	$15.61	$15.92	$16.24	$16.56	$16.89	$17.00	$17.00	$17.00
REVENUES											
HOTEL GUESTS		$643,005	$721,452	$743,239	$765,685	$788,809	$812,631	$837,172	$862,455	$884,715	$893,562
OTHER RESORT GUESTS		$195,032	$202,912	$211,109	$219,638	$228,511	$237,743	$247,348	$253,902	$253,902	$253,902
GROSS REVENUE ADMISSION		$838,037	$924,363	$954,348	$985,323	$1,017,320	$1,050,374	$1,084,520	$1,116,356	$1,138,618	$1,147,464
FAST FOOD CAFÉ											
REVENUES	$10 pp	$665,859	$722,043	$730,590	$739,248	$748,021	$756,908	$765,913	$775,036	$781,293	$787,612
DIRECT FOOD & MISC COSTS	40%	$266,344	$288,817	$292,236	$295,699	$299,208	$302,763	$306,365	$310,015	$312,517	$315,045
GROSS PROFIT		$399,515	$433,226	$438,354	$443,549	$448,812	$454,145	$459,548	$465,022	$468,776	$472,567
DIRECT COSTS											
LABOR		$335,215	$369,745	$381,739	$394,129	$406,928	$393,890	$406,695	$418,634	$426,981	$430,299
OTHER VARIABLE EXPENSES		$209,509	$231,091	$238,587	$246,331	$254,330	$262,594	$271,130	$279,089	$284,654	$286,866
SUB-TOTAL		$544,724	$600,836	$620,327	$640,460	$661,258	$656,484	$677,825	$697,723	$711,635	$717,165
SUB TOTAL GROSS PROFIT		$692,828	$756,753	$772,376	$788,412	$804,874	$848,035	$866,243	$883,655	$895,757	$902,866
GROSS PROFIT RECONCILIATION											
TOTAL REVENUES		*$1,503,896*	*$1,646,406*	*$1,684,938*	*$1,724,572*	*$1,765,341*	*$1,807,282*	*$1,850,433*	*$1,891,393*	*$1,919,910*	*$1,935,076*
TOTAL DIRECT COSTS		*$811,068*	*$889,653*	*$912,562*	*$938,159*	*$960,466*	*$959,247*	*$984,190*	*$1,007,737*	*$1,024,183*	*$1,032,210*
GROSS PROFIT TOTAL		*$692,828*	*$756,753*	*$772,376*	*$788,412*	*$804,874*	*$848,035*	*$866,243*	*$883,655*	*$895,757*	*$902,866*
EMPLOYEES (FTE)	*(Avg Wage $11 p/h ($23,023 incl EC)*	*15*	*16*	*17*	*17*	*18*	*17*	*18*	*18*	*19*	*19*
INDIRECT COST & ADMIN. EXPS.		$140,000	$142,800	$145,656	$148,569	$151,541	$154,571	$157,663	$160,816	$164,032	$167,313
RENT		$90,234	$98,784	$101,096	$103,474	$105,920	$108,437	$129,530	$136,180	$143,993	$145,131
PERCENTAGE RENT		$83,804	$92,436	$95,435	$98,532	$101,732	$105,037	$108,452	$111,636	$113,862	$114,746
ELECTRICITY, AC & HEATING & UTILITIES		$67,043	$73,949	$76,348	$78,826	$81,386	$84,030	$86,762	$89,309	$91,089	$91,797
MAINTENANCE & REPAIRS		$41,902	$46,218	$47,717	$49,266	$50,866	$52,519	$54,226	$55,818	$56,931	$57,373
MARKETING & PROMOTION		$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000	$36,000
PROPERTY TAXES AND INSURANCE		$50,282	$55,462	$57,261	$59,119	$61,039	$63,022	$65,071	$66,981	$68,317	$68,848
OTHER ADMINISTRATIVE COSTS		$509,265	$545,650	$559,513	$573,787	$588,484	$603,617	$637,704	$656,740	$674,224	$681,208
EBITDA		$183,564	$211,103	$212,862	$214,625	$216,391	$244,419	$228,539	$226,916	$221,533	$221,658
RESERVE FOR REPLACEMENT		$16,761	$23,109	$23,859	$24,633	$30,520	$31,511	$32,536	$33,491	$34,158	$34,424
PROJ. EARNINGS - RECREATION CENTER		$166,803	$187,994	$189,004	$189,992	$185,871	$212,907	$196,003	$193,425	$187,374	$187,234

Report prepared by Rapid USA Visas, Inc. Naples FL.: K Douglas Hulme FCCA Tel: 239.594.5400 revised 10/18/11

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JAY PEAK
VERMONT

JAY PEAK MEDICAL CENTER / CLINIC
OPERATOR PROJECTED STATEMENT OF INCOME

**"See Important Note: Forward Looking Statements:

YEAR OF OPERATIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
REVENUES	$945,000	$1,080,000	$1,215,000	$1,350,000	$1,377,000	$1,404,540	$1,432,631	$1,461,284	$1,490,509	$1,520,319
Labor	$378,000	$432,000	$486,000	$540,000	$550,800	$561,816	$573,052	$584,513	$596,204	$608,128
EMPLOYEES (FTE)	12	14	15	17	17	18	18	18	19	19
(Avg. Wage $35000)										
Other Variable Expenses	$189,000	$216,000	$243,000	$270,000	$275,400	$280,908	$286,526	$292,257	$298,102	$304,064
SUB TOTAL	$567,000	$648,000	$729,000	$810,000	$826,200	$842,724	$859,578	$876,770	$894,305	$912,192
GROSS PROFIT	$378,000	$432,000	$486,000	$540,000	$550,800	$561,816	$573,052	$584,513	$596,204	$608,128
INDIRECT COSTS										
Overheads										
Rent	$94,500	$96,390	$98,318	$100,284	$102,290	$104,336	$106,422	$108,551	$110,722	$112,936
Percentage Rent	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Utilities	$52,000	$53,560	$55,167	$56,822	$58,526	$60,282	$62,091	$63,953	$65,872	$67,848
Prop Taxes	$24,000	$24,720	$25,462	$26,225	$27,012	$27,823	$28,657	$29,517	$30,402	$31,315
Insurance	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000
Maintenance and repairs	$37,800	$43,200	$48,600	$54,000	$55,080	$56,182	$57,305	$58,451	$59,620	$60,813
Other Admin Costs	$47,250	$54,000	$60,750	$67,500	$68,850	$70,227	$71,632	$73,064	$74,525	$76,016
TOTAL	$273,550	$289,870	$306,296	$322,831	$329,759	$336,849	$344,107	$351,537	$359,142	$366,928
TOTAL COSTS	$840,550	$937,870	$1,035,296	$1,132,831	$1,155,959	$1,179,573	$1,203,686	$1,228,307	$1,253,448	$1,279,119
PROJECTED NET INCOME	$104,450	$142,130	$179,704	$217,169	$221,041	$224,967	$228,945	$232,977	$237,061	$241,200

REVENUE BREAKDOWN ANALYSIS
5,000 sq ft

	Injuries	General Medical	Rehab	Misc Services	Stabilization Period			Total
Gross Revenues - Full Operational Activity - Visits per year			Patients per day		Year 1	Year 2	Year 3	pre stabilization
Patient Numbers	5,000	5,000			70%	80%	90%	
Rate	$150	$70						
Revenues	$750,000	$350,000		$250,000				$1,350,000

Report prepared by Rapid USA Visas, Inc. Naples FL : K Douglas Hulme FCCA Tel: 239.594.5400

Revised 9/18/11 See Disclaimer "Forward looking Statements"

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JAY PEAK HOTEL SUITES STATESIDE L.P. - 134 INVESTORS $67,000,000
SUMMARY OF DATA APPLIED FOR RIMS II ANALYSIS (2011 $'s)
Development Phase Job Creation

CAPITAL EXPENDITURE INTO PROJECT	BUILD	FURNISHINGS & FIXTURES FOR SUITES FIT OUT	OTHER	DEVELOPMENT Stage 1	Stage 2	Stage 3	Stage 4
STATESIDE HOTEL SUITES	$18,270,000			$4,567,500	$4,567,500	$4,567,500	$4,567,500
		$2,520,000					$2,520,000
Commercial	$2,160,000						$2,160,000
CONTRACTOR							
SUPERVISION COSTS AND EXPENSES	$4,158,000			$1,039,500	$1,039,500	$1,039,500	$1,039,500
Structural, Engineering, Utilities	$525,000			$262,500	$131,250	$131,250	
COTTAGES	$17,094,000			$4,273,500	$4,273,500	$4,273,500	$4,273,500
		$2,310,000					$2,310,000
CONTRACTOR							
SUPERVISION COSTS AND EXPENSES	$3,369,600			$842,400	$842,400	$842,400	$842,400
Structural, Engineering, Utilities	$3,060,000			$1,530,000	$765,000	$765,000	
GUEST SERVICES RECREATION CENTER	$5,000,000			$625,000	$625,000	$2,500,000	$1,250,000
		$2,250,000				$1,125,000	$1,125,000
MEDICAL CENTER	$1,725,000					$862,500	$862,500
		$600,000				$210,000	$390,000
INFRASTRUCTURE, LIFTS, SNOW MAKING							
COMMON AREAS AND COMMERCIAL	$21,340,000			$3,556,667	$3,556,667	$7,113,333	$7,113,333
SUB-TOTALS				$16,697,067	$15,800,817	$23,429,983	$28,453,733
OTHER							
LAND CONTRIBUTION			$2,460,000				
WORKING CAPITAL			$158,400				
TOTALS	$76,701,600	$7,680,000	$2,618,400		$87,000,000		
GRAND TOTAL		$84,381,600	$67,000,000				$84,381,600
RIMS II						Other	$2,618,400
INDIRECT JOBS TOTALS	see Report prepared by EDR Group, Boston MA					Check total	$87,000,000

Location Phase: Project Operations Job Creation	YEAR 1	YEAR 2	YEAR 3	YEAR 4
INDIRECT JOBS EMPLOYED BY TENANT OPERATOR				
Stateside Hotel	50	52	53	53
Cottages	47	50	50	52
Guest Services Recreation Center	15	16	17	17
Medical Center	12	14	15	17
TOTALS	124	132	135	139

SUMMARY OF VISITOR SPENDING GENERATED BY PROJECT	YEAR 1	YEAR 2	YEAR 3	YEAR 4
			For Information only	
STATESIDE HOTEL / COTTAGES				
Accomodations	$10,492,342	$11,189,707	$11,692,169	$12,198,829
Recreation	$5,965,533	$6,456,264	$6,656,199	$6,789,323
Meals	$6,672,073	$7,112,062	$7,325,710	$7,472,224
GUEST SERVICES RECREATION CENTER				
Meals	$665,859	$722,043	$730,590	$739,248
Recreation	$838,037	$924,363	$954,349	$985,323
	$1,503,896	$1,646,406	$1,684,938	$1,724,572
MEDICAL CENTER	$945,000	$1,080,000	$1,215,000	$1,350,000
OTHER RESORT SPENDING AND DAY VISITORS				
RETAILTRADE SKI WEAR SKI BIKES ETC	$1,002,195	$1,045,206	$1,079,474	$1,113,967
BARS (night) & RESTAURANTS (lunch)	$1,102,415	$1,149,727	$1,187,421	$1,225,363
SPA AND SALONS	$108,571	$113,231	$116,943	$120,680
CONFERENCES CONVENTIONS	$300,000	$350,000	$367,500	$385,875
COMPETITIONS - golf - mtn./bikes	$100,000	$200,000	$220,000	$242,000
	$2,613,181	$2,858,164	$2,971,339	$3,087,884
JAY PEAK INC. STATESIDE HOTEL COMME	$3,204,000	$3,268,080	$3,333,442	$3,400,110
RIMS II INDIRECT JOBS TOTALS see Report prepared by EDR Group, Boston MA	$31,396,025	$33,610,683	$34,878,798	$36,022,942

Prepared by Douglas Hulme FCCA; Chartered Certified Accountant; Rapid USA Visas, Inc.; data provided by W Stenger President and CEO Jay Peak Resort, Inc.

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JAY PEAK
VERMONT

Section 3

Limited Partnership Agreement

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PARTNERSHIP AGREEMENT OF JAY PEAK HOTEL SUITES STATESIDE L.P.
A VERMONT LIMITED PARTNERSHIP

The parties to this Agreement of Limited Partnership of **JAY PEAK HOTEL SUITES STATESIDE L.P.** are:

Jay Peak GP Services Stateside Inc., a Vermont corporation with its principal place of business at 4850 VT Route 242, Jay, Vermont 05859-9621, in its respective capacities as the General Partner and the Initial Limited Partner. As additional persons invest in Jay Peak Hotel Suites Stateside L.P. (the "Partnership" or "Limited Partnership"), and take such steps as are required hereunder and under the Subscription Agreements (as defined in Section 3.02(b)) contained in the Confidential Memorandum (as defined in section 2.06(g)) to become Limited Partners, such additional Limited Partners shall become parties to this Agreement and shall be legally bound by the terms and conditions herein.

Recitals

WHEREAS, the parties desire to form a limited partnership to (1) acquire title to one (1) or more parcels of real estate at Jay Peak Resort (the "Resort") from Jay Peak, Inc. (the "Resort Owner"), and constructing and erecting a new hotel building (the "Stateside Hotel Building") with a hotel with up to eighty four (84) units at the so-called Stateside base area of the Resort, the hotel in which will be owned by the Partnership as a commercial condominium unit and leased to and operated as a hotel by a tenant to be approved by the Partnership (the "Stateside Hotel"), which Stateside Hotel Building will also include one or more commercial condominium units to be owned by the Resort Owner or an affiliate and include an indoor pool and leisure area and various commercial services offered Resort guests (the "Resort Owner Units"); and (2) on land retained by the Resort Owner that sits adjacent or near to the golf course and Stateside base area at the Resort, and leased to the Partnership under one or more ground leases, constructing and erecting up to eighty four (84) mountain cottages with one, two or more bedrooms in each that will be owned by the Partnership and leased to and operated as vacation rental units by a tenant to be approved by the Partnership (the "Cottages"); and (3) on land retained by the Resort Owner at the Resort, developing a guest recreation center (the "Recreation Center"), to be leased by the Limited Partnership for nominal consideration from the Resort Owner and subleasing the Recreation Center and its operations for market rent to a tenant to be approved by the Partnership; and (4) at the location of the Stateside base area, Snowline Lodge area or elsewhere at the Resort, creating and developing a medical center (the "Medical Center"), to be leased for nominal consideration to the Limited Partnership and subleased for market rent to one or more subtenants approved by the Partnership, all of which will be supported by additional infrastructure and value injected by the Resort Owner (collectively, the "Project"); and

WHEREAS, the parties expect to raise substantial funds from, among other investors, persons who are not United States' citizens or lawful permanent residents of the United States and who desire to become limited partners in the Partnership, and this Partnership may enable such investors to become eligible for admission to the United States of America as lawful permanent residents with their spouses and unmarried, minor children; and

WHEREAS, this Agreement sets forth the terms and provisions of the Partnership;

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

ARTICLE I - Definitions and Rules of Construction

Section 1.01. Definitions.

The following additional defined terms used in this Agreement shall have the meanings specified below:

"Accountants" - or such other firm of independent certified public accountants selected by the General Partner that is reasonably acceptable to the Limited Partner.

"Act" - the Vermont Revised Uniform Limited Partnership Act (11 V.S.A. ch. 23) and any corresponding provision or provisions of succeeding law, as it or they may be amended from time to time.

"Adjusted Capital Account Deficit" - with respect to any Partner, the deficit balance, if any, in the Partner's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(i) credit to such Capital Account any amounts that such Partner is obligated to restore pursuant to any provision of this Agreement, is otherwise treated as being obligated to restore under Treasury Regulation Section 1.704-1 (b)(2)(ii)(c), or is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulation Sections 1.704-2(g) and 1.704-2(i)(5); and

(ii) debit to such Capital Account the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Regulation Section 1.704-1 (b)(2)(ii)(d) and shall be interpreted consistently therewith.

"Adjusted Capital Contribution" - with respect to each Partner, the aggregate capital contributed to the Partnership by such Partner reduced, from time to time, (i) by any return of a Capital Contribution made pursuant to the Agreement, and (ii) by the aggregate distributions of Net Proceeds from a Capital Transaction made to such Partner pursuant to the Agreement.

"Admission Date" - the date on which a Limited Partner is admitted to the Partnership, which shall be deemed to be the date of payment by the Limited Partner of its Capital Contribution, which except for the Initial Limited Partner shall be the date each Limited Partner's Capital Contribution and all Subscription Agreements required to invest in the Partnership are received by the Partnership, thereafter confirmed with a limited partnership certificate (or other evidence of ownership) being issued to the Limited Partner.

"Affiliate" - as to the General Partner, any Person who directly or indirectly through one or more intermediaries controls, is controlled by or is under common control of the General Partner.

"Agreement" - this Agreement of Limited Partnership, including the Recitals and all of the exhibits attached hereto and made a part hereof, as amended and in effect from time to time.

"Available Cash Flow"- funds provided from operation of the Partnership, without deductions for payments made to service Secured Debt and for depreciation, but after deducting funds used to pay all expenses and other debts of the Partnership, including administrative operational expenses, debt payments other than Secured Debt, capital improvements and less the amount set aside by the General Partner, in the exercise of its sole discretion, for reserves.

"Buildings" – the improvements to be constructed using Partnership funds on Resort Land that will include the Stateside Hotel, the Cottages, the Recreation Center and the Medical Center.

"Capital Account" - the capital account maintained by the Partnership for each Partner, determined in accordance with Section 7.01.

"Capital Contribution" - the total amount of cash or any cash equivalents or property (net of liabilities and commitments secured by such contributed property that the Partnership may have assumed) contributed or agreed to be contributed to the Partnership by each Partner, including all adjustments thereto, as provided in this Agreement, but not including Administrative Fees (as defined in Section 3.02(b)) paid by each Limited Partner. For each Limited Partner other than the Initial Limited Partner, the minimum Capital Contribution shall be Five Hundred Thousand and no/100 Dollars (US$500,000.00).

"Capital Transaction" - the sale or other disposition of all or substantially all of the Partnership Property in a single transaction or a series of related transactions, other than the intended conveyance to Resort Owner or an affiliate of the Resort Owner Units.

"Certificate" - the certificate of limited partnership for the Partnership, as it may be amended from time to time, that is prepared and filed in accordance with the Act.

"Class A Interests" – if Class B Interests are allocated (see below), all other Interests in the Partnership. Without limiting the foregoing, all Qualified Investors owning Interests will own Class A Interests.

"Class B Interests" – as to the Resort Owner, the General Partner, an Affiliate, or any of their owners or officers, their right, title and interest as a Limited Partner in the Partnership in consideration if they advance funds or contribute other value to complete the Project or fund its operations. The Class B Interests shall be in a separate Class B of ownership from the other Limited Partners. Under Class B, the owner(s) of the Class B Interests shall not share in any Partnership income nor have any voting rights otherwise permitted Limited Partners, until all I-829 petitions filed under the EB-5 Program for all Qualified Investors who have invested into the Partnership have been adjudicated, with any appeals having been decided, but shall share in any gain or loss, or in distributions in the event of a Capital Transaction, on a pro rata basis, *pari passu*, based on its Percentage Interest."

"Code" - the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of succeeding law.

"Consent of the General Partner" - the written consent or approval of the General Partner, which shall be obtained prior to the taking of any action for which it is required hereunder; if there is more than one General Partner, "Consent of the General Partner" shall require the affirmative consent of General Partners holding at least a majority of the aggregate Interests of the General Partners.

"Consent of the Limited Partner" - the written consent or approval of the Limited Partner, which shall be obtained prior to the taking of any action for which it is required hereunder or ratified retroactively within a reasonable time thereafter; if there is more than one Limited Partner, "Consent of the Limited Partner" shall require the affirmative consent of sixty-six and two-thirds percent (66.67%) of the Limited Partners authorized to vote, unless otherwise set forth herein.

"Cottages" – the up to eighty four (84) cottage units that will be built and owned by the Partnership, on land owned by the Resort Owner and ground leased to the Partnership adjacent or near to the golf course and Stateside base area at the Resort, then leased to and operated by a tenant to be approved by the Partnership.

"Cottages Lease" - the commercial lease by and between the Partnership as landlord and a tenant to be approved by the Partnership, by which the approved tenant will be granted the right to operate the Cottages under the terms of the Cottages Lease and subject to certain requirements of the tenant to cooperate and comply with the Partnership's requests to document certain employment, wage, revenue and other reports needed by the Partnership to comply with its reporting requirements in connection with the IN Act and EB-5 Program, as those terms are defined in Section 2.06(f).

"Environmental Hazard" - any hazardous or toxic substance, waste or material, or any other substance, pollutant, or condition that poses a risk to human health or the environment, including, but not limited to: (a) any "hazardous substance" as that term is defined under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq. as amended, (b) petroleum in any form, lead-based paint, asbestos, urea formaldehyde insulation,

methane gas, polychlorinated biphenyls ("PCB's"), radon, or lead in drinking water, except for ordinary and necessary quantities of office supplies, cleaning materials and pest and insect control supplies stored in a safe and lawful manner and petroleum products contained in motor vehicles or otherwise properly stored; (c) any underground storage tanks not properly registered with the appropriate government agencies; or (d) accumulations of debris, mining spoil or spent batteries, except for ordinary trash and garbage stored in receptacles for regular removal.

"Event of Bankruptcy" - with respect to any Person,

(1) the entry of a decree or order for relief by a court having jurisdiction in respect of such Person in an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) for such Person or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days;

(2) the commencement by such Person of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or similar law, or the consent by such Person to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) for such person or for any substantial part of its property, or the making by such Person of any assignment for the benefit of creditors, or the taking of action by such Person in furtherance of any of the foregoing;

(3) the commencement against such Person of an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy insolvency or similar laws which has not been vacated, discharged or bonded within sixty (60) consecutive days;

(4) the admission by such Person of its inability to pay its debts as they become due; or

(5) such Person becoming "insolvent" by the taking of any action or the making of any transfer or otherwise, as insolvency is or may be defined pursuant to federal bankruptcy laws, the Uniform Fraudulent Transfer Act, any state or federal act or law, or the ruling of any court.

"Event of Default" - as set forth in Section 9.02(b).

"Final Determination" - with respect to any issue, the earliest to occur of (a) a decision, judgment, decree, or other order being issued by any court of competent jurisdiction, which decision, judgment, decree, or other order has become final (i.e., all allowable appeals filed by the parties to the action have been exhausted or the time for such appeals has expired); (b) the IRS having entered into a binding agreement with the Partnership or having reached a final administrative or judicial determination which, whether by law or agreement, is not subject to appeal; or (c) the expiration of the applicable statute of limitations.

"Fiscal Year" - the calendar year or such other year that the Partnership is required by the Code to use as its taxable year.

"Gain" - the income and gain of the Partnership for federal income tax purposes arising from a sale or other disposition of all or any portion of the Partnership Property.

"General Partner" - Jay Peak GP Services Stateside Inc. and any additional or substitute general partners of the Partnership named in any duly adopted amendment to this Agreement; if there is more than one general partner, "General Partner" shall refer collectively to all such general partners and their successors.

"Ground Lease" – the ground lease or collectively the ground leases entered into by and between the Resort Owner and the Partnership under which the Resort Owner will enter into long term ground leases of land adjacent or near to the golf course and ski trails at the Resort, for up to fifty (50) years unless terminated sooner due to the termination of the Partnership pursuant hereto, and, upon which the Partnership will construct and own the Cottages.

"Initial Limited Partner" – Jay Peak GP Services Stateside, Inc.

"Interest" - as to any Partner, the Partner's right, title, and interest in the Partnership, including any and all assets, distributions, losses, profits and shares of the Partnership, whether cash or otherwise, and any other interests and economic incidents of ownership whatsoever of such Partner in the Partnership.

"IRS" - the Internal Revenue Service of the United States of America.

"Leases" – collectively, the Stateside Hotel Lease, Cottages Lease, the Ground Lease, the Recreation Center Lease and the Medical Center Lease.

"Limited Partner" - Jay Peak GP Services Stateside Inc., as the Initial Limited Partner, and any additional or substitute limited partner or partners of the Partnership as provided herein, in each such person's capacity as a limited partner. If there is more than one limited partner, "Limited Partner" or "Limited Partners" shall refer collectively to all such limited partners. In no event, however, shall there be more than one hundred and thirty four (134) Limited Partners at any one time who are also Qualified Investors (as defined in Section 2.06(a)), unless the General Partner in its sole discretion determines that the Project can support additional Qualified Investors, in which case the General Partner may amend this Agreement to allow for additional Limited Partners who are Qualified Investors. If the Resort Owner, General Partner, an Affiliate or other party advances funds to complete the Project or fund its operations, the funding party(ies) will be given a Limited Partnership Interest in a separate Class B and also become a Limited Partner (see "Class B Interests").

"Limited Partnership Interest" - "Interest" or "Limited Partnership Interest" or "Partner Interest" means the ownership interest of a Partner in the Partnership at any particular time including the right of such Partner to any and all benefits to which such Partner may be entitled as owning either Class A Interests or Class B Interests as provided in the Agreement and under the Act, together with the obligations of such Partner to comply with all the terms and provisions of the Agreement and Act.

"Loss" - the loss of the Partnership for federal income tax purposes arising from a sale or other disposition of all or any portion of the Partnership Property. If the value at which an asset is carried on the books of the Partnership pursuant to the capital account maintenance rules of Treasury Regulation Section 1.704-1(b) differs from its adjusted tax basis and loss is recognized from a disposition of such asset, the loss shall be computed by reference to the asset's book basis rather than its adjusted tax basis.

"Medical Center" – on land retained by the Resort Owner at the location of the Stateside base area, Snowline Lodge area or elsewhere at the Resort, the medical center to be leased for nominal consideration to the Limited Partnership and subleased for market rent to one or more subtenants approved by the Partnership.

"Medical Center Lease" – the commercial lease by and between the Resort Owner as landlord and the Partnership as tenant, by which the Partnership is granted the right to occupy and sublease the Medical Center to a tenant approved by the Partnership.

"Medical Center Sublease" – the commercial sublease by and between the Partnership as landlord and a tenant to be approved by the Partnership, by which the Partnership grants the approved tenant the right to occupy and operate the Medical Center, subject to certain requirements of the tenant to cooperate and comply with the Partnership's requests to document certain employment, wage, revenue and other reports needed by the Partnership to comply with its reporting requirements in connection with the IN Act and EB-5 Program, as those terms are defined in Section 2.06(f).

"Net Cash Flow" - the amount, determined for any Fiscal Year or portion thereof, equal to the excess, if any, of Cash Flow over the sum of the amounts payable from Cash Flow in such year described in Section 8.01.

"Net Loss" – the net loss of the Partnership for federal income tax purposes for each Fiscal Year.

"Net Profit" - the taxable income of the Partnership for federal income tax purposes for each Fiscal Year.

"Notice" - a writing containing the information required by this Agreement and sent by registered or certified mail, postage prepaid, return receipt requested, or sent by commercial delivery service, by hand delivery, or by telecopy, paid for by the sender, to a Partner at the last address or addresses designated for such purpose by such Partner in Section 16.01 or as provided therein, the date of receipt of such registered mail or certified mail or the date of actual receipt of such writing by commercial delivery service, hand delivery or telecopy, being deemed the date of the Notice.

"Partner" or "Partners" - the General Partner and the Limited Partner, either individually or collectively, and their successors.

"Partnership" - Jay Peak Hotel Suites Stateside L.P., a limited partnership formed under and pursuant to the Act, and governed by this Agreement. Also sometimes referred to herein as the Limited Partnership.

"Partnership Property" - the Partnership's interest in real property, including without limitation (i) a ground leasehold interest as ground lessee in the land owned by the Resort Owner on which the Cottages will be built, (ii) a leasehold interest as tenant pursuant to the Recreation Center Lease, (iii) a subleasehold interest as landlord pursuant to the the Recreation Center Sublease, (iv) a leasehold interest as tenant pursuant to the Medical Center Lease, (v) a subleasehold interest as landlord pursuant to the Medical Center Sublease, (vi) an ownership interest in the parcel(s) of land to be purchased from the Resort Owner at the Resort on which the Stateside Hotel will be built and (vii) a leasehold interest as landlord pursuant to the Stateside Hotel Lease.

"Person" - an individual or entity, such as, but not limited to, a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, cooperative, or association and the heirs, executors, administrators, legal representatives, successors, and assigns of the Person where the context so requires.

"Project" - the aggregate of all of the Buildings and other improvements to be constructed using Partnership funds or value contributed by the Resort Owner at the Resort.

"Related Documents" – the Confidential Memorandum and exhibits thereto, as defined in Section 2.06(f).

"Recreation Center" - on land retained by the Resort Owner at the Resort, a new recreation center for use by and the entertainment of Resort guests and their families

"Recreation Center Lease" – the commercial lease by and between the Resort Owner as

landlord and the Partnership as tenant, by which the Partnership is granted the right to occupy and sublease the Recreation Center to a tenant approved by the Partnership.

"Recreation Center Sublease" – the commercial sublease by and between the Partnership as landlord and a tenant to be approved by the Partnership, by which the Partnership grants the approved tenant the right to occupy and operate the Recreation Center, subject to certain requirements of the tenant to cooperate and comply with the Partnership's requests to document certain employment, wage, revenue and other reports needed by the Partnership to comply with its reporting requirements in connection with the IN Act and EB-5 Program, as those terms are defined in Section 2.06(f).

"Resort Land" – the land owned by the Resort Owner on which the Partnership will construct and lease out the Stateside Hotel, Cottages, Recreation Center and Medical Center.

"Resort Owner Units" – the commercial condominium units that will be inside the Stateside Hotel Building and be owned by the Resort Owner or an affiliate and include an indoor pool, leisure area and other commercial services offered to Resort guests.

"State" - The State of Vermont.

"Stateside Hotel" – the hotel inside of the Stateside Hotel Building on land acquired by the Partnership from the Resort Owner, owned by the Partnership as a condominium unit and leased to and operated as a hotel by a tenant to be approved by the Partnership.

"Stateside Hotel Building" – the building to be built on land acquired by the Partnership from the Resort Owner and in which will include the Stateside Hotel and the Resort Owner Units.

"Stateside Hotel Lease" – the commercial lease by and between the Partnership as landlord and a tenant to be approved by the Partnership, by which the approved tenant will be granted the right to operate the Stateside Hotel, subject to certain requirements of the tenant to cooperate and comply with the Partnership's requests to document certain employment, wage, revenue and other reports needed by the Partnership to comply with its reporting requirements in connection with the IN Act and EB-5 Program, as those terms are defined in Section 2.06(f).

"Subleases" - collectively, the Recreation Center Sublease and the Medical Center Sublease, all by and between the Partnership and one or more subtenants approved by the Partnership.

"Term" - The period of time the Partnership shall continue in existence as stated in Section 2.07.

"Treasury Regulations" - the temporary and final regulations promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

Section 1.02. Rules of Construction.
(a) Unless the context clearly indicates to the contrary, the following rules apply to the construction of this Agreement:

(1) words importing the singular number include the plural number and words importing the plural number include the single number;

(2) words of the masculine gender include correlative words of the feminine and neuter genders, and vice-versa;

(3) the headings or captions used in this Agreement are for convenience of reference and do not constitute a part of this Agreement, nor affect its meaning, construction, or effect;

(4) any reference in this Agreement to a particular "Article," "Section" or other subdivision shall be to such Article, Section, or subdivision of this Agreement unless the context shall otherwise require;

(5) Words such as "herein", "hereinbefore," "hereinafter," "hereof" and "hereunder" refer to this Agreement as a whole and not merely to a subdivision in which such words appear unless the context otherwise requires; each reference in this Agreement to an agreement or contract shall include all amendments, modifications, and supplements to such agreement or contract unless the context shall otherwise require; and

(6) when any reference is made in this Agreement or any of the schedules or exhibits attached hereto to the Agreement, it shall mean this Agreement, together with all other schedules and exhibits attached hereto, as though one document.

(b) In the event there is more than one Limited Partner or more than one General Partner, the following additional rules of construction shall apply unless otherwise provided:

(1) allocations to the General Partner and Limited Partner of Gain, Net Profits, Net Losses and Loss under Article VII, and distributions of Net Cash Flow and Capital Proceeds under Article VIII shall be further allocated and/or distributed between or among the General Partners and/or Limited Partners in proportion to each General or Limited Partner's respective Interest, to be set forth on Exhibit A, as amended. Unless otherwise provided herein, no General Partner shall have a superior right to receive distributions than any other General Partner and no Limited Partner shall have a superior right to receive distributions than any other Limited Partner;

(2) with respect to any matter on which the approval or ratification of the General Partner or the Limited Partner is required or may be given, such approval or ratification shall not be deemed to have been given unless given by Consent of the General Partner or the Consent of the Limited Partner, as the case may be; and

(3) with respect to any matter on which the approval or ratification of the General Partner or the Limited Partner is required or may be given, each General Partner or Limited Partner, as the case may be, shall be entitled to vote.

Section 1.03. Imputation of Knowledge and Notice.
Notice or knowledge received by the Partnership is effective for a particular transaction from the time when it is brought to the attention of the individual conducting that transaction or event, and in any event from the time when it would have been brought to its or her attention if the Partnership had exercised due diligence. The Partnership exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction or event

and there is reasonable compliance with the routines. Due diligence does not require an individual acting for the Partnership to communicate information unless such communication is part of its or her regular duties or unless he or she has reason to know of the transaction or event and that the transaction or event would be materially affected by the information.

Section 1.04. Successor Statutes and Agencies.
Any reference contained in this Agreement to specific statutory or regulatory provisions, including without limitation the Act and the Code, or to specific governmental agencies or entities shall include any successor statute or regulation, or agency or entity, as the case may be.

ARTICLE II - Partnership Business Purpose

Section 2.01. Formation of Partnership.
The General Partner and the Initial Limited Partner hereby form the Partnership.

Section 2.02. Partnership Name.
The name of the Partnership is "JAY PEAK HOTEL SUITES STATESIDE L.P.

Section 2.03. Principal Place of Business.
The principal office of the Partnership and the office to be maintained pursuant to the Act shall be located at the offices of Jay Peak GP Services Stateside Inc., 4850 VT Route 242, Jay, VT 05859-9621.

Section 2.04. Registered Agent.
The name and address of the registered agent and registered office of the Partnership for service of process are Mark H. Scribner, Carroll & Scribner, P.C., 131 Church Street, Suite 300, Burlington, Vermont 05401.

Section 2.05. Title to Partnership Property.
Legal title to or a leasehold interest in Partnership Property shall be in the name of the Partnership, and no Partner, individually, shall have any ownership of or leasehold interest in such Partnership Property, except in its capacity as a Partner.

Section 2.06. Purposes of the Partnership.
The purposes, nature, and general character of the business of the Partnership shall consist of:

(a) acquiring, owning, constructing, developing, leasing, subletting, managing, holding for economic gain, and, if appropriate and desirable in the opinion of the General Partner in its sole reasonable discretion, selling or allocating or otherwise disposing of the Partnership Property or any substantial part thereof in settlement of the Limited Partnership Interests;

(b) leasing out the Stateside Hotel to a tenant approved by the Partnership and hiring such managers, consultants and other advisers, including without limitation the General Partner or its designee, as the Partnership deems necessary to manage the Stateside Hotel Lease;

(c) entering into the Ground Lease with the Resort Owner and leasing out the Cottages to a tenant approved by the Partnership and hiring such managers, consultants and other advisers, including without limitation the General Partner or its designee, as the Partnership deems necessary to manage the Cottages Lease;

(d) leasing the Recreation Center and Medical Center from the Resort Owner and subleasing out the Recreation Center and Medical Center to one or more tenants approved by the Partnership, and hiring such managers, consultants and other advisers, including without limitation the General Partner or its designee, as the Partnership deems necessary to manage the Subleases;

(e) carrying on any and all activities, to enter into, perform and carry out contracts of any kind necessary to, incidental to or related to the foregoing in accordance with this Agreement;

(f) mortgaging, selling, leasing, transferring, exchanging or otherwise conveying or encumbering all or part of the Partnership Property in furtherance of any and all of the objectives of the Partnership business;

(g) assisting in enabling no more than one hundred and thirty four (134) qualified foreign investors at any one time (each a "Qualified Investor") to make qualifying "at risk" investments in a commercial enterprise (each a "Qualifying Investment"), which, though not restricted to such investments, is intended to also meet the requirements under 8 U.S.C.§ 1153 (b)(5)(A) - (D); INA § 203 (b)(5)(A) - (D) of the Immigration & Nationality Act (the "IN Act") and qualify under this program (the "EB-5 Program") as an "Alien Entrepreneur", as more fully described in the Jay Peak Hotel Suites Stateside Private Offering Memorandum, a copy of which has been distributed to each Limited Partner in connection with the offering of Limited Partnership Interests hereunder (the "Offering") and each Limited Partner acknowledges receiving (the "Confidential Memorandum"); and

(h) as to those Qualified Investors who are not United States' citizens or lawful permanent residents of the United States (each an "EB-5 Investor" and collectively, the "EB-5 Investors"), using its reasonable best efforts to assist independent legal counsel acting for EB-5 Investors with the filing of each of the EB-5 Investors' petitions with USCIS, and of verifying required direct and indirect employment until removal of each of the EB-5 Investors' conditions to obtaining permanent residency.

Section 2.07. Partnership Term and Dissolution.
The Partnership shall continue in full force and effect until December 31, 2061 unless sooner terminated in accordance with Article XII. Upon termination of the Partnership, the General Partner shall take all actions necessary to terminate the Partnership in accordance with requirements of this Agreement and the Act.

Section 2.08. Filing of Certificate.
Immediately after the execution of this Agreement by the Partners, if not already done, the General Partner shall cause the Certificate to be filed with the State in accordance with the Act.

ARTICLE III - Partnership Interests and Sources of Funds

Section 3.01. Identity of Partners and Interests.
The names and business addresses of the General Partner and the Limited Partners are as identified on Exhibit A of this Agreement, as such Exhibit may be amended from time to time in accordance with this Agreement, and each such Partner has the interest indicated next to its name on Exhibit A. The failure of the General Partner to periodically amend Exhibit A and list each new Limited Partner, however, shall not act to limit or detract in any way from each Limited Partner being considered a Limited Partner once its Capital Contribution is made.

Section 3.02. Capital Contributions.

(a) General Partner. Subject to the provisions of this Section, the General Partner shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Partnership the cash or property set forth after the General Partner's name on Exhibit A. The General Partner shall be obligated or permitted to make additional Capital Contributions to the Partnership only in accordance with this Agreement. The General Partner at its sole option may make additional voluntary Capital Contributions to the Partnership at any time. A portion of the General Partner's Capital Contribution may arise from loan proceeds borrowed to fund construction costs in excess of the Partnership's equity capital, using the Project as security for the loan (the "Secured Debt"). To

the extent Secured Debt proceeds cause the Partnership's capital to increase, each Partner's Interest in the Partnership shall be recalculated as a percentage of the sum of the Secured Debt proceeds plus existing General and Limited Partner equity Capital Contributions. The Limited Partners hereby acknowledge, consent and approve of the General Partner granting one or more security interests encumbering all or portions of the Stateside Hotel, the Cottages, or one or more of the Leases. The General Partner shall be responsible for repaying the Secured Debt according to its terms from the General Partner's allocation of Available Cash Flow and net proceeds from a Capital Transaction, from the sums distributed to the General Partner upon dissolution of the Partnership, and/or from the General Partner's own funds. In addition, the General Partner intends to use Capital Contributions invested into the Partnership by newly admitted Limited Partners to pay down the principal balance of the Secured Debt, if any. The Limited Partners shall have no obligation or liability for retiring the Secured Debt and at no time shall any Limited Partner who is also a Qualified Investor have its Capital Contribution reduced or repaid in cash with Partnership funds until such time as all I-829 petitions filed under the EB-5 Program for the Qualified Investors have been adjudicated by USCIS.

(b) Limited Partner. Subject to the provisions of this Section, each Limited Partner shall be obligated to (and does hereby covenant and agree to) contribute to the capital of the Partnership, by wire transfer or other form of available funds, the amount of the Capital Contribution set forth herein. The minimum capital contribution to the Partnership to purchase a Partnership Interest for all Limited Partners other than the Initial Limited Partner shall be five hundred thousand and no/100 dollars (US$500,000).

In addition, though not part of the Investor's EB-5 investment, under the terms of the Private Offering Memorandum each Investor is also to pay Offering issuance expenses herein defined as "Administrative Fees" of Fifty Thousand Dollars (US$50,000) to the Resort Owner, to partially reimburse the Resort Owner for all costs incurred by the Resort Owner in business planning, creating and structuring the Project and producing, issuing and distributing the Private Offering Memorandum and coordination with interested parties and their professional advisors..

The amounts of $500,000 and $50,000 are payable in cash and in full upon application to become a Limited Partner and full payment must accompany delivery of the required subscription agreements (the "Subscription Agreements"). The Limited Partnership reserves the right to reject any Subscription Agreements in whole or in part, in its sole discretion. As further set forth in the Confidential Memorandum, after requesting an interest in the Limited Partnership by making an escrow deposit of at least $10,000 with People's United Bank subject to the terms of an Investor Escrow Agreement, each Limited Partner shall have thirty (30) days to conduct his due diligence, and an additional forty-five (45) days thereafter to complete his investment into the Project by paying the rest of the Subscription Amount, which time periods may be extended by the General Partner at its sole discretion.

The Limited Partner shall not be obligated to make any additional Capital Contributions to the Partnership. All required Capital Contributions shall be subject to any applicable adjustments if otherwise permitted by this Agreement. Investment as a Limited Partner is available as a means of financing the planning, development, construction, leasing and start-up of the Buildings and infrastructure at the Project. This investment may be beneficial, but is not limited, to investors who seek lawful permanent residence pursuant to the EB-5 Program under the IN Act, as more fully described in the Confidential Memorandum. There are other requirements of the EB-5 Program and other relevant immigration laws which the investor must observe or risk denial of lawful permanent residence pursuant to the EB-5 Program.

Investors shall begin the process to purchase a Limited Partnership Interest by completing the subscription procedure mandated by the Partnership, including depositing the Capital Contribution into a designated Partnership account and depositing the Administrative Fees into a designated Administrative Fees account, and properly completing, executing and delivering the required Subscription Agreements. Upon acceptance by the General Partner, closing shall occur and the

investor will be issued an Interest in the Partnership (at which time each Limited Partner will be deemed to confirm its acceptance of all of the provisions and terms in this Agreement) and the investor's investment will be final and irrevocable.

In the event of denial of a Limited Partner's I-526 Petition, the Limited Partnership shall pay back the Capital Contribution and the Resort Owner fifty percent (50%) of the Administrative Fees within ninety (90) days of written request by the Limited Partner and the Interest of such Limited Partner shall automatically be terminated upon such repayment without the necessity for such Limited Partner to take such steps as are required under Section 10.01. The Limited Partner's rights in this case are limited solely to the return of the $500,000 Capital Contribution and fifty percent (50%) of the Administrative Fees, and once these funds are returned the Limited Partner shall no longer have any of the rights and benefits of ownership of an Interest or any right to participate in any manner whatsoever in the affairs of the Partnership. The Capital Contribution is separate from any previously paid or currently due distribution of profits.

Upon subscribing to the Offering and becoming a Limited Partner, it is at the sole responsibility and risk of each EB-5 Investor to file their I-526 petition. There is no refund of the Capital Contribution or the Administrative Fees for failure of an EB-5 Investor, for whatever reason, to file the EB-5 Investor's I-526 petition. It is further at the sole responsibility and obligation of the Lmited Partner to timely notify the General Partner at least 90 (ninety) days prior to the earliest due date eligible to file of their I-829 petition so to enable the General Partner adequate time to engage with and delegate to qualified persons in the assemblage and preparation of documents, reports and required verification of requisite job creation. The General Partner shall not be liable in any manner, cost, or for any other liability for the failure of a Limited Partner to timely provide the due filing date of the I-829 petition filing. It is expected that all new full time jobs created by Limited Partner investments who do not participate in the EB-5 Visa Program shall be allocated in their entirety to EB-5 Investors.

If the regional center pilot program, created in support of the EB-5 Program and further described in the Confidential Memorandum (the "Pilot Program"), lapses, for each EB-5 Investor whose I-526 petition is filed with USCIS but not adjudicated on or before the date of lapse, their $500,000 Capital Contribution shall remain invested in the Partnership provided:

1. the Pilot Program is reauthorized retroactively or is pending reauthorization within a twelve (12) month period following its lapse, and the EB-5 Investor's I-526 petition is in due course adjudicated; or
2. legislation is enacted or pending providing substantially similar immigration benefits to EB-5 Investors as under the lapsed Pilot Program and the EB-5 Program within a twelve month period following the Pilot Program's lapse, and the EB-5 Investor's I-526 petition is in due course adjudicated.

If neither of the events described under 1 and 2 above occur, or are pending as stated, the EB-5 Investor at his option may either remain invested in the Project, or request in writing a refund of his Capital Contribution of $500,000. Upon receipt of a request of refund to the General Partner, the Capital Contribution will be repaid to the requesting EB-5 Investor by the Limited Partnership within a period of ninety (90) days from receipt of such request, and the EB-5 Investor's Interest as a Limited Partner shall automatically be terminated as set forth above with respect to the termination of a Limited Partner's Interest. The EB-5 Investor's rights upon termination of his Interest are limited solely to the return of their Capital Contribution of $500,000.

Notwithstanding anything herein to the contrary, in the event that the Resort Owner, General Partner, one of their Affiliates or their investors or officers invests funds or makes financial commitments to complete the Project, the investing party will be issued sufficient Class B Interests in the Partnership to compensate the investing party for no additional consideration and thereafter hold its Class B Interests subject to the terms of this Agreement.

Section 3.03 Interest on Capital Contributions
No interest shall be paid to a Partner on Capital Contributions.

Section 3.04 Service of Secured Debt
Payments to service the Secured Debt shall be made by the General Partner out of its share of Available Cash Flow, net proceeds from a Capital Transaction and sums distributed upon dissolution of the Partnership. For the security of the Limited Partners, the Partnership will service the Secured Debt directly out of the General Partner's share of these items including the General Partner's share of distributions to the Partners as set forth in section 8.01. If amounts required for the service of the Secured Debt are in excess of the General Partner's share of these items, then the General Partner will timely pay such amounts from its own funds. In the event that the General Partner fails to repay the Secured Debt according to its terms, any or all of the Limited Partners may, at their option, pay the unpaid amount and the amount paid shall be converted to equity for the benefit of the Limited Partners who made such payment, with the effect that the Interest of the General Partner will be pro-rata diluted and the Interest of the Limited Partners who paid pro-rata increased. The dilution will not affect the Interest of any other Limited Partner who did not make such payments.

Section 3.05. Right to Require Repayment of Capital.
No Partner shall have the right to withdraw from the Partnership all or any part of its Capital Contribution. No Partner shall have any right to demand and receive property of the Partnership in return for its Capital Contribution or in respect of its Interest, except as provided in this Agreement. No Limited Partner shall have priority over any other Limited Partner as to any return of Capital Contributions or as to any distributions made by the Partnership pursuant to Article VIII.

Section 3.06. Deficit Restoration.
If, upon liquidation of

(a) the General Partner's Interest (whether or not in connection with the liquidation of the Partnership), the General Partner has a negative balance in its Capital Account (as determined after taking into account Capital Account adjustments pursuant to Section 7.01 as well as adjustments for the Partnership Fiscal Year during which the liquidation of the General Partner's Interest occurs, other than those for contributions made pursuant to this Section), then the General Partner shall be required to contribute to the capital of the Partnership, immediately prior to the liquidation of its General Partner's Interest, the amount necessary to restore its Capital Account to zero. Such contributions shall be receipts of the Partnership available for payment of operating expenses and debts of the Partnership or distribution to the Partners, in accordance with the terms of this Agreement; and

(b) the Limited Partner's Interest (whether or not in connection with the liquidation of the Partnership), the Limited Partner has a negative balance in its Capital Account, the Limited Partner shall have no obligation to make any contribution to the capital of the Partnership and the negative balance of the Limited Partner's Capital Account shall not be considered a debt owed by the Limited Partner to the Partnership or any other Person for any reason whatsoever.

Section 3.07. No Third-Party Beneficiary.
None of the provisions of this Agreement shall be construed as existing for the benefit of any creditor of the Partnership or for the benefit of any creditor of the Partners, and no provision shall be enforceable by a party not a Partner.

ARTICLE IV - Right to Mortgage

Section 4.01. Right to Mortgage.

(a) In the General Partner's sole reasonable discretion and to facilitate the purposes of the Partnership, including without limitation to effect the redemption of Limited Partner Interests in a manner which will not jeopardize the Qualified Investors' ability to obtain unconditional permanent residence under the EB-5 Program, the General Partner may, in the name and on behalf of the Partnership, borrow money (including but not limited to Secured Debt) and issue evidences of indebtedness and secure the same by granting mortgages and security interests pledging all or any portion of the Partnership Property including without limitation collateral assignments of the Partnership's interest in the Leases and Subleases, and to pay, prepay, extend, amend or otherwise modify the terms of any such borrowing and to sign any documents required on behalf of the Partnership in connection with said transaction(s), without the consent and signatures of the Limited Partners. The Limited Partners hereby acknowledge, consent and approve of same transaction(s).

(b) Except to the extent required by any lender and agreed to by the General Partner, no General Partner shall have any personal liability to such lender(s) or to the Partnership for the payment of all or any part of borrowed money or Secured Debt of the Partnership, except for customary exclusions for fraud, misappropriation of funds or waste.

ARTICLE V - Rights, Powers and Obligations of the General Partner

Section 5.01. Authority of General Partner.

(a) Subject to the terms of this Agreement, the General Partner shall be further responsible for the overall management and control of the business assets and affairs of the Partnership, and the General Partner shall have the right, power, and authority, acting for and on behalf of and in the name of the Partnership, to: (i) execute and deliver on behalf of the Partnership any contract, agreement, or other instrument or document required or otherwise appropriate to acquire, construct, lease, operate, encumber, mortgage or refinance the Partnership Property (or any part thereof); (ii) convey Partnership Property by deed, mortgage, certificate, bill of sale, agreement, or otherwise, as appropriate; (iii) bring, compromise, settle, and defend actions at law or in equity; (iv) delegate its authority, power, and right to manage the Partnership Property provided, however, that any such delegation shall not relieve the General Partner of its obligations and responsibilities to ensure the proper management of the Partnership Property unless it finds a suitable replacement General Partner as governed by Section 9.01; and (v) use Partnership funds in performance of its rights, duties and powers, and reimburse itself for its incurred costs to exercise its rights and perform its duties.

(b) The General Partner shall

(i) cause the Partnership to do all things necessary to maintain its status as a limited partnership in good standing and to enable the Partnership to engage in its business;

(ii) not act in any manner that will cause the Partnership to fail to qualify as a limited partnership under the Act, or the Limited Partner to be liable for Partnership obligations;

(iii) cause the Partnership to take all commercially reasonable actions under the laws of the State and any other applicable jurisdiction that are necessary to protect the limited liability of the Limited Partner under the Act;

(iv) during and after the period in which he is a Partner, provide the Partnership with such information and sign such documents as are reasonably necessary for the Partnership to make

timely, accurate and complete submissions of federal and state income tax returns;

(v) furnish to counsel for the Limited Partner promptly as and when requested in connection with the rendering of any legal opinion concerning federal income tax relating to the Limited Partner's investment in the Partnership all documents reasonably requested by counsel for the Limited Partner;

(vi) promptly inform the Limited Partner of any litigation, action, investigation, event, or proceeding that is pending which, if adversely resolved, would have a material adverse effect on the Partnership or the Partnership Property; have a material adverse effect on the ability of the General Partner to perform its obligations under this Agreement; or have a material adverse effect on the financial condition of the General Partner;

(vii) promptly inform the Limited Partner if it receives notice of any violation with respect to the Partnership Property of any law, rule, regulation, order, or decree of any governmental authority having jurisdiction, which would have a material adverse effect on the Partnership Property or the use, occupancy, or operation thereof;

(viii) develop, manage and operate the Partnership Property in compliance with all applicable federal, state and local governmental regulations, ordinances, laws and rules, and this Agreement;

(ix) cause the Partnership to maintain necessary insurance against risks that are of a character usually insured by Persons engaged in a similar business and in form and amount and covering such risks as is usually carried by such Persons;

(x) take all actions necessary to ensure that the Partnership Property contains no, and is not affected by the presence of, any Environmental Hazard, and to ensure that the Partnership Property is not in violation of any federal, or local statute, law, regulation, rule, or ordinance. It shall promptly deliver to the Limited Partner a copy of any notice received from any source whatsoever of the existence of any Environmental Hazard on the Partnership Property or of a violation of any federal, state, or local statute law, regulation, rule or ordinance, including any Environmental Law with respect to the Partnership Property. If any Environmental Hazard is found to exist or be present, it shall commence promptly the taking of action to assure it will be either removed from the Partnership Property and disposed of or encapsulated and/or otherwise corrected, contained and made safe and inaccessible, all in strict accordance with federal, state and local statutes, laws, regulations, rules and ordinances;

(xi) investigate and report to the Limited Partner any bona fide proposal or offer of any Person, including any Partner, to acquire the Partnership Property or any part thereof;

(xii) set up one or more reserve fund accounts with Partnership funds and disburse funds from such accounts in an amount sufficient, so far as it is able, to meet the obligations of the Partnership;

(xiii) identify additional Limited Partners and provide information on the Project and the Partnership to them; including without limitation documentation and reports and such other information which may be required pursunt to the immigration filings of the Limtred Partner.

(xiv) perform services in connection with the acquisition, sale and leasing of the Partnership Property, on terms to be negotiated by the General Partner, including any agreements needed with the Resort Owner as to the Leases, Buildings and Project. Further services of the General Partner shall include, but not be limited to, act on behalf of the Partnership with federal, state and local authorities with respect to the Project; monitor compliance with zoning, land use and other requirements; and prepare or cause to be prepared such third party studies as it deems necessary in connection with the acquisition, sale and leasing of the Partnership Property and construction of the

Buildings and other necessary improvements on the Partnership Property and Resort Land;

(xv) deal with and, if appropriate, use Partnership funds to purchase or otherwise redeem a Limited Partner Interest that is the subject of an insolvency or bankruptcy proceeding;

(xvi) oversee construction, leasing and subleasing of the Buildings, and negotiate third party agreements to construct the Buildings;

(xvii) to oversee the landscaping of the property adjoining the Buildings, and contribute Partnership funds to the costs thereof (pursuant to a Grant of Easement and Maintenance Agreement, among the Resort Owner, Partnership and other necessary parties thereto);

(xviii) manage the Leases and Subleases;

(xix) Expenses: The Partnership shall promptly pay all costs and expenses of the Project which may include, but is not limited to:

1) Printing and all other expenses incurred in connection with insurance, distribution, transfer, registration and recording documents evidencing ownership of an interest in the Partnership in connection and with the business of the Partnership.

2) Fees and expenses paid to contractors, bankers for financing facilities, brokers and services, leasing agents, consultants, on site managers, real estate brokers, insurance brokers and other agents, including Affiliates of the Partnership, or any General Partner or its officers.

3) Expenses in connection with the acquisition, preparation, improvement, development, disposition, replacement, alteration, repair, remodeling, refurbishment, leasing, renting, costs of insurance, financing and refinancing of Partnership Property, including the Partnership's appurtenant undivided interest in the Hotel Land;

4) All costs of personnel directly employed by the Partnership, if any, or performing services for the Partnership;

5) All costs of borrowed money (except the Secured Debt) including repayment of advances to the Partnership made by a Partner, which shall be paid monthly, interest only at a rate equal to two percent above the rate of interest from time to time announced by People's United Bank to be its "prime rate" or "base rate", and repaid in one lump sum five years after the date of the initial advance;

6) Legal, audit, accounting, brokerage and other fees including expenses of organizing, revising, amending, converting, modifying or terminating the Partnership.

7) Expenses in connection with distributions made by the Partnership to, the communications and book keeping and clerical work necessary in maintaining relations with, Limited Partners.

8) Expenses in connection with preparing and mailing reports required to be furnished to Partners for required tax reporting or other purposes which the General Partner deems appropriate, cost incurred in connection with any litigation, including any examination or audits by regulatory agencies, and costs of preparation and dissemination of informational material and documentation relating potential sale, refinancing or other disposition of Partnership Property;

9) Expenses in connection with preparation and submittal of Limited Partners documentation and reports and such other information which may be required pursuant to the immigration filings of the Limited Partner.

(xx) loan, or otherwise contribute equity to the Partnership, either directly or by an Affiliate, including the Resort Owner, such funds as are necessary to complete the Project in the event the funds of the Partnership are insufficient to complete the Project, but in no event will a loan by the General Partner, the Resort Owner or another Affiliate be a personal liability or obligation of any Limited Partner, and the General Partner, the Resort Owner or other Affiliate shall have no recourse to recoup such a loan against any Limited Partner; and

(xxi) issue certificates representing Limited Partnership Interests to all Limited Partners, including Class B Interests if applicable, and take such other steps if required to evidence or set up different classes of ownership in the Partnership.

In consideration for its services set forth in this Agreement, the General Partner has received its Interest.

(c) Except for matters for which Consent of the Limited Partner is required as set forth in Section 5.02(b), all decisions made for and on behalf of the Partnership by the General Partner shall be binding upon the Partnership. Except as expressly otherwise set forth in this Agreement, the General Partner (acting for and in the name and on behalf of the Partnership), in extension and not in limitation of the rights and powers given it by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority, in the management of the Partnership's day-to-day business, to do any and all acts and things necessary, proper, ordinary, customary or advisable to effectuate the purposes and to conduct the business of the Partnership.

Section 5.02. Limitations on the Authority of the General Partner.

(a) Notwithstanding any other provision of this Agreement, the General Partner shall have no authority to perform any act in violation of any applicable law or regulations; to do any act required to be approved, consented to, voted on, or ratified by the Limited Partner under the Act or under this Agreement unless such approval, vote, consent, or ratification has been obtained; to cause the Partnership to engage in any business other than as set forth in Section 2.06; or do any act that would make it impossible to carry out the business of the Partnership as contemplated herein.

(b) In addition, the prior Consent of the Limited Partner is required before the General Partner may:

(i) sell, mortgage or convey all or any substantial portion of the Partnership Property, other than (a) the leasing or subleasing of the Buildings, (b) in connection with the redemption of Interests, or (c) as otherwise set forth in Section 3.02(a),Section 4.01(a) or Section 10.03;

(ii) lease as an entirety the Partnership Property, or lease or rent out any portion of the Partnership Property, except in the Partnership's normal course of business, which shall be defined as leasing or subleasing the Buildings;

(iii) acquire any real property in addition to the Partnership Property (other than land, easements, rights of way or similar rights required by governmental rule or regulations, or necessary or convenient for the development of the Partnership Property, the leasing of the Buildings and the Interrelationship between the Buildings, Partnership Property and Resort);

(iv) voluntarily file a bankruptcy petition on behalf of the Partnership;

(v) dissolve or wind up the Partnership except as set forth in Article 12;

(vi) confess any judgment;

(vii) modify or amend this Agreement except as expressly provided in this Agreement;

(viii) admit any Person as a Partner, except as otherwise provided in this Agreement;

(ix) borrow from the Partnership or commingle Partnership funds with the funds of any Person; or

(x) receive any rebates or give-ups or participate in any reciprocal business relationships in circumvention of this Agreement.

(c) In addition, the General Partner may be replaced by the Limited Partner pursuant to Section 9.02.

Section 5.03. Tax Matters Partner.

(a) Jay Peak GP Services Stateside Inc., in its capacity as General Partner, is hereby designated as the tax matters partner and shall maintain the books and records of the Partnership, and shall be responsible, on a timely basis, for (i) preparing all required tax returns and related information for both the Federal and the State of Vermont tax returns, (ii) making all tax elections, if appropriate, and (iii) preparing all financial information, all in accordance with this Agreement. It shall keep the Partners informed of all administrative and judicial proceedings, shall furnish to each Partner upon request a copy of each notice or other communication received by it from the IRS or the State of Vermont, and shall not respond to any notice or other communication from the IRS which questions or challenges any item which has been or may be reported on a Partnership tax return until after notice of the proposed response is given to the Limited Partner. It shall have no authority, without the Consent of the Limited Partner, to (i) enter into a settlement agreement with the IRS which purports to bind Partners other than the General Partner, (ii) file a petition as contemplated in Section 6226(a) or 6228 of the Code, (iii) intervene in any action as contemplated in Section 6226(b) of the Code, (iv) file any request contemplated in Section 6227(b) of the Code, (v) enter into an agreement extending the period of limitations as contemplated in Section 6229(b)(1)(B) of the Code, (vi) to file any tax related litigation in a court other than the United States Tax Court, or (vii) submit any report to the IRS.

(b) Federal Income Tax Withholding: In the event any of the Partners are subject to federal income tax withholding, the General Partner is authorized to withhold any sums required by the Internal Revenue Code even if such withholding conflicts with any of the terms and conditions of this Agreement or otherwise affects distributions, allocations or payments to the Partners. In the event that the General Partner learns of withholding obligations subsequent to the distribution to which the withholding obligations relate, the General Partner will issue an invoice to the Partner. If the invoice is not paid within sixty (60) days, the General Partner will charge the amount against the Partner's distributions of income. This section will survive the termination of a Partner's status as a Partner.

Section 5.04. Outside Activities.

The General Partner shall devote to the management of the business of the Partnership so much of its time as it deems reasonably necessary to the efficient leasing of the Stateside Hotel, the Cottages, the Recreation Center, and the Medical Center and any other Partnership Property in order to comply with this Agreement. The General Partner and its Affiliates, and their officers, directors, agents, employees, representatives, attorneys, accountants and other persons operating on its behalf, may engage in and possess any interest in other business ventures (including limited partnerships) of every kind, nature, and description whatsoever, independently or with others, whether existing at the date hereof or hereafter coming into existence, including, without limitation, acting as general partner or limited partner of other partnerships that own, directly or through interests in other partnerships, projects similar to, or in competition with, the Hotel Suites Stateside Project., including without limitation other hotels and Resort amenities, including meetings and functions facilities and related projects located at the Resort. Neither the Partnership nor the Partners shall have any rights by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom and nothing shall be construed to render them partners in any such business ventures.

Section 5.05. Liability to Partnership and Limited Partner.

The General Partner, and its Affiliates, and their officers, directors, agents, employees, representatives, attorneys, accountants and other persons operating on its behalf shall not be liable, responsible, or accountable in damages or otherwise (including attorneys fees and expenses) to the Limited Partner or to the Partnership for any acts performed in good faith and within the scope of

authority of the General Partner, or its Affiliates if any of the General Partner's duties have been contractually delegated to them, pursuant to this Agreement.

Section 5.06. Indemnification of General Partner.
(a) To the maximum extent permitted by law, the Partnership shall indemnify, defend, and hold harmless each General Partner and its Affiliates, and their officers, directors, agents, employees, representatives, attorneys, accountants, consultants and other persons operating on its behalf from and against any loss, liability, damage, cost, or expense (including reasonable attorney's fees) arising out of or alleged to arise out of any demands, claims, suits, actions, or proceedings against the General Partner, by reason of any act or omission performed by it (including its employees and agents) while acting in good faith on behalf of the Partnership and within the scope of the authority of the General Partner pursuant to this Agreement, and any amount expended in any settlement of any such claim of liability, loss, or damage; provided, however, that (i) the General Partner must have in good faith believed that such action was in the best interests of the Partnership, and such course of action or inaction must not have constituted breach of its fiduciary duty; and (ii) any such indemnification shall be recoverable from the assets of the Partnership, not from the assets of the Limited Partner, and no Partner shall be personally liable therefore. This indemnity shall be operative only in the context of third-party suits, and not in connection with demands, claims, suits, actions or proceedings initiated by any Partner or any Affiliate thereof against another Partner. In no event, however, shall a Limited Partner bring suit against the General Partner, or recover damages from the General Partner, in an amount that exceeds the amount invested by the Limited Partner in the Partnership.

(b) Notwithstanding anything contained in this Section, the General Partner shall not be indemnified or saved harmless from any liability, loss, damage, cost, or expense incurred by it in connection with: (i) any civil or criminal fines or penalties imposed by law; (ii) any claim or settlement involving the allegation that federal or state securities laws were violated by the General Partner or the Partnership, except as to a claim asserted by the Limited Partner; or (iii) any claim involving breach of a fiduciary duty, unless (A) the General Partner is successful in defending such action on the merits, or (B) such claims have been dismissed in favor of the General Partner with prejudice on the merits by a court of competent jurisdiction, or (C) a court of competent jurisdiction approves a settlement and determines that the General Partner is entitled to costs.

(c) The General Partner, when entitled to indemnification pursuant to this Section, shall be entitled to receive, upon application therefore, reasonable advances to cover the costs of defending any proceedings against it but only if (i) the action relates to the performance of the duties or services by the General Partner on behalf of the Partnership; (ii) the action is commenced by a third party who is not a Partner or Affiliate thereof; and (iii) the General Partner covenants in advance to repay the advance of funds to the Partnership in accordance with this Section in the event it is determined that the General Partner is not entitled to indemnification hereunder. All rights of the General Partner to indemnification shall survive the dissolution of the Partnership and the death, retirement, incompetency, insolvency, bankruptcy, or withdrawal of the General Partner.

Section 5.07. Dealing with Affiliates: Fees.
The General Partner may, in the name and on behalf of the Partnership, enter into agreements or contracts for performance of services for the Partnership with third parties which may include if applicable an Affiliate of the General Partner, including without limitation services necessary to oversee construction of the Buildings and other improvements and for the leasing of the Stateside Hotel, the Cottages, the Recreation Center and the Medical Center, and the General Partner may obligate the Partnership to pay compensation for and on account of any such services; provided, however, such compensation shall be at costs to the Partnership not in excess of those disclosed in the Confidential Memorandum, but such limitation on costs shall not prevent the Resort Owner, if necessary, from advancing funds to complete the Project and being reimbursed with the grant of Class B Interests. In addition, the General Partner shall pay the Resort Owner its development

supervision fees and pay whomever it hires to manage the Leases a fee of up to ten percent (10%) of the rent paid by the tenants, as further disclosed in the Confidential Memorandum.

ARTICLE VI - Rights and Obligations of the Limited Partner

Section 6.01. Management of the Partnership.
To the full extent permitted by the Act and without being deemed a general partner, the Limited Partner shall participate in the management of the business of the Partnership by making suggestions or recommendations to the General Partner on issues of policy important to the Partnership, by participating in one or more of the activities set forth in 11 V.S.A. §3423(b), as may be required under the IN Act, and as otherwise set forth in Section 5.02(b) and Section 9.02. The Limited Partner shall not have the power or authority, however, to bind the Partnership or to sign any agreement or document in the name of the Partnership.

Section 6.02. Limitation on Liability of the Limited Partner.
Notwithstanding any other provision of this Agreement, the liability of the Limited Partner shall be limited to its Capital Contributions at any given time as and when payable under the provisions of this Agreement. The Limited Partner shall not have any other liability to contribute money to or in respect of the liabilities, obligations, debts or contracts of the Partnership, nor shall the Limited Partner be personally liable for any liabilities, obligations, debts or contracts of the Partnership. A Limited Partner shall be liable to the Partnership only to make payment of its Capital Contribution as and when due and, after its Capital Contribution shall be fully paid, no Limited Partner shall, except as otherwise required by the Act, be required to make any further Capital Contributions or lend any funds to the Partnership.

Section 6.03. Outside Activities.
Nothing herein contained in this Agreement shall be construed to constitute the Limited Partner the agent of any other Partner hereof or to limit in any manner the Limited Partner in the carrying on of its own businesses or activities. The Limited Partner may engage in and possess any interest in other business ventures (including limited partnerships) of every kind, nature and description, independently or with others, whether existing as of the date hereof or hereafter coming into existence, including, without limitation, acting as general partner or limited partner of other partnerships which own, directly or through interests in other partnerships, hotel or other projects similar to, or in competition with, the Project. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in or to any such other business ventures or to the income or profits derived therefrom and nothing shall be construed to render them partners in any such business ventures.

Section 6.04. Inspection of the Project.
The Limited Partner and/or its agent or designee shall have the right to inspect the Project upon reasonable notice to the General Partner and the General Partner shall provide all reasonable assistance to the Limited Partner in such effort.

Section 6.05. Representations.
The Limited Partners who are Qualified Investors each represent, warrant, and covenant to the Partnership and the General Partner as follows:

(a) He is an "accredited investor" (unless relying on Regulation S) within the meaning of the definition in Rule 501(a), promulgated under the Securities Act of 1933 (the "Securities Act");

(b) He is responsible for obtaining his own advice, including without limitation income tax advice, regarding the investment, can bear the economic risk of his investment, and has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the investment in an interest in the Partnership;

(c) He is acquiring his Interest in the Partnership for investment for his own account, and not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that he has no present intention to sell, grant any participation in, or otherwise distribute the same;

(d) None of the Interests in the Partnership have been registered under the Securities Act or any applicable state securities laws on the basis that the sale provided for in this Agreement and the issuance of the Interests hereunder are exempt from registration under the Securities Act and any applicable state securities laws;

(e) He has received and reviewed, and understands and is fully satisfied with, all of the information and documentation he considers necessary or appropriate when deciding whether to purchase an Interest in the Partnership, including but not limited to the Confidential Memorandum, all exhibits thereto and all financial information disclosed therein or under this Agreement; has had the opportunity to ask questions and receive answers from the General Partner and the Partnership regarding the terms and conditions of the purchase of an Interest in the Partnership and the business, properties, prospects, and financial condition of the Partnership; and has had the opportunity to review the books and records of the Partnership and to obtain additional information (to the extent the Partnership possessed such information or could acquire it without unreasonable effort or expense) necessary to verify the accuracy of any information furnished to it or to which it had access;

(f) Its Interest in the Partnership may not be sold, transferred, or otherwise disposed of without registration under the Securities Act and any applicable state securities laws or an exemption therefrom and if so sold, transferred or otherwise disposed of he agrees to pay all reasonable attorneys fees and costs incurred by the Partnership or the General Partner in connection with said disposition, including without limitation a repurchase fee in the amount of ten percent (10%) of the Capital Contribution, and in the absence of an effective registration statement covering its Interest in the Partnership or an available exemption from registration under the Securities Act and any applicable state securities laws, its Interest must be held indefinitely;

(g) Any certificate or other document evidencing a partnership interest in the Partnership shall be endorsed with a legend substantially in the form set forth below:

THE INTEREST IN THE PARTNERSHIP REPRESENTED HEREBY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR UNDER THE VERMONT UNIFORM SECURITIES ACT (2002) OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED, OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER SUCH ACTS, OR UNLESS THE PARTNERSHIP HAS RECEIVED AN OPINION OF COUNSEL OR OTHER EVIDENCE SATISFACTORY TO THE PARTNERSHIP AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED;

(h) He will participate in the management of the Partnership as set forth in Section 6.01; and

(i) No representation, warranty or statement by it in this Agreement or in any document, certificate or schedule furnished or to be furnished to the General Partner pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.

ARTICLE VII - Allocations of Profits and Losses

Section 7.01. Maintenance of Capital Accounts.
The Partnership shall maintain a Capital Account for each Partner. Each Capital Account shall be

maintained in accordance with Treasury Regulation Section 1.704-1 (b)(2)(iv). To each Partner's Capital Account there shall be credited such Partner's Capital Contributions, and its distributive share of Net Profits and Gains and any item in the nature of income or gain allocated to such Partner pursuant to Section 7.02. From each Partner's Capital Account there shall be debited the amount of cash and the fair market value (as of the date of distribution) of any Partnership property (net of liabilities securing the distributed property that such Partner assumes or subject to which such Partner takes the distributed property) distributed to such Partner pursuant to any provision of this Agreement and the Partner's distributive share of Net Losses and Loss and any items in the nature of expenses or deductions that are allocated to the Partner pursuant to Section 7.02 and to the amounts charged under section 5.03(b) to such Partner. This Section is subject to the caveat that the Resort Owner, if it is allocated Resort Owner Interests, will not be allocated any income.

Section 7.02. Profits and Losses.

After giving effect to the special allocations set forth in Section 7.03, the Net Profits, Net Losses, Gain and Loss of the Partnership shall be allocated pursuant to each Limited Partner's Interest or, in the event of Secured Debt being assumed by the Partnership, in the same manner as their proportionate share of Available Cash Flow and net proceeds from a Capital Transaction, provided, however, that no Net Profits, Net Losses, Gain and Loss of the Partnership for any Fiscal Year shall be allocated to a Limited Partner to the extent such allocation would cause or increase an Adjusted Capital Account Deficit with respect to that Partner, and those Net Losses, Losses or Partnership deductions shall instead be allocated to the General Partner. Any intangible expenses including, but not limited to, depreciation or amortization are to be allocated in accordance with each Partner's Interest.

Section 7.03. Special Allocations and Limitations.

(a) Notwithstanding the provisions of Section 7.02, Partners shall be specially allocated items of Partnership Net Profits, Net Losses, Gain and Loss to comply with the Code and with all applicable Treasury Regulations regarding special allocations for partners of a partnership (the "Regulatory Allocations"). Such provisions include, but are not limited to, minimum gain chargeback requirements, changes in recourse and nonrecourse debts and liabilities, and elimination of Adjusted Capital Account Deficits. The Regulatory Allocations shall be taken into account in allocating other profits, losses and other items of income, gain, loss and deduction to the Partners so that, to the extent possible, the net amount of such allocations of profits and losses and other items shall be equal to the amount that would have been allocated to each Partner had the Regulatory Allocation not occurred. The Tax Matters Partner shall have the absolute discretion to apply the Regulatory Allocations in a manner consistent with this Agreement, and to make any and all determinations of special allocations thereunder.

(b) The respective interest of the Partners in the Net Profits, Net Losses, Gain, and Loss or items thereof shall remain as set forth above unless changed by amendment to this Agreement.

ARTICLE VIII - Cash Distributions

Section 8.01. Distributions of Available Cash Flow.

Available Cash Flow shall be distributed by the General Partner to and among the Partners and for the purposes below, within thirty (30) days after the close of each calendar month, or quarter, at the sole discretion of the General Partner as follows:

(a) first, to the repayment or part thereof of any remaining unpaid loans made by the General Partner or its Affiliates or third party interests to the Partnership;

(b) second, to the payment of any debts owed to the Limited Partners; and

(c) the balance to the Partners according to their Interests.

Notwithstanding the foregoing, it will be up to the General Partner in its sole discretion and if in the best interest of the Partnership to make any distributions. Distributions can only be made monthly, or such extended period of time, as the General Partner, in its sole discretion, may deem appropriate from the accumulated balance of Available Cash Flow.

Section 8.02. Distributions of Proceeds from Capital Transaction.

Proceeds from a Capital Transaction (defined as the net proceeds, after all costs, expenses and payments to Affiliates and any third party interests, upon liquidation of the Partnership resulting from the sale of the Partnership Property as set forth in Article XII, or as set forth in Section 10.03), shall be distributed to and among the Partners in the following amounts and order of priority:

(a) first, to the payment of all matured debts and liabilities of the Partnership other than debts, liabilities and fees owed to Partners or their Affiliates;

(b) second, to the repayment of any remaining unpaid loans from the General Partner or its Affiliates to the Partnership;

(c) third, to the payment of any debts owed to the Limited Partner and their Affiliates;

(d) fourth, to the Partners to the extent of their Adjusted Capital Account Deficits; and

(e) last, to the Partners (including the Resort Owner if applicable) according to their Percentage Interests in the Partnership.

Section 8.03 Deficit Capital Accounts at Liquidation

The Limited Partners shall have no liability to the Partnership, to the General Partners or to the creditors of the Partnership on account of any deficit balance in their capital accounts upon liquidation of the Partnership, provided however that any Partner for whom any changes have been made to his capital account by reason of the obligations under section 3.03 and section 5.03(b) will immediately reimburse the Partnership upon written demand of the General Partner. This section 8.03 will survive the termination of the Partners' status as a Partner. A Partner must also pay any attorneys' or accountants' fees actually and reasonably incurred by the Partnership or a General Partner in collecting amounts under this provision from the Partner.

Section 8.04 Limitation of Liability

No Limited Partner shall have any personal liability whatsoever, whether to the Partnership, to any Partners or to the creditors of the Partnership, for the debts or obligations of the Partnership or any of its losses beyond his Capital Contribution, to be set forth opposite his name in exhibit A attached hereto; provided, however, that any Partner for whom any charges have been made to his Capital Account by reason of the obligations described in section 8.02, section 3.03 and or section 5.03(b), is required to reimburse the Partnership for the amount of any negative balance in his Capital Account, but such reimbursement shall not exceed the sum of such Partner's obligations under section 8.03 and section 8.04. This section 8.04 will survive the termination of a Partner's status as a Partner. A Partner must also pay any attorneys' or accountants' fees actually and reasonably incurred by the

Partnership or a General Partner in collecting amounts under this provision from the Partner.

Section 8.05 Death or Incapacity of Limited Partner

The death, legal incapacity, dissolution, termination, merger, consolidation or bankruptcy (each a "Triggering Event") of one or more Limited Partners shall not cause dissolution of the Partnership, but the rights of such Limited Partner(s) to share in the profits and losses of the Partnership, to receive distributions from the Partnership and to assign an interest in the Partnership shall, on the happening of such a Triggering Event, devolve upon such Limited Partner's executor, administrator, guardian, conservator or other legal representative or successor as the case may be, subject to the terms and conditions of this Agreement, and the Partnership shall continue as a Limited Partnership. However, in any such Triggering Event such legal representative or successor or any assignee of such legal representative or successor shall be admitted to the Partnership as a Limited Partner only in accordance with and pursuant to all of the terms and conditions of this Agreement.

Section 8.06 Recourse of Limited Partners

Each Limited Partner shall look solely to the Project for all distributions with respect to the Partnership, his Capital Contribution thereto and profits and losses thereof, and shall have no recourse therefore upon dissolution of the Partnership or otherwise against the General Partner or any other Limited Partner, except to the extent of any required General Partner contributions to the Partnership required by Article III.

Section 8.07 No Right to Property

No Limited Partner shall have a right to demand or receive any distribution from the Partnership in any form other than cash, upon dissolution of the Partnership or otherwise, except as otherwise set forth in this Agreement.

ARTICLE IX - Admission of Successor and Additional General Partners: Removal and Withdrawal of General Partner

Section 9.01. Voluntary Withdrawal of General Partner/Admission of Successor or Additional General Partners.

(a) The General Partner shall not have any right to retire or withdraw voluntarily from the Partnership or to sell, transfer, or assign all or any portion of its interest, without the Consent of the Limited Partner, which consent shall not be unreasonably withheld, delayed or conditioned. In the event that the Consent of the Limited Partner has been obtained by the General Partner, the General Partner shall designate one or more persons to be its successor. In no event shall the interests of the other Partners be affected thereby. The designated successor General Partner shall be admitted as such to the Partnership upon approval of the Limited Partner and upon satisfying the conditions of this Agreement. Any voluntary withdrawal by the General Partner from the Partnership or any sale, transfer, or assignment by the General Partner of its interest shall be effective only upon the admission of the successor General Partner in accordance with this Agreement, at which time the predecessor General Partner shall no longer have any obligations or liability under this Agreement.

(b) A successor General Partner shall, by its execution of an amendment to this Agreement and as a condition precedent to being admitted as a successor General Partner and to receiving any interest in the Partnership or the Partnership Property, agree to be bound by this Agreement to the same extent and on the same terms as the predecessor General Partner.

(c) Upon the execution of the amendment to this Agreement by the successor General Partner and the admission of a successor General Partner, an amendment to the Certificate shall be executed by the successor General Partner and filed in accordance with the Act.

Section 9.02. Removal of General Partner/Admission of Additional General Partner Under Certain Circumstances.

(a) Upon the occurrence of an Event of Default, as defined herein, the Limited Partner shall have the right to cause a Person to be admitted to the Partnership as an additional General Partner and to remove a defaulting General Partner or both. The Limited Partner shall have the right in the name of the General Partner to take all actions and do all things necessary or appropriate to implement and carry out the provisions of this Section, provided that the replacement or addition of a General Partner must be an Affiliate of the Initial General Partner, unless prohibited by state or federal law.

(b) The following shall each be an Event of Default:

(1) the General Partner has, in connection with the Partnership or the Project, performed an act or failed to perform any act constituting fraud, intentional misconduct, material breach of fiduciary duty, misappropriation or commingling of funds, or dishonesty;

(2) the General Partner has breached any material written representation, covenant or warranty under this Agreement that substantially impairs the performance or purpose of the Partnership; or

(3) an Event of Bankruptcy shall have occurred with respect to the General Partner;

(c) If the Limited Partner elects to

(1) admit a Person as an additional General Partner upon the occurrence of an Event of Default, such admission shall occur automatically and without further action by the General Partner upon the giving of notice thereof by the Limited Partner to the General Partner, and each of the Partners hereby agrees and consents in advance to the foregoing admission. Upon the occurrence of such admission, any delegation of authority given to the defaulting General Partner (whether expressly set forth in this Agreement or otherwise) shall be canceled and of no further force and effect, and instead the defaulting General Partner shall be deemed to have delegated, automatically and without the requirement of a writing or any other action other than as set forth above, all its powers and authority (including, without limitation, all right to deposit to, withdraw from and otherwise control all Partnership bank accounts) to the Person so designated by the Limited Partner in its capacity as an additional General Partner. Notwithstanding its admission to the Partnership, the additional General Partner may withdraw as a General Partner without the consent of any other Partner.

(2) remove the General Partner, then the Limited Partner shall have the right, without the consent of any of the General Partner, to designate a successor General Partner and elect to continue the business of the Partnership; such removal shall occur automatically and without further action by any Partner upon the giving of notice thereof by the Limited Partner to the General Partner. Upon such removal, (A) the removed General Partner shall have the obligation to sell its Partnership Interest to the General Partner or its designee for $10.00US; and (B) such removed General Partner shall thereafter cease to have any interest in the capital, profits, losses, distributions, and all other economic incidents of ownership of the Partnership.

(d) The Limited Partner shall not have the right to exercise any remedies pursuant to this Article as a result of any Event of Default if the failure or violation is curable and if the General Partner shall cure such failure or violation within 30 days after notice.

Section 9.03. Event of Bankruptcy of a General Partner.

(a) The General Partner shall cease to be the General Partner upon an Event of Bankruptcy with respect to the General Partner, or, with the Consent of the Limited Partner, upon the occurrence of the General Partner's insolvency. Upon such an Event of Bankruptcy, or, with the Consent of the Limited Partner, such insolvency, the remaining or successor General Partner shall cause the Partnership to redeem the General Partner's Interest for $10.00US and the General Partner shall thereafter cease to have any interest in the capital, profits, losses, distributions, and all other economic incidents of ownership of the Partnership.

(b) If, at the time of an Event of Bankruptcy with respect to the General Partner, the General Partner is the sole General Partner, the Limited Partner shall have the right, in its sole discretion, to designate a successor General Partner and the Limited Partner may, within the maximum number of days permitted by the Act after the General Partner's ceasing to be a General Partner of the Partnership, elect to continue the business of the Partnership.

Section 9.04. Continuation of the Business of the Partnership.

(a) If, at the time of an Event of Default, the General Partner was not the sole General Partner, the remaining General Partner or General Partners may elect to continue the business of the Partnership and shall immediately: (i) give Notice to the Limited Partner of such Event of Default; and (ii) subject to the Consent of the Limited Partner, make any amendments to this Agreement and execute and, if required by the Act, file for recording any amendments or other documents or instruments necessary to reflect the termination of the Interest of the General Partner as and in order to comply with the requirements of the Act.

(b) A Person shall be admitted as a successor or additional General Partner with the Consent of the Limited Partner if an amendment to the Certificate evidencing the admission of such Person as a General Partner shall have been filed with the Secretary of State of the State. Each General Partner hereby agrees to execute promptly any such amendment to the Certificate, if required, in the event of its withdrawal or removal pursuant to the provisions of this Article. The Limited Partner shall have the right in the name of the General Partner to execute any such amendment in the event of the General Partner's withdrawal or removal. The election by the Limited Partner to remove any General Partner or admit any additional General Partner under Section 9.02 shall not limit or restrict the availability and use of any other remedy that the Limited Partner or any other Partner might have with respect to any General Partner in connection with its undertakings and responsibilities under this Agreement.

ARTICLE X- Assignability of Interests of Limited Partner

Section 10.01. Substitution and Assignment of a Limited Partner's Interest.

(a) Other than as set forth herein, no Limited Partner shall have the right to assign, sell, transfer, convey, encumber or pledge its Interest. In no event shall any Interest of a Limited Partner, or any portion thereof, be sold, transferred or assigned to a minor or incompetent, and any such attempted sale, transfer or assignment shall be void and ineffectual and shall not bind the Partnership or the General Partner. This investment may be beneficial to investors who seek lawful permanent residence pursuant to the EB-5 Program under the IN Act, as more fully described in the Confidential Memorandum. Failure of a Limited Partner desiring lawful permanent residence to remain invested fully in the Limited Partnership may result in the denial of lawful permanent residence for such Limited Partner as an outcome of this investment. There are other requirements of the EB-5 Program which the interested investor must observe or risk denial of lawful permanent residence pursuant to the EB-5 Program, as further set forth in the Confidential Memorandum.

(b) No assignment of the Interest of a Limited Partner shall be made if, in the opinion of counsel to the Partnership, such assignment (i) may not be effected without registration under the Securities Act, (ii) would result in the violation of any applicable state securities laws, (iii) would result in a termination of the Partnership under Section 708 of the Code (unless consented to by the General Partner), (iv) would result in the treatment of the Partnership as an association taxable as a corporation or as a "publicly-traded limited partnership" for tax purposes (unless consented to by the General Partner), or (v) would jeopardize the ability of any Limited Partner to qualify under the EB-5 Program to become a lawful permanent resident of the United States. The Partnership shall not be required to recognize any such assignment until the instrument conveying such interest has been delivered to the General Partner for recordation on the books of the Partnership, the Limited Partner executes and delivers such instruments, in form and substance satisfactory to the General Partner, as the General Partner in its sole discretion may deem necessary or desirable to effect such substitution, including without limitation a release of the Resort Owner, Partnership and General Partner, and the General Partner has consented to the assignment under the parameters set forth herein. Unless an assignee becomes a substitute Limited Partner in accordance with the provisions of subsection (c), he shall not be entitled to any of the rights granted to a Limited Partner hereunder, other than the right to receive all or part of the share of the Net Profits, Net Losses, cash distributions or returns of capital to which its assignor would otherwise be entitled.

(c) An assignee of the Interest of a Limited Partner, or any portion thereof, shall become a substitute Limited Partner entitled to all the rights of a Limited Partner if, and only if:

(i) the assignor (or, if the assignor is a defaulting Limited Partner, the General Partner pursuant to the power of attorney granted in Section 16.09) gives the assignee such right;

(ii) the assignee pays to the Partnership all costs and expenses howsoever incurred in connection with such substitution, including, specifically, without limitation, costs incurred in the review and processing of the assignment and in amending the Partnership's then current Certificate and/or Agreement of Limited Partnership, if required; and

(iii) the assignee executes and delivers such instruments, in form and substance satisfactory to the General Partner, as the General Partner in its sole discretion may deem necessary or desirable to effect such substitution and to confirm the agreement of the assignee to be bound by all the terms and provisions of this Agreement.

(d) The Partnership and the General Partner shall be entitled to treat the record owner of any Partnership Interest as the absolute owner thereof in all respects, and shall incur no liability for distribution of cash or other property made in good faith to such owner until such time as a written assignment of such Interest has been received and accepted by the General Partner and recorded on the books of the Partnership. The General Partner may refuse to accept an assignment until the end of the next successive quarterly accounting period.

Section 10.02. Withdrawal of Initial Limited Partner.
Notwithstanding the provisions of Article X, the Interest of the Initial Limited Partner shall be terminated and of no further force or effect upon the first admission of a Limited Partner other than the Initial Limited Partner. The termination of the Interest of the Initial Limited Partner shall be automatic and require no action on its part or on the part of any other Person, and the General Partner shall cause to be prepared appropriate amendments to Exhibit A of this Agreement and to the Certificate.

Section 10.03. Sale or Other Disposition of Partnership Assets

Once all I-829 petitions filed under the EB-5 Program for all Qualified Investors who have invested into the Partnership have been adjudicated, with any appeals having been decided, the General Partner within a reasonable time thereafter shall review market conditions and, if appropriate in its

sole discretion, pursue one or more exit strategies for Investors. These strategies may include subdividing the Stateside Hotel and Cottages into fractional units and granting each Limited Partner such number of fractional units that will adequately compensate each Limited Partner in exchange for and redemption of each Limited Partner's Interest in the Partnership. All such fractional units must be made available at all times when not occupied by owner to a rental pool operated by the Resort Owner, which rental rates, and terms and conditions thereof, will be set by the Resort Owner at its sole discretion and the Resort Owner will be entitled to its standard rental management fee. Each Limited Partner may sell his fractional units whenever he wishes and for a price at his discretion, but such fractional units must be sold exclusively through Jay Peak Realty with commission based upon its standard commission for fractional unit sales. Any residual balance of fractional units, or parts thereof remaining after all allocations to Limited Partners are executed shall be allocated and transferred at nil cost to the General Partner. Each Limited Partner acknowledges and agrees by their receipt of this Agreement and Investment into the Partnership that the possible conversion of their interest in the Partnership Property into fractional units does not constitute a guarantee of a return of their Capital Contribution or of redemption of their Interest. In addition Investors at any time may sell their Limited Partnership Interest to third party purchasers, with the caveat that Qualified Investors who have filed under the EB-5 program must first meet all the conditions set forth herein and under the Act, including the requirement to sustain their investment in the Project, to obtain conditional permanent residency and subsequently unconditional permanent residency for themselves and their spouses and minor children.

Section 10.04. Termination of Leases.

All Buildings shall be operated by the approved tenants for up to ten (10) years upon terms and conditions set forth in the individual Leases. All Leases shall automatically terminate upon the termination of the Partnership, withdrawal of all Limited Partners from the Partnership through redemption of their Interests or otherwise, or upon the expiration of the ten (10) year term, whichever is sooner.

ARTICLE XI - Management Compensation, Etc.

Section 11.01. Management Compensation, Etc.
Other than receiving its Interest herein, being reimbursed for all of its expenses and costs incurred related directly or indirectly to the development of the Project (including but not limited to permitting fees, professional fees and third party consultant fees), and receiving reimbursement for expenses and other costs incurred directly or indirectly by the General Partner to fulfill its duties hereunder, the General Partner shall not be entitled to compensation for its services rendered pursuant to this Agreement, except that the General Partner's designated manager is entitled to be paid a property management fee of up to ten percent (10%). In addition, however, the General Partner shall delegate its duty to develop the Project, including but not limited to the construction and build out of the Project, to the Resort Owner an Affiliate of Resort Owner for a construction supervisor charge to be paid by the Partnership in an amount equal to fifteen percent (15%) of the overall cost to the Partnership of the development and construction of the Buildings. Each Limited Partner has been given a copy of the Confidential Memorandum, including without limitation the financial pro formas attached thereto, in which the proposed fee structure to compensate the General Partner or its Affiliate(s), as identified in this section, is disclosed and agreed to without limitation by each Limited Partner.

ARTICLE XII - Dissolution of Partnership

Section 12.01. Dissolution.
The Partnership shall be dissolved, and the business of the Partnership shall be terminated in accordance with the Act, upon the occurrence of any of the following events:

(a) the dissolution, liquidation, withdrawal, retirement, removal, death, insanity, disability and/or Event of Bankruptcy of a General Partner, under such circumstances where no other remaining General Partner desires to continue the Partnership; provided, however, that the Partnership shall not be dissolved as aforesaid if the Limited Partner shall, within the maximum number of days permitted by the Act, elect to continue the Partnership and the Partnership business, and shall designate a successor General Partner;

(b) an election to dissolve the Partnership made in writing by all of the Partners in accordance with the Act;

(c) the sale or other disposition of all or substantially all of the Partnership Property, whether under Section 10.03 or otherwise;

(d) the expiration of the Term; or

(e) The occurrence of any other event causing the dissolution of a limited partnership under the laws of the State.

Section 12.02. Distribution of Partnership Assets.
Upon the dissolution of the Partnership, the Partnership business shall be wound up, all leases shall terminate and its assets liquidated; and the net proceeds of such liquidation shall be distributed to the Partners as set forth in Section 8.02.

Section 12.03. Termination of the Partnership.
The Partnership shall terminate when all Partnership Property shall have been disposed of (except for any liquid assets not so disposed of), and the net proceeds therefrom, as well as any other liquid assets of the Partnership, have been distributed to the Partners as provided in this Article and in accordance with the Act.

ARTICLE XIII - Accounting and Reports

Section 13.01. Bank Accounts.
Until such time as Partnership funds are expended into the Project,, and pursuant to the Business Plan The General Partner shall deposit the funds of the Partnership in the name of the Partnership in such separate bank or other financial institution account or accounts or in short-term US treasury Bills, and with such bank(s) or financial institution(s) as shall be determined by and in the sole reasonable discretion of the General Partner.

Section 13.02. Books of Account.
The General Partner shall at the expense of the Partnership keep at the principal office of the Partnership true, correct, and complete books of account, maintained by a Certified Public Accountant (CPA). For federal income tax and financial reporting purposes, the Partnership shall use the accrual method of accounting and the fiscal year shall end December 31. Each Partner shall have access thereto to inspect and copy such books of account at all reasonable times upon reasonable advance written notice to the General Partner. The Partnership shall retain all books and records for the longest of the periods required by applicable laws and regulations.

Section 13.03. Reports.
The General Partner shall at Partnership expense cause to be prepared and delivered to the Limited Partner and, when required, shall cause the Partnership to file with relevant governmental agencies, each of the following:

(a) by March 15 of each calendar year, unless an extension has been requested, the Partnership's federal income tax return including Schedule K-1's to form 1065 and all other information from the

Partnership necessary for the preparation of the Limited Partner's federal income tax return;

(b) within forty-five (45) days after being produced by Partnership accountants in each subsequent calendar year, for the prior fiscal year a financial statement and report prepared for the Partnership by a Certified Public Accountant.

(c) in addition, General Partner at its sole discretion may distribute interim financial reports.

Section 13.04. Tax Elections and Adjustments.
The General Partner is authorized to cause the Partnership to make, forego or revoke such elections or adjustments for Federal income tax purposes as they deem necessary or advisable in their sole discretion, provided such elections or adjustments are consistent with federal income tax rules and principles, including but not limited to, in the event of a transfer of all or part of the Limited Partnership Interest of any Partner, an election pursuant to section 754 of the Code to adjust the basis of the assets of the Partnership or any similar provision enacted in lieu thereof. The Partners will, upon request, supply any information necessary to properly give effect to any election or adjustment.

ARTICLE XIV - Meetings of the Partnership

Section 14.01. Meetings of the Partnership.
Meetings of the Partnership may be called for any matters upon which the Partners may vote as set forth in this Agreement. The calling of a meeting shall be made:

(a) by the General Partner, which shall give Notice to the Partners setting forth (i) a statement of the purposes of the meeting, and (ii) the date of the meeting (which shall be a date no fewer than 15 days and no more than 30 days after the date of the Notice); or

(b) by the Limited Partner (which for the limited purpose of this subsection shall require at least sixty-six percent (66.67%) of the Limited Partners agreeing to such call for a meeting), which shall give Notice to the Partners setting forth a statement of the purposes of the meeting. No more than 15 days after receipt of such Notice, the General Partner shall provide Notice of the meeting to the other Partners in accordance with subsection (a).

ARTICLE XV - Amendments

Section 15.01. Generally.
In addition to amendments otherwise authorized in this Agreement, this Agreement may be amended in any respect from time to time by the General Partner without written approval or consent of Limited Partners including but not limited to the following;

(a) by the General Partner, without the Consent of the Limited Partner, to

(1) add to its duties or obligations or to surrender any right or power given to it by this Agreement;

(2) cure any ambiguity, correct or supplement any provision of this Agreement which may be inconsistent with any other provision of this Agreement or make any other provisions with respect to matters or questions arising under this Agreement which are not inconsistent with the provisions of this Agreement;

(3) reflect on Exhibit A the removal, addition or substitution of the General Partner or the Limited Partner;

(4) correct or modify any provision to comply with the Act or satisfy USCIS; or

(5) any other amendment in the General Partner's sole discretion, so long as the amendment does not allow the Limited Partner to take part in the control of the Partnership's business in a manner that would reduce or eliminate the limited liability of the Limited Partner, or otherwise modify the limited liability of the Limited Partner, or increase the liability or obligations of the Limited Partner, or as to change the Capital Contributions required, or rights and interests in profits, losses and distributions of any Partner or dilute the interest of the Limited Partner.

Section 15.02. Signatures.
The General Partner shall sign any amendment to this Agreement adopted in accordance with the terms of this Agreement.

ARTICLE XVI - Miscellaneous Provisions

Section 16.01. Notices. etc.
All notices, requests, consents, and other communications hereunder shall be in writing and shall be deemed to have been duly given if (i) delivered or mailed by first-class registered or certified mail, postage prepaid, to the respective parties hereto at their respective addresses set forth in Exhibit A or in each case at such other address as such party may have furnished to the Partnership in writing, (ii) delivered in hand to a party, (iii) on the business day next following delivery to a nationally recognized overnight courier, or (iv) when transmitted by facsimile with electronic confirmation of transmission receipt.

Section 16.02. Survival of Representations.
All representations, warranties, and indemnifications contained herein shall survive the dissolution and final liquidation of the Partnership.

Section 16.03. Entire Agreement.
This Agreement contains the entire understanding between and among the parties and supersedes any prior understandings and agreements between and among them respecting the subject matter of this Agreement.

Section 16.04. Applicable Law.
It is the intention of the parties hereto that all questions with respect to the construction, enforcement, and interpretation of this Agreement and the rights and liabilities of the parties hereto shall be determined in accordance with the laws of the State without regard to principles of conflicts of laws.

Section 16.05. Severability.
This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable statutes, laws, ordinances, rules, and regulations. If any provision of this Agreement or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

Section 16.06. Binding Effect.
(a) Each Partner, including any additional General Partner,
successor General Partner, additional Limited Partner and substitute Limited Partner, shall be deemed to have adopted, and to have agreed to be bound by, all the provisions of this Agreement.

(b) When entered into by a Partner, this Agreement is binding upon, and inures to the benefit of, the

parties hereto and their respective spouses, heirs, executors and administrators, personal and legal representatives, successors and assigns.

Section 16.07. Counterparts.
This Agreement and any amendments hereto may be executed in several counterparts, each of which shall be deemed to be an original copy, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

Section 16.08. No Implied Waiver.
No failure on the part of any Partner to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right under this Agreement preclude any other or further exercise thereof or the exercise of any other right. No term or provision of this Agreement shall be deemed waived and no breach excused unless such waiver or excuse shall be in writing and signed by the party claimed to have so waived or excused.

Section 16.09. Power of Attorney.
Each Limited Partner, including any additional or substituted Limited Partner, by the execution of this Agreement or any counterpart thereof, and by execution of their Consent to Limited Partnership Agreement as part of the Subscription Agreements, does hereby irrevocably constitute and appoint the General Partner's president William Stenger, with full power of substitution, acting alone or jointly, its true and lawful agent and attorney-in-fact, with full power and authority in its name, place and stead, to make, execute, acknowledge, swear to, deliver, file and record such documents and instruments as may be necessary or appropriate to carry out the provisions of this Agreement, including, but not limited to: (i) such amendments to this Agreement and the Partnership's Certificate of Limited Partnership, as amended from time to time, as are necessary to effectuate the provisions of this Agreement, including without limitation to admit to the Partnership a substituted Limited Partner or a substituted General Partner, (ii) such documents and instruments as are necessary to cancel the Partnership's Certificate of Limited Partnership, (iii) an amended Certificate of Limited Partnership reflecting the terms of this Agreement, (iv) all certificates and other instruments deemed advisable by the General Partner to permit the Partnership to become or to continue as a limited partnership or partnership wherein the Limited Partner has limited liability in the jurisdiction where the Partnership may be doing business, (v) all fictitious or assumed name certificates required or permitted to be filed on behalf of the Partnership and (vi) all other instruments which may be required or permitted by law to be filed on behalf of the Partnership. The foregoing power of attorney is coupled with an interest, shall be irrevocable and shall survive the death, bankruptcy or incapacity of any Limited Partner and the assignment by any Limited Partner of its limited partnership interest.

Section 16.10. Partition.
The Partners hereby agree that no Partner, nor any successor-in-interest to any Partner, shall have the right while this Agreement remains in effect to have the property of the Partnership partitioned, or to file a complaint or institute any proceeding at law or in equity to have the property of the Partnership partitioned, and each Partner, on behalf of himself, his successors, representatives, heirs, and assigns, hereby waives any such right. It is the intention of the Partners that during the term of this Agreement, the rights of the Partners and their successors-in-interest, as among themselves, shall be governed by the terms of this Agreement, and that the right of any Partner or successor-in-interest to assign, transfer, sell or otherwise dispose of its interest in the Partnership's Property shall be subject to the limitations and restrictions of this Agreement.

Section 16.11. Confidentiality.
A prospective investor into the Partnership, by accepting receipt of this Agreement, agrees not to duplicate or to furnish copies of this Agreement or to divulge information garnered from this Agreement or its exhibits to persons other than such investor's investment and tax advisors, accountants and legal counsel, and such advisors, accountants and legal counsel together with

the prospective investors and any other persons to which this Agreement or the Related Documents come into their possession are prohibited from duplicating or using this Agreement, the Related Documents and all exhibits thereto in any manner other than to determine whether the investor wants to invest into the Partnership. Prospective investors are not to construe the contents of this Agreement as legal, investment, immigration or tax advice, or any other advice related to the efficacy of the investment to them. The General Partner has not engaged any legal or other advisors to represent prospective investors. Each prospective investor should consult their own advisors as to legal, tax and related matters concerning the efficacy of this investment and the appropriateness of this investment to them and any other matters concerning this investment. The expense of such consultations shall be paid separately by the investor.

Section 16.12. Approval of Agreement.
All Qualified Investors who invest in the Partnership and become a Limited Partner, by their receipt of this Agreement and investment into the Partnership hereby approve this Agreement, all Related Documents and all exhibits thereto, and approve without limitation the use of their investment proceeds, the investment itself, and all management and exit strategies, all as disclosed herein.

Section 16.13. No Guarantees or Redemption Rights.
Each Limited Partner acknowledges and agrees by their receipt of this Agreement and investment into the Partnership that no promises or guarantees of performance, investment results or returns, rights to redeem their interests or removal of conditions under the EB-5 Program have been made to them by anyone, including but not limited to by the General Partner or any of its Affiliates, and their agents, representatives, officers, salesmen, managers, employees, attorneys, consultants and third party contractors, and they are not relying on anything from the General Partner or any of its Affiliates, and their agents, representatives, officers, salesmen, managers, employees, attorneys, consultants and third party contractors except this Agreement and the Related Documents in making their decision to invest.

Section 16.14. Arbitration Clause.
Any and all disputes arising under or relating to the interpretation or application of this Agreement shall be subject to arbitration in Vermont under the then existing rules of the American Arbitration Association and pursuant to the Vermont Arbitration Act, codified at 12 V.S.A. section 5651, et seq. (the "VAA"), and if any conflict exists between said rules and VAA, the VAA shall control. Judgment upon the award rendered may be entered in any court of competent jurisdiction. The cost of such arbitration shall be borne equally by the parties. Nothing contained in this Section shall limit the right of the General Partner, either on behalf of the Partnership or on its own behalf, and Limited Partner from seeking or obtaining the assistance of the courts in enforcing their constitutional or civil rights.

ACKNOWLEDGMENT OF ARBITRATION.

The parties to this Agreement understand that this Agreement contains an agreement to arbitrate. After signing this Agreement, or the investment subscription documents as set forth in Section 3.02(b) herein, each Partner understands that it will not be able to bring a lawsuit concerning any dispute that may arise which is covered by the arbitration agreement, unless it involves a question of constitutional or civil rights. Instead, each Partner agrees to submit any such dispute to an impartial arbitrator.

GENERAL PARTNER:
JAY PEAK GP SERVICES STATESIDE INC.

BY:_____
William Stenger, President
and Duly Authorized Agent

INITIAL LIMITED PARTNER:
JAY PEAK GP SERVICES STATESIDE INC.

BY: _____
William Stenger, President
and Duly Authorized Agent

Section 16.15. Reimbursement of Expenses and Costs.
Notwithstanding anything herein to the contrary, the General Partner and its Affiliates will be reimbursed by the Partnership for all expenses and costs incurred by the General Partner or its Affiliates in exercising the duties and powers delegated to and granted the General Partner herein.

Section 16.16. Translation of Agreement, Etc.
Each prospective Partner, by their receipt of this Agreement, acknowledges that it is their responsibility to obtain and pay for the translation of this Agreement, Related Documents and exhibits thereto if they cannot read or understand English. No such translation may alter, modify or otherwise change the terms of this Agreement as set forth in English in any manner or way whatsoever.

Section 16.17. Gender Clause.
Common nouns and pronouns will be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the person or persons, firm or corporation may in the context require.

DATED at Jay, Vermont as of the ____ day of _____, 20____.

GENERAL PARTNER:	**INITIAL LIMITED PARTNER:**
JAY PEAK GP SERVICES STATESIDE INC.	**JAY PEAK GP SERVICES STATESIDE INC.**
BY:_____	BY: _____
William Stenger, President	William Stenger, President
and Duly Authorized Agent	and Duly Authorized Agent

ACCEPTANCE OF AGENT UNDER POWER OF ATTORNEY

William Stenger acknowledges that Section 16.09 contains a power of attorney from each Limited Partner, and he accepts his appointment as each Limited Partner's true and lawful agent and attorney-in-fact. William Stenger understands his duties under said Section 16.09 and Vermont law regarding powers of attorney as defined in 14 V.S.A. Section 3503(e).

_____
William Stenger

Witness Affirmation

The undersigned witness to the signature of William Stenger affirms that he appeared to be of sound mind and free from duress at the time the power of attorney contained in the foregoing instrument was signed, and that he affirmed that he was aware of the nature of the foregoing document and the power of attorney contained therein and signed it freely and voluntarily.

_____
Witness

Exhibit A

Name	Address	Initial Interest	Capital Contribution
General Partner			
Jay Peak GP Services Stateside Inc.	4850 VT. Route 242 Jay, VT 05859-9621	0.01%	
Limited Partner			
Jay Peak GP Services Stateside Inc.	4850 VT. Route 242 Jay, VT 05859-9621	99.99%	

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JAY PEAK
VERMONT

Section 4

Subscription Documents

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Jay Peak Hotel Suites Stateside L.P. Subscription Documents

INSTRUCTIONS FOR COMPLETION

In connection with your subscription for an interest in Jay Peak Hotel Suites Stateside L.P., enclosed herewith are the following documents which must be properly and fully completed, signed and returned as set forth herein:

Exhibit A: **Investor Escrow Agreement Jay Peak Hotel Suites Stateside L.P.**

Exhibit B: **Purchaser Investor Questionnaire Jay Peak Hotel Suites Stateside L.P.**
To be completed and signed by you.

Exhibit C: **Subscription Agreement and Consent to Limited Partnership**
Jay Peak Hotel Suites Stateside L.P.
Complete as indicated.

Please make sure your check payable to (i) The Limited Partnership, "Jay Peak Hotel Suites Stateside L.P." in the amount of $500,000 and (ii) The Company, "Jay Peak Inc." in the amount of $50,000, or make wire transfer(s) in said amounts (see below), being a total of $550,000 to participate in the Offering.

Please return the aforementioned subscription documents and checks or confirmation of wire transfer to the Limited Partnership and the Company c/o :

Jay Peak Inc.
Attn: William Stenger
President & General Partner
830 Jay Peak Road
Jay, Vermont 05859
USA

E-mail: bstenger@jaypeakresort.com Tel: 802-327-2222

Investor Escrow Agreement

JAY PEAK HOTEL SUITES STATESIDE L.P.

THIS INVESTOR ESCROW AGREEMENT (the "Agreement"), is made by and between the undersigned (the "Investor") and

People's United Bank
2 Burlington Square
Burlington, VT 05401

a savings bank chartered under the laws of the United States of America (the "Escrow Agent"), as of the date the Escrow Agent signs the Agreement.

Recitals

A. Offering. Jay Peak Hotel Suites Stateside L.P., a Vermont limited partnership (the "Limited Partnership"), is in the process of offering to sell limited partnership interests to investors (collectively, the "Investors" and individually, an "Investor"), pursuant to a Private Offering Memorandum of contemporaneous date hereof (the "Offering Memorandum") and a Limited Partnership Agreement to be attached thereto as an exhibit (the "LP Agreement"), as a means to securing funds to purchase and lease land and develop and construct the Hotel Suites at the Stateside area of the resort, Cottages / Mountain Chalets, medical center, recreation center and other amenities at Jay Peak Resort in Jay, Vermont. The general partner of the Limited Partnership is Jay Peak GP Services Stateside Inc. (the "General Partner"). The business of the Limited Partnership and the use of Investor monies (the "Project") will be fully explained in the LP Agreement and Offering Memorandum. The required minimum subscription amount of investment funds for each unit in the Project per Investor to meet EB-5 regulations and requirements is US$500,000 (the "Investment"). Though not part of the Investor's EB-5 Investment, under the terms of the Private Offering Memorandum each Investor is also to pay Offering Issuance expenses herein defined as "Administrative Fees" of US$50,000 to Jay Peak, Inc. (the "Company"), to partially reimburse the Company for all costs incurred by the Company in business planning, creating and structuring the Project and producing, issuing and distributing the Private Offering Memorandum and coordination with interested parties and their professional advisors.

B. Purpose of Agreement. The Escrow Agent has been retained by the Company to hold on deposit, in an account for the benefit of the Investors and the Limited Partnership, monies received from Investors to reserve a place in the Project while conducting due diligence.

Terms and Provisions

In consideration of the respective covenants and agreements hereinafter set forth, and other good and valuable consideration now paid by each party to the other (the sufficiency and receipt of which is hereby acknowledged), the parties hereto agree as follows:

Partnership Interests are available on a first-come, first-serve basis, but subject at all times to the sole discretion of the General Partner. Prospective Investors may also remit the full investment amount total in one payment to help expedite their subscription.

1. Acknowledgment of Escrow Agent and Ratification of its Duties. As of the date of this Agreement, the Escrow Agent acknowledges receipt from the Investor of US$10,000 to request a place in the Offering (the "Minimum Deposit"). Any monies deposited by the Investor with the Escrow Agent in excess of the Minimum Deposit and allocated towards the Investor's Investment or Administrative Fees, whether simultaneously hereof or subsequent to the date of this Agreement, shall also be subject to this Agreement, and all funds deposited with the Escrow Agent shall be defined herein as the "Escrow Funds". The Escrow Agent agrees with the Investor to hold the Escrow Funds in an account (the "Escrow Account") and disburse the Escrow Funds as set forth herein.

2. Acknowledgements of Investor.

(a) The Investor acknowledges that the Minimum Deposit is tendered to reserve a place in the Offering and that all Escrow Funds shall be subject to this Agreement.

(b) The Investor represents that he or she is a bona fide, qualified investor seeking to invest into the Project, and that the Escrow Agent and the Limited Partnership are relying on this representation in accepting the Escrow Funds into Escrow and into the Project upon release of the Escrow Funds. The Investor also acknowledges that the Limited Partnership and the Company are third party beneficiaries of this Agreement.

3. Refund of Escrow Funds to Investor. At any time up to thirty (30) days after payment of the Minimum Deposit, or up to thirty (30) days after the Investor's receipt of the Offering, whichever is the last to occur, unless such period is extended in writing by the Limited Partnership with a copy of such extension sent to Escrow Agent (the "Due Diligence Period"), the Investor upon written notice received by Escrow Agent prior to the expiration of such Due Diligence Period, with a copy to the General Partner, shall be entitled to a full refund of the Escrow Funds.

4. Release of Escrow Funds to Limited Partnership.

(a) After the expiration of the Due Diligence Period, unless refunded pursuant to the notice set forth in section 3 above, the Minimum Deposit is strictly non-refundable and will automatically be released by the Escrow Agent to the Limited Partnership. Thereafter, the Investor shall have an additional forty-five (45) days to complete payment of his or her Investment and payment of Administrative Fees, if not already done, by depositing the balance owed into the Escrow Account.

(b) Notwithstanding the above, at such time that the Investor deposits the balance of the Investment and Administrative Fees into the Escrow Account and the Escrow Agent receives a copy of the Subscription Documents executed by Investor and accepted by the Limited Partnership, the Escrow Agent shall immediately release all Escrow Funds received by the Investor to the Limited Partnership, as to the Investment, and to the Company, as to the Administrative Fees, pursuant to the executed Subscription Documents.

5. Effect of Release of Escrow Funds to the Limited Partnership. The Investor confirms that upon release of the Escrow Funds to the Limited Partnership pursuant to the terms of section 4 above, the Escrow Funds shall be committed by the Investor to the Project and be available by the Project immediately and irrevocably upon such release; subject, however, to the refund provisions of the Offering Memorandum, including the LP Agreement.

6. Duties and Responsibilities of Escrow Agent.

(a) As Escrow Agent hereunder, Escrow Agent, acting in such capacity, shall have no duties or responsibilities except for those expressly set forth herein.

(b) The Limited Partnership and the Investor shall jointly and severally indemnify and hold harmless the Escrow Agent against any loss, damage or liability, including, without limitation, attorney's fees which may be incurred by the Escrow Agent in connection with this Agreement, except any such loss, damage or liability incurred by reason of the negligence or misconduct of the Escrow Agent.

(c) The Escrow Agent, acting as such, shall not be liable to anyone by reason of an error in judgment, a mistake of law or fact, or for any act done or step taken or omitted, in good faith, and this provision shall survive the termination of this Agreement.

(d) At the time the Escrowed Funds are released by Escrow Agent in accordance with this Agreement, Escrow Agent shall be discharged from any obligation under this Agreement.

7. Rights of Escrow Agent Upon Dispute.

(a) In the event of any disagreement between the Escrow Agent and the Investor or between them and any other person, resulting in adverse claims or demands being made in connection with the Escrow Funds, or in the event that the Escrow Agent, in good faith, shall be in doubt as to what action it should take hereunder, the Escrow Agent may, at its option, refuse to comply with any claims or demands on it or refuse to take any other action hereunder, so long as such disagreement continues or doubt exists, and in any such event, the Escrow Agent shall not be or become liable in any way or to any person for its failure or refusal to act, and the Escrow Agent shall be entitled to continue so to refrain from acting until (i) the rights of the Escrow Agent and the Investor shall have been fully and finally adjudicated by a court of competent jurisdiction, or (ii) all differences shall have been adjusted and all doubt resolved by agreement between the Escrow Agent and the Investor, and the Escrow Agent shall have been notified thereof in writing.

(b) In the event Escrow Agent becomes involved in litigation in connection with this Agreement, the Investor and Limited Partnership agree to jointly and severally indemnify and hold the Escrow Agent harmless from all losses, costs, damages, expenses, liabilities, judgments and reasonable attorney's fees suffered or incurred by Escrow Agent as a result thereof, except that this indemnity obligation shall not apply to any litigation in which relief is sought for the negligence or misconduct of the Escrow Agent.

(c) The Escrow Agent may consult with independent legal counsel in the event of any dispute or questions as to the construction of any of the provisions hereof or its duties hereunder and it shall incur no liability and shall be fully protected in acting in accordance with the opinion and instructions of counsel. The Escrow Agent shall have the right to file legal proceedings, including interpleader, to determine the proper dispositions of assets hereunder, all costs thereof constituting an expense of administration of this Agreement.

8. Notices. All notices, instructions and other communications required or permitted to be given hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been duly given if delivered personally or telexed or mailed, postage prepaid, registered or certified mail, as follows:

(a) If to the Investor:

Name: _____
Address: _____
_____

Email: _____

(b) If to Escrow Agent:

People's United Bank
2 Burlington Square
Burlington, VT05401 Attn: Institutional Trust

With a copy to:

Jay Peak GP Services Stateside Inc.
4850 VT Route 242
Jay, Vermont 05859 Attn: William Stenger, President

Any notice delivered or telexed as aforesaid shall be deemed to have been received by the party or parties to whom it is sent on the date of its being so delivered or telexed. Any notice mailed as aforesaid shall be deemed to have been received by the party or parties hereto to whom it is so mailed five business days after the date of its being so mailed.

9. Generally. (a) This Agreement shall be governed by and construed and in accordance with the laws of the State of Vermont, United States of America.

(b) The section headings are for reference purposes and shall not affect the meaning or interpretation of this Agreement.

(c) This Agreement shall be binding upon, and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

(d) The terms and provisions of this Agreement may only be amended, modified, waived, superseded or canceled by written instrument executed by both of the parties hereto or, in the case of a waiver, by the party or parties waiving compliance. Notwithstanding the foregoing, no term which affects the Investor's rights or responsibilities may be amended, modified, superseded or canceled without the prior express written consent of the Investor.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the dates set forth below.

THE INVESTOR (Dated _____)

BY _____
(signature)

Print Name:_____

THE ESCROW AGENT
PEOPLE'S UNITED BANK (Dated _____)

BY_____
Name: _____
Duly Authorized Agent

STATE OF VERMONT
CHITTENDENCOUNTY, SS.

At Burlington, Vermont, this ____ day of _____, 201__, personally appeared _____, a person known to me and a duly authorized agent of People's United Bank, and acknowledged the foregoing instrument to be his/her free act and deed, and the free act and deed of People's United Bank.

Before me, _____
Notary Public
Comm. Exp. 2/10/15 **(affix seal here)**

Insert notary verification (if required) here:

THE PARTIES TO THIS AGREEMENT ACKNOWLEDGE THAT JAY PEAK HOTEL SUITES STATESIDE L.P. AND JAY PEAK, INC. HAVE CONSENTED TO THE TERMS HEREOF AND ARE THIRD PARTY BENEFICIARIES.

Exhibit B

Purchaser Investor Questionnaire

THE FOLLOWING INVESTOR QUESTIONNAIRE IS ESSENTIAL TO ENSURE THAT THIS OFFERING IS CONDUCTED IN FULL COMPLIANCE WITH REGULATION D OR REGULATION S OF THE SECURITIES ACT OF 1933, AS AMENDED. THE QUESTIONNAIRE WILL REMAIN ON FILE IN CONFIDENCE IN THE OFFICES OF JAY PEAK HOTEL SUITES STATESIDE L.P. (THE "LIMITED PARTNERSHIP") FOR A PERIOD OF 4 YEARS.

YOUR COOPERATION IN THE FULL COMPLETION OF THE INVESTOR QUESTIONNAIRE IS GREATLY APPRECIATED.

JAY PEAK HOTEL SUITES STATESIDE L.P.

Name and Address of Prospective Investor:

_____

_____

_____

Gentlemen:

I understand that the limited partnership interest (the "Interest") offered for sale to me by Jay Peak Hotel Suites Stateside L.P. (the "Limited Partnership") will not be registered under the Securities Act of 1933, as amended (the "Act") and applicable state securities laws (the "State Acts"). I also understand that in order to ensure that the offering and sale of the Interests (the "Offering") are exempt from registration under the Act and the State Acts, the Limited Partnership is required to have reasonable grounds to believe, and must actually believe, after making reasonable inquiry and prior to making any sale;

☐ - that purchasers not resident in the United States at the time of the offer and purchase are purchasing for their own account and not for the benefit of a United States person, as that term is defined in Regulation S; or

☐ - that the purchaser is resident and is living in the United States, in which event Regulation D under the Act shall apply.

In order to induce the Limited Partnership to permit me to purchase an Interest, I hereby warrant and represent to the Limited Partnership as follows:

NOTE: The information provided herein will be relied upon in connection with the determination as to whether you meet the standards imposed by Regulation D or Regulation S promulgated under the Act, since the Interests offered hereby have not been and will not be registered under the Act and are being sold in reliance upon the exemption provided by Regulation S or Regulation D as applicable to the Investor. All information supplied will be treated in confidence; except that this Questionnaire may be presented to such parties as deemed appropriate or necessary to establish that the sale of an Interest to you will not result in violation of the exemption from registration under the Act which is being relied upon in connection with the sale of the Interest.

INSTRUCTIONS: Please answer each question fully and attach additional information, if necessary. If the answer to any question is "None" or "Not Applicable" please so state. Please sign and date the Questionnaire on the final page.

1.

Name: _____

Date of Birth: _____ (dd/mm/yyyy)

Firm Name: _____

Business Address: _____

Business Telephone Number: _____

Residence Address: _____

2.

(a) Education: _____

_____

_____

Other specialized Education or Instruction:

_____

_____

(b) All Professional Memberships or Licenses:

_____

_____

3. Occupation

Present occupation (with date of commencement):

_____

_____

Occupations during last five years (with dates):

_____

_____

4. My net worth or joint net worth with my spouse is at least $US_____ . My proposed investment will ☐ will not ☐ exceed ten percent of my net worth.

5. My income ☐ has ☐ has not exceeded $US200,000 in each of the two most recent years, and I ☐ have ☐ do not have a reasonable expectation of reaching the same income level in the current year.

   My joint income with my spouse ☐ has ☐ has not exceeded $US300,000 in each of the two most recent years, and I ☐ have ☐ do not have a reasonable expectation of reaching the same income level in the current year.

6. I do not have any other investments or contingent liabilities which I reasonably anticipate could cause the need for sudden cash requirements in excess of cash readily available to me.

   ☐ Yes ☐ No

7. I have checked my investment objectives where applicable:

   ☐ Income ☐ Appreciation ☐ Other

8. I can bear the risk of the proposed investment, including the loss of my entire investment, a lack of liquidity in the investment or an inability to sell the investment for an indefinite period of time.

   ☐ Yes ☐ No

9. I learned about this investment in the following manner (check each applicable line).

- ☐ Personal contact or acquaintance
- ☐ Investment adviser or counselor
- ☐ Prior investment or Association with the Limited Partnership
- ☐ Broker-dealer
- ☐ Affiliation with business or management
- ☐ Immigration Research
- ☐ Other (please state):

10. If I am an EB-5 Investor, with respect to my qualifications as an "alien entrepreneur" for purposes of the Regulations to the Immigration and Nationality Act, as amended, I represent and warrant that:

(a) I have attained the age of 18 years and have the legal capacity and competence to execute all necessary documents in connection with this Offering;

(b) I have complied and will continue to comply with all the requirements, terms and conditions prescribed by U.S Citizen and Immigration Services and the U.S. Department of State in connection with my forthcoming petition as an EB-5 fifth employment-based visa preference "alien entrepreneur" and subsequent applications for lawful permanent residence;

(c) If I am resident of and living in the United States at the time of sale, I have accumulated a net worth of not less than $US1,000,000; or an individual income in excess of $200,000 each of the two most recent years; or a joint income with my spouse in excess of $300,000 in each of the two most recent years and reasonably expect to reach the same income level in the current year;

(d) I am in good health and know of no health impairment which would likely result in exclusion under the Immigration and Nationality Act, as amended; and

(e) I have never been convicted of any criminal offense or engaged in any acts which constitute crimes of which I have not been convicted and I do not know of any facts howsoever whatsoever which would result in my failure to meet the requirements of an "alien entrepreneur" under the applicable sections of the US Immigration & Nationality Act, or any grounds of inadmissibility that the United States Government may cite which would result in my failure to be admitted into the United States as a lawful permanent resident.

11. I was not solicited by any general form of advertisement for this investment.

12. I am aware that there are limitations on my ability to sell the Interest and that the certificate evidencing the Interest will carry a restrictive legend.

13. I am purchasing the Interest for personal investment and without a view to redistribution.

14. I represent and warrant to the Limited Partnership and its general partner that the information contained in this Investor Questionnaire is true, complete and correct.

15. I agree to notify the Limited Partnership promptly of any change in the foregoing information which may occur prior to transfer of the Interest to me.

Dated: _____ **Investor Signature:** _____

Exhibit C

Subscription Agreement

Dated:____/____/____ (dd/mm/yyyy)

Jay Peak Hotel Suites Stateside L.P.
c/o Jay Peak GP Services Stateside Inc. (the "General Partner")
4850 Route 242
Jay, VT05859

Subscription Agreement
For Purchase of a Limited Partnership Interest in
Jay Peak Hotel Suites Stateside L.P.

Gentlemen:

The undersigned (or "I" or "me" or "my," as applicable), subject to the terms and conditions herein, hereby irrevocably subscribes for one limited partnership interest (the "Interest") in Jay Peak Hotel Suites Stateside L.P., a Vermont limited partnership (the "Limited Partnership" or "Partnership"). The minimum[1] capital contribution (the "Capital Contribution") is Five Hundred Thousand Dollars (US$500,000) as required under 8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) of the Immigration & Nationality Act (the "ACT") to be eligible under The EB-5 Visa Program.

In addition, though not part of the Investor's EB-5 Investment, under the terms of the Private Offering Memorandum each Investor is also to pay Offering issuance expenses herein defined as "Administrative Fees" of Fifty Thousand Dollars (US$50,000) to Jay Peak, Inc. (the "Company"), to partially reimburse the Company for all costs incurred by the Company in business planning, creating and structuring the Project and producing, issuing and distributing the Private Offering Memorandum and coordination with interested parties and their professional advisors.

Payment in full for the Partnership Interest purchased and the Administration Fees must accompany this Agreement. An "Interest" is defined in the Limited Partnership Agreement as the partner's right, title, and interest in the Partnership, including any and all assets, distributions, losses, profits and shares of the Partnership, whether cash or otherwise, and any other interests and economic incidents of ownership whatsoever of such partner in the Partnership.

[1] The minimum Capital Contribution for purposes of this Limited Partnership for an investor seeking lawful permanent resident status under the EB-5 program under the Immigration and Nationality Act, as amended, is $500,000. For investors not seeking the benefits of such EB-5 program, the minimum Capital Contribution may be reduced at the sole discretion of the general partner.

The undersigned agrees that the Partnership may reject this Subscription Agreement in its sole and absolute discretion within fifteen (15) days of receipt of this Subscription Agreement, if the undersigned subscriber is not an accredited investor.

I have received and read the Offering Memorandum, dated October 31, 2011, including the Limited Partnership Agreement and Exhibits thereto (the "Memorandum"), covering the sale of the Interests (the "Offering") and hereby acknowledge that I am not acting on the basis of any representations and warranties other than those contained in the Memorandum. I hereby acknowledge that all matters relating to the Memorandum have been explained to me to my satisfaction and approval, and that I understand the speculative nature and the risks involved in the proposed investment. I agree to be bound by all of the terms and conditions of the Offering made by the Memorandum, the exhibits thereto, and the Limited Partnership Agreement.

I realize that (i) an investment into the Partnership is of a speculative nature and may result in a loss of my entire investment; (ii) the Interests have not been registered under the Securities Act of 1933 or the laws of any state, (iii) unless the purchaser is a resident and living in the United States, wherein Regulation D under the Act shall apply, the Interests may not be offered or sold in the United States, or to any natural person resident in the United States or to any entity formed in the United States or whose owners (directly or indirectly) are "U.S. persons" within the meaning of Regulation S issued by the Securities and Exchange Commission; (iv) the Interest is not transferable except in compliance with the restrictions on transferability indicated in the Memorandum and in the Limited Partnership Agreement and to be written on all certificates evidencing the Interest, as imposed by applicable federal and state securities laws or otherwise and, accordingly, an investment in the Partnership lacks liquidity; (v) this is not a "tax shelter" investment and the nature and tax consequences to me of an investment in the Partnership may depend upon my circumstances; and (vi) no federal or state agency has made any finding or determination as to the fairness of the Offering, or any recommendation or endorsement of the Interests.

I agree to be bound by all of the terms and provisions of the Memorandum and to perform any obligations therein imposed on a purchaser with respect to an Interest purchased as a result thereof, and I acknowledge that the Limited Partnership will be relying on the agreements and information as provided by me in determining my qualifications to invest in the Partnership.

If I am resident of, and living in the United States, I confirm I have accumulated a net worth of not less than US$1,000,000, not including residence, home furnishings or automobiles, or have an individual income of not less than US$200,000 per annum or a joint income with my spouse of not less than US$300,000 per annum.

I reaffirm the representations concerning me made in the Investor Questionnaire and the Acknowledgment of Receipt of Memorandum, all of which are hereby incorporated herein by reference. I further represent and warrant as follows:

(a) I have read and am familiar with the Memorandum and its Exhibits;

(b) I am;

☐ (i) A resident of, and living in the U.S. at the time of sale and therefore Regulation D of the Act shall apply; or

☐ (ii) Not resident in the United States at this time, nor will I be at the time of sale, and therefore Regulation S of the Act shall apply;

(c) The Interest for which I hereby subscribe will be acquired solely for my account and is not being purchased for subdivision or fractionalization thereof or for the benefit of a United States person (unless that person is resident and living in the U.S) as that term is defined in Regulation S; and I have no contract, undertaking, agreement or arrangement with any person to sell, transfer or pledge to such person, or to anyone else, the Interest which I hereby subscribe to purchase or any part thereof, and I have no present plan to enter any such contract, undertaking, agreement or arrangement;

(d) The Limited Partnership has made all documents pertaining to this investment available to me and, if I so requested, to my attorney and/or accountant;

(e) I have relied solely upon the Memorandum presented by the Limited Partnership, the Exhibits to the Memorandum, and such independent investigations as made by me in making a decision to purchase the Interest subscribed for herein;

(f) I am investing in my own name; and I was not solicited by any form of general solicitation or general advertising, including, but not limited to the following:

(i) any advertisement, article, notice of other communications published in any newspaper, magazine, or similar media or broadcast over television or radio in the United States; and

(ii) any seminar or meeting whose attendees had been invited by any general solicitation or general advertising in the United States;

(g) I acknowledge an understanding of the restrictions on transferability of the Interest and realize that no transfer may occur, excepting as permitted under Article 10 of the Limited Partnership Agreement, and in any event only after registration of the Interests under the Securities Act of 1933 or pursuant to an exemption from the securities laws and regulations; and

(h) I agree that the Interest may not be sold in the absence of registration unless such sale is exempt from registration as evidenced by a written opinion of counsel of the Limited Partnership, and further that I shall be responsible for compliance with all conditions on transfer imposed by any Commissioner of Securities of any state and for any expenses incurred by the Limited Partnership for legal or accounting services in connection with reviewing any proposed transfer or issuing opinions in connection therewith.

I recognize that the offer and sale of the Interest to me was based upon my representations and warranties contained above and I hereby agree to indemnify the Limited Partnership, the General Partner, its affiliates and advisors, including their officers and directors, and to hold each harmless from and against all liabilities, costs or expenses (including attorney's fees) arising by reason of or in connection with any misrepresentation or any breach of such warranties by me, or my failure to fulfill any of my covenants or agreements set forth herein, or arising as a result of the sale or distribution of the Interest by me in violation of the Securities Exchange Act of 1934, as amended, the Securities Act of 1933, as amended, or any other applicable law.

This subscription and the representations and warranties contained herein shall be binding upon my heirs, legal representatives, successors and assigns.

To facilitate the expeditious administration of the business operations of the Limited Partnership, I hereby irrevocably designate and appoint William J. Stenger, or his designee, with full power of substitution, my

agent and attorney-in-fact in my name, place and stead to do any act or thing required by me under the Limited Partnership Agreement and to make, execute, swear to and acknowledge, amend, file, record, deliver and publish, or apply for (a) any certificate of limited partnership, or amended certificate of limited partnership required to be filed on behalf of the Limited Partnership under the laws of the State of Vermont, or required or permitted to be filed or recorded under the statutes relating to limited partnerships under the laws of any jurisdiction in which the Limited Partnership shall engage or seek to engage in business; (b) any fictitious or assumed name certificate required or permitted to be filed by or on behalf of the Limited Partnership; (c) any other instruments necessary to conduct the operations of the Limited Partnership or which may be required or permitted by law to be filed on behalf of the Partnership; and (d) a social security number (SSN) or an individual tax identification number (ITIN) in connection with distributions to be made to me under the Limited Partnership Agreement. Provided, however, the said agent and attorney-in-fact may not take any action which under the Limited Partnership's Agreement of Limited Partnership requires or permits the holders of the Interests to vote. The existence of this power of attorney, which shall not be affected by my disability, shall not preclude execution of any such instrument by me individually on such matter. The foregoing power of attorney is coupled with an interest, shall be irrevocable and shall survive my death, bankruptcy or incapacity and the assignment by me of my Interest. Any person dealing with the Limited Partnership shall conclusively presume and rely upon the fact that any such instrument executed by such agent and attorney-in-fact is authorized, regular and binding without further inquiry. I shall execute and deliver to the Limited Partnership within five days after receipt of a request therefore by the Limited Partnership such further designations, powers of attorney and other instruments as the Limited Partnership shall reasonably deem necessary.

Upon the Partnership's acceptance of this Subscription Agreement and related exhibits, and receipt of the undersigned's full Subscription Amount of $500,000 by the Limited Partnership, and the Administrative Fees by Jay Peak Inc.; the Partnership shall notify the undersigned that it has accepted the subscription herein by delivering to the undersigned a fully signed copy of the Subscription Agreement and the undersigned shall be admitted as a Limited Partner of the Partnership, with a certificate evidencing the undersigned's Interest in the Partnership issued in the undersigned's name to the undersigned within a reasonable period of time.

Partnership Interests are available on a first-come, first-serve basis, but subject at all times to the sole discretion of the General Partner. Those Investors who need additional time to complete their due diligence may make a refundable deposit of US$10,000 for up to thirty (30) days. As set forth in the Confidential Memorandum, after requesting an interest in the Limited Partnership by making an escrow deposit of $10,000 with People's United Bank subject to the terms of an Investor Escrow Agreement, each Limited Partner shall have up to thirty (30) days to conduct his due diligence, and up to an additional forty-five (45) days thereafter to complete his investment into the Project by paying the rest of the Subscription Amount, which time periods may be extended by the General Partner at its sole discretion.

<u>If applicable to my investment in the Partnership, with respect to my qualifications as an "alien entrepreneur" for purposes of the EB-5 program under the Immigration and Nationality Act, as amended (the "EB-5 Program"), I represent, acknowledge and warrant to the Limited Partnership and General Partner as follows:</u>

(a) I, the undersigned, have attained the age of 18 years and have the legal capacity and competence to execute all necessary documents in connection with this Offering and to take all actions required pursuant to those documents;

(b) I shall hire independent counsel for immigration processing and other legal matters. The undersigned shall be responsible for payment of my own legal fees and costs;

(c) I understand that Jay Peak Hotel Suites Stateside L.P. and the General Partner shall use their reasonable best efforts to assist my immigration counsel with the filing of my I-526 Petition.

(d) I understand that Jay Peak Hotel Suites Stateside L.P. and the General Partner shall use their reasonable best efforts to assist my immigration counsel with the filing of my I-829 Petition and hereby authorize and will reimburse the General Partner to engage with, delegate to, and reasonably compensate qualified persons in the assemblage and preparation of documents, reports and required verification of requisite job creation in connection with and in support of my I-829 Petition to remove conditions to obtaining permanent residency;

(e) I understand that upon subscribing to this Offering and becoming a limited partner, it is at the sole responsibility, risk and cost of the undersigned to file my I-526 and I-829 petitions. There is no refund of my Subscription Amount for failure to file my I-526 or I-829 petitions;

(f) I understand that in the event my I-526 petition is denied at any time, my rights are limited solely to the return of my $500,000 Capital Contribution (and 50% of the Administrative Fee) within ninety (90) days of written request therefore to the General Partner. The returned $500,000 Capital Contribution is separate from any previously paid or currently due Partnership distribution of profits. I understand there is no right to a refund of any of my Subscription Amount in the event my I-829 petition is denied;

(g) I understand that the regional center pilot program, created in support of the EB-5 Program and further described in the Memorandum (the "Pilot Program"), has lapsed in the past, only to be reauthorized retroactively so that no investor rights were prejudiced by a lapse in the program. The same scenario may occur should the current Pilot Program lapse, but this result cannot be assured. If the Pilot Program lapses, and my I-526 petition is filed with USCIS prior to the date of lapse, my $500,000 Capital Contribution shall remain invested in the Partnership provided:

1. the Pilot Program is reauthorized retroactively or is pending reauthorization within a twelve (12) month period following its lapse, and my I-526 Petition is in due course adjudicated; or
2. legislation is enacted or pending providing substantially similar immigration benefits to foreign investors like me as under the lapsed Pilot Program and the EB-5 Program within a twelve (12) month period following the Pilot Program's lapse, and my I-526 petition is in due course adjudicated.

If neither of the events described under 1 and 2 above occur, at my option I may either remain invested in the Partnership, or request in writing a refund of my Capital Contribution of $500,000. Upon receipt of a request of refund to the General Partner, the Capital Contribution will be refunded by the Limited Partnership within a period of ninety (90) days from receipt of such request, and my interest in the Limited Partnership shall automatically be terminated and I shall no longer have any of the rights and benefits of ownership of an interest or any right to participate in any manner whatsoever in the affairs of the Partnership. I acknowledge that my rights in this regard are limited solely to the return of my Capital Contribution of $500,000.

(h) If I do not have a social security number (SSN) or an individual tax identification number (ITIN) at the time of my investment into the Limited Partnership, I must apply for and provide one in a timely manner after the investment and prior to any distributions to me as described in the Partnership Agreement.

Consent to Limited Partnership Agreement

The undersigned hereby consents (the "Consent") to the terms and conditions of the Limited Partnership Agreement (the "Agreement") of Jay Peak Hotel Suites Stateside L.P. (the "Partnership") in connection with the undersigned's subscription for a limited partnership interest in the Partnership (an "Interest") for a cost of US$500,000, plus an administrative fee of US$50,000 paid to Jay Peak Inc. and agrees that this Consent shall constitute the equivalent of signing the Agreement.

The undersigned also confirms and attests that I have received and reviewed, and understand and am fully satisfied with, all of the information and documentation I consider necessary or appropriate in deciding whether to purchase an Interest in the Partnership, including but not limited to the Memorandum dated October 31, 2011 including all exhibits thereto and all financial information disclosed therein or under the Agreement; have had the opportunity to ask questions and receive answers from the General Partner (as defined in the Agreement) and the Partnership regarding the terms and conditions of the purchase of an Interest in the Partnership, and regarding the business, properties, prospects, risk factors and financial condition of the Partnership; and have had the opportunity to review the books and records of the Partnership and to obtain additional information (to the extent the Partnership possessed such information or could acquire it without unreasonable effort or expense) necessary to verify the accuracy of any information furnished to me or to which I have had access.

The undersigned acknowledges the receipt of a true and correct copy of the Memorandum including the Limited Partnership Agreement and agrees to be bound by its terms. My Capital Contribution shall be used to further the business purposes of the Partnership as set forth in the Limited Partnership Agreement.

I have the right to withdraw from this subscription within 72 hours after executing this Subscription Agreement.

Individual Investor

Name _____

Signature _____ Date _____

Address _____

_____

Country of Residence _____

Place of Birth _____

Email: _____ Telephone: _____

ACCEPTANCE

On this ____ day of _____, 20___, Jay Peak Hotel Suites Stateside L.P. (the "Limited Partnership") hereby accepts the subscription of _____ for one Interest, on the terms set forth herein.

Jay Peak Hotel Suites Stateside L.P.
BY: Jay Peak GP Services Stateside Inc., the General Partner

BY _____
Duly Authorized Agent

ACCEPTANCE OF AGENT UNDER POWER OF ATTORNEY

William Stenger acknowledges that the foregoing Subscription Agreement contains a power of attorney from the specific Investor, and he accepts his appointment as the Investor's true and lawful agent and attorney-in-fact. William Stenger understands his duties under the Subscription Agreement and Vermont law regarding powers of attorney as defined in 14 V.S.A. Section 3503(e).

_____
William Stenger

Witness Affirmation

The undersigned witness to the signature of William Stenger affirms that he appeared to be of sound mind and free from duress at the time the power of attorney contained in the foregoing instrument was signed, and that he affirmed that he was aware of the nature of the foregoing document and the power of attorney contained therein and signed it freely and voluntarily.

_____
Witness

JAY PEAK
VERMONT

Section 5

exhibits

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SECTION 5

Schedule of Exhibits

EXHIBIT A	LETTERS FROM SENATOR PATRICK LEAHY TO JAY PEAK RESORT
EXHIBIT B	REGIONAL CENTER DESIGNATION: JUNE 26, 1997
EXHIBIT C	REGIONAL CENTER: REAFFIRMATION OF DESIGNATION MAR 19, 2007
EXHIBIT D	REGIONAL CENTER: REAFFIRMATION OF DESIGNATION OCT, 2009
EXHIBIT D-1	LETTER FROM VERMONT SECRETARY OF COMMERCE, LAWRENCE MILLER
EXHIBIT E	MEMORANDUM OF UNDERSTANDING: NOVEMBER, 2010. BEWTEEN STATE OF VERMONT AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT AND JAY PEAK HOTEL SUITES STATESIDE L.P.
EXHIBIT F	HOTEL SUITES STATESIDE PROJECT: LETTER KEVIN DORN: STATE OF VERMONT
EXHIBIT G	LETTER FROM GOVERNOR PETER SHUMLIN TO JAY PEAK RESORT
EXHIBIT H	LETTER FROM TOWN OF JAY, VERMONT: POPULATION STATISTICS 2011
EXHIBIT J	2011 TAX BILL FOR TOWN OF JAY
EXHIBIT K	CERTIFICATE OF LIMITED PARTNERSHIP
EXHIBIT L	CERTIFICATE OF INCORPORATION: ARTICLES OF INCORPORATION GENERAL PARTNER JAY PEAK GP SERVICES STATESIDE, INC.
EXHIBIT M	IRS: LETTER OF ASSIGNMENT OF EIN: JAY PEAK HOTEL SUITES STATESIDE L.P.
EXHIBIT N	ECONOMIC MODEL DATA: PROJECT METHODOLOGY RIMS II
EXHIBIT P	PROPOSED PROPERTY MANAGEMENT AGREEMENT
EXHIBIT Q	DRAFT FORM OF COMMERCIAL LEASE – STATESIDE HOTEL
EXHIBIT Q1	DRAFT FORM OF COMMERCIAL LEASE – COTTAGES
EXHIBIT R	DRAFT FORM OF GROUND LEASE – COTTAGES
EXHIBIT S	DRAFT FORM OF COMMERCIAL SUBLEASE – RECREATION CENTER
EXHIBIT T	DRAFT FORM OF COMMERCIAL SUBLEASE – MEDICAL CENTER
EXHIBIT U	MEDIA
EXHIBIT V	OPPORTUNITIES FOR VT VACATION PROVIDERS REPORT PREPARED BY RESOURCE SYSTEMS GROUP, INC. FOR THE STATE OF VERMONT - EXTRACT
EXHIBIT W	USCIS I-526 PETITION

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EXHIBIT A1

PATRICK LEAHY
VERMONT

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
APPROPRIATIONS
JUDICIARY

United States Senate

WASHINGTON, DC 20510-4502

December 3, 2010

Bill Stenger
President & CEO
Jay Peak Resort
Vermont Route 242
Jay, Vermont 05859

Dear Bill,

I know you have just opened the 2010/11 ski season and wish you and your staff the very best for the coming year.

I wanted to let you know how pleased I am to see the wonderful progress at Jay Peak. The Tram Haus Lodge, your Phase I EB-5 Project, is a beautiful example of what the EB-5 program is about. I was very pleased to visit Jay Peak in July and be part of the groundbreaking of the Hotel Jay Phase II EB-5 Project and see how many Vermonters were being employed directly and indirectly by the project.

So many Vermonters and Vermont companies are benefitting from your efforts and the hard work of your Jay Peak team.

Your vision, and the vision of your investors, has helped put several hundreds of people to work in a region devastated by a global recession. Just as importantly, these developments will put people to work in the long term drawing new tourism traffic to the Northeast Kingdom of Vermont and establishing a truly four season destination resort.

I have been pleased to work with you to make this effort a success – reauthorizing the EB-5 Regional Center Program, finding federal grants for the water and wastewater system upgrades necessary to grow employment in the Troy/Jay area, and traveling with you to Ireland on a recent trade mission. These efforts would have been impossible if not for your demonstrated successes putting people to work building and maintaining your vision for Jay Peak.

I remain committed to helping you grow Northeastern Vermont's economy. Should you need anything, please feel free to call me anytime. Keep up the good work.

Sincerely,

PATRICK LEAHY
United States Senator

Great work!

VERMONT OFFICES: COURT HOUSE PLAZA, 199 MAIN STREET, BURLINGTON 802/863-2525
FEDERAL BUILDING, ROOM 338, MONTPELIER 802/229-0569
OR DIAL TOLL FREE 1 800/642-3193
SENATOR_LEAHY@LEAHY.SENATE.GOV
PRINTED ON RECYCLED PAPER

EXHIBIT A2

PATRICK J. LEAHY
VERMONT

UNITED STATES SENATE
WASHINGTON, D. C. 20510

March 23, 2011

Dear Bill,

Marcelle and I wanted to thank you for coming to Burlington to help highlight our efforts making the EB-5 Regional Center program permanent.

As always, you did a superb job explaining the benefits of the program to the State of Vermont. We also enjoyed seeing updated photos showing your progress on the mountain.

I look forward to seeing you soon.

Sincerely,

Thank Bill!

Mr. William Stenger
President and CEO
Jay Peak Resort
Route 242
Jay, Vermont 05859

PATRICK LEAHY
VERMONT

COMMITTEES:
AGRICULTURE, NUTRITION, AND FORESTRY
APPROPRIATIONS
JUDICIARY

United States Senate

WASHINGTON, DC 20510-4502

EXHIBIT A3

April 5, 2011

Mr. Bill Stenger
President & CEO
Jay Peak Resort
Rt. 242
Jay, VT 05859

Dear Bill,

I know you are filing immediately your I-829 Removal of Conditions applications for the Phase II Jay Peak EB-5 project.

I want you to know how pleased I am for you and the Jay Peak Region of Vermont. The economic energy and job creation this project has caused is remarkable and I compliment you and your team for creating such a result. When I was at the groundbreaking last July I knew the program would be a success, seeing the progress photos only confirms how impactful the project has become.

Keep up the good work! I look forward to my next visit.

Sincerely,

PATRICK LEAHY
United States Senator

VERMONT OFFICES: COURT HOUSE PLAZA, 199 MAIN STREET, BURLINGTON 802/863-2525
FEDERAL BUILDING, ROOM 338, MONTPELIER 802/229-0569
OR DIAL TOLL-FREE 1-800/642-3193
SENATOR_LEAHY@LEAHY.SENATE.GOV
PRINTED ON RECYCLED PAPER

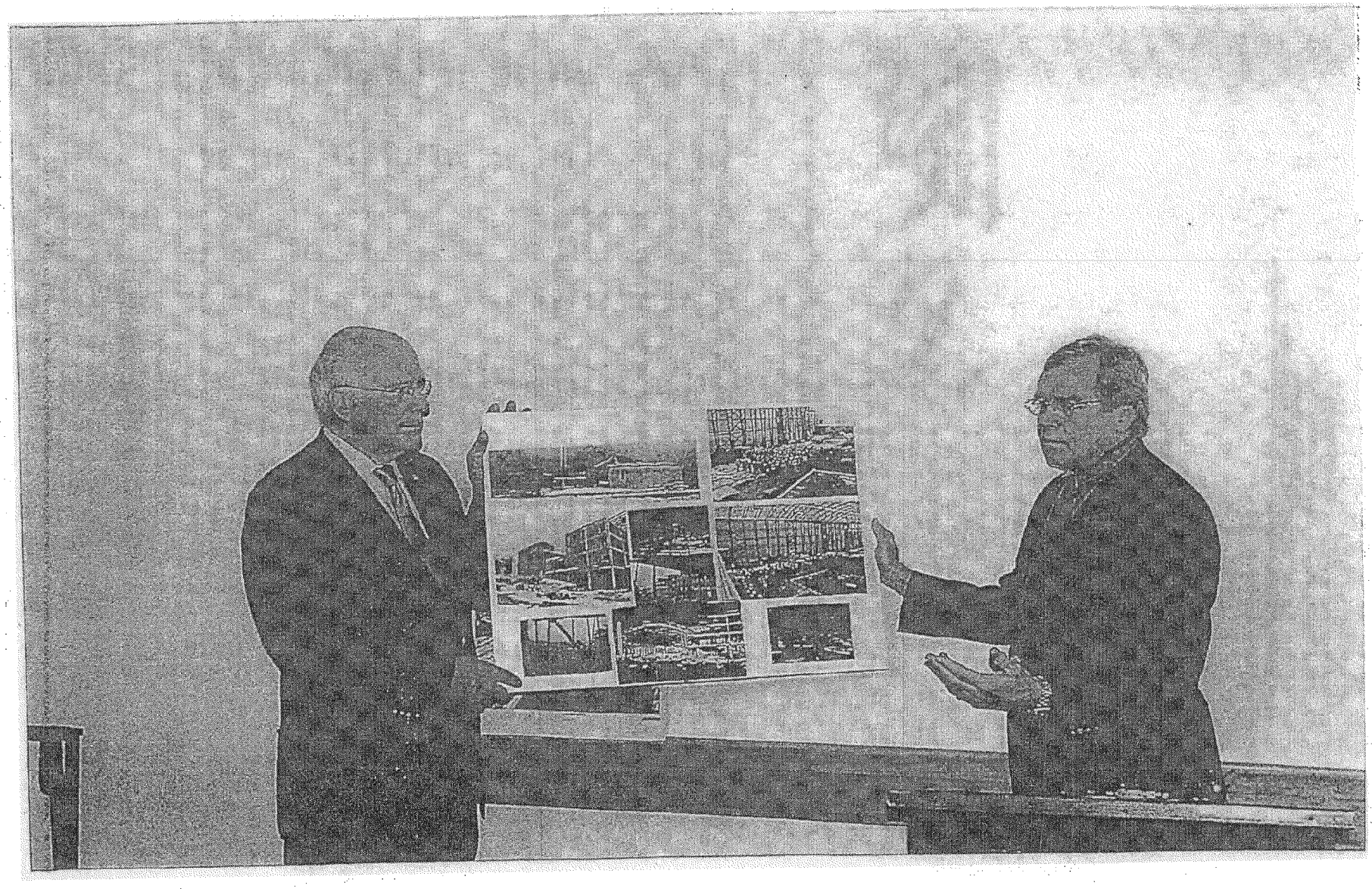

EXHIBIT B

U.S. Department of Justice
Immigration and Naturalization Service

425 I Street NW.
Washington, DC 20536

LIAISON
RESPONSE DUE
NRN
CODE # 7120

HQ 70/8.5-C

JUN 26 1997

RECEIVED
GOVERNOR'S OFFICE
JUN 30 ...
MONTPELIER, VT 05609

Howard Dean, MD
Governor
Office of the Governor
State of Vermont
Montpelier, Vermont 05609

RE: Application for Designation as a Regional Center for the State of Vermont, Agency of Commerce and Community Development

Dear Mr. Dean:

Pursuant to Section 610 of the Appropriations Act of 1993, the State of Vermont, Agency of Commerce and Community Development (ACCD) has been designated as a regional center to participate in the Immigrant Investor Pilot Program. As of this date, aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with the Immigration and Naturalization Service (Service) for new commercial enterprises located within the State of Vermont.

Alien entrepreneurs who file petitions for commercial enterprises located within the State of Vermont must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprise hired ten new employees as a result of the alien entrepreneur's investment. The petition may contain evidence that the investment indirectly created or will create full-time positions for not fewer than ten persons, using economically or statistically valid methodologies as described in 8 CFR 204.6(j)(4)(iii), through revenues generated from increased exports resulting from the Pilot Program.

The designation by the Service of the State of Vermont as a regional center does not reflect any determination by the Service on the merits of individual petitions filed by alien entrepreneurs under the Investor Pilot Program. All petitions for alien entrepreneurs who invest within the regional center will be adjudicated by the Service on a case-by-case basis and each petition must be fully documented. The individual petitions must be submitted to the Vermont Service Center.

If you have any questions concerning Vermont ACCD's designation under the Immigrant Investor Pilot Program, please contact Katherine Lorr at (202)514-5014.

Sincerely,

Michael L. Aytes
Assistant Commissioner
Benefits Division

EXHIBIT C

U.S. Department of Homeland Security
20 Massachusetts Avenue, NW
Washington, DC 20529

U.S. Citizenship and Immigration Services

HOOPRD 70/6.2.8

MAR 1 9 2007

Kevin L. Dorn
Secretary of the Vermont Agency of Commerce and Community Development
National Life Building
Montpelier, VT 05620-0501

John W. Kessler
General Counsel
Vermont Agency of Commerce and Community Development
National Life Building, Drawer 20
Montpelier, VT 05620-0501

Re: Vermont Agency of Commerce and Community Development (VACCD) Regional Center Amendment

Pursuant to Section 610 of the Appropriations Act of 1993, on June 26, 1997, the Vermont Agency of Commerce and Community Development (VACCD) was initially approved and designated by the former Immigration and Naturalization Service (INS) as a regional center to participate in the Immigrant Investor Pilot Program for the purpose of attracting immigrant investor capital into the State of Vermont.

In a letter from U.S. Citizenship and Immigration Services (USCIS) dated July 14, 2006, the VACCD Regional Center was asked to provide an update on the activities and present status of its regional center since its designation by the former INS in 1997. In a August 23, 2006 response to USCIS, it was explained that Vermont's regional center program had not successfully solicited EB-5 immigrant investor capital primarily because of problems which occurred in the EB-5 program overall at the time of the Vermont designation with respect to the legacy INS' suspension of the program to address practices by various agent/attorneys and immigrant investors to apparently circumvent the capital and job creation requirements intended both in the statute and the regulations governing the program. The August 23rd response further stated the state's firm intent to resurrect and restart its regional center, and that it desired to amend its regional center designation to recognize that job creation need not be based on export sales (as provided by the 2000 and 2002 amendments to the statute) and to accommodate a broader focus by the regional center on multiple business sectors of the state such as dairy farming, specialty foods processing, environmental research and its technical applications, incubator businesses, manufacturing in all sectors, as well as its initial focus on Hospitality Lodging, Restaurants, Retail and Commercial Resort activities.

Towards this end, in a subsequent letter dated November 16, 2006, the Governor of Vermont:

1. Designated the Secretary of the VACCD to serve as the principal representative of the VACCD in its capacity as a regional center;
2. Designated the General Counsel of the VACCD to function as the principal administrator of the VACCD Regional Center; and
3. Authorized that Jay Peak Hotel Suites L.P., which had been identified as a possible major commercial enterprise at the time of Vermont's 1997 regional center application, now assist in the management, administration and overall compliance of the immigrant investor initiative for the Jay Peak Luxury Suites Hotel commercial resort improvement project.

On January 31, 2007 VACCD requested approval to amend its regional center designation as follows:

1. That USCIS review and approve, for purposes of the restarted operation of the VACCD Regional Center, the executed Memorandum of Understanding between the State of Vermont Agency of Commerce and Community Development and Jay Peak Hotel Suites, L.P. by which Jay Peak Hotel Suites, L.P. will carry out its development project and is authorized:

    a. To create an EB-5 Alien Entrepreneur investment project within the VACCD Regional Center focused on the development and operation of a resort hotel suite project.
    b. Managing and operating this hotel suite investment enterprise; and
    c. To identify and recruit viable foreign investors for the hotel suite investment enterprise.

2. To augment the original VACCD Regional Center's economic impact and job creation analysis and model, replacing it with a December 1, 2006 Job Impact Analysis for the Jay Peak Resort Expansion based on the Regional Dynamics Economic Analysis Model, commonly referred to as REDYN.

3. To replace the Jay Peak Resort initial business plan which had been a supplement to the VACCD Regional Center's initial request as reflected in its initial June 1997 designation by the former INS, with a business plan that is current, more detailed and focused on a Jay Peak Resort Hotel Suites Project to include:

    a. A luxury hotel comprised of 57 exclusive suites;
    b. 25,000 square feet of commercial space on two floors which will contain a wide range of commercial and recreational activities as follows: ski rental facilities; children's nursery school facilities; supermarket and delicatessen; hair and beauty salon; a full service restaurant; a bar and lounge; a coffee shop and snack bar; a fast food carry-out facility; and retail units for stores and shops to lease out to vendors.

Based on its review and analysis of the January 31, 2007, request to amend the previous VACCD Regional Center designation, USCIS approves this amendment to the designation, business plan and job creation analysis and multipliers for the VACCD Regional Center reflecting the above 3 changes. In accepting the amendment, USCIS has updated its records of the VACCD Regional Center approval and designation, business plan, and job creation methodology to encompass these amendments.

As such, aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for the Jay Peak Resort project which is located in a rural area within the VACCD Regional Center geographic area comprised of the entire State of Vermont. Therefore, the minimum capital investment threshold for any individual immigrant investment into the Jay Peak Hotel Suite Project through the VACCD Regional Center shall be not less than $500,000.

Alien entrepreneurs who file petitions for investments located in the VACCD regional center must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprises created ten new jobs indirectly as a result of the alien entrepreneur's investment. This determination has been established by way of the USCIS' acceptance within the approved amendment of the VACCD Regional Center's new Job Impact Analysis for the Jay Peak Resort Project utilizing the Regional Dynamics Economic Analysis Model, commonly referred to as REDYN.

However, where preservation or creation of "direct jobs" is claimed in support of an immigrant investor's individual I-526 petition affiliated with the VACCD Regional Center, then:

- To be credited for preserving/maintaining pre-existing direct jobs for "qualified employees" within the VACCD Regional Center for a "troubled business" as defined by the regulations at Part 204.6(e), the individual I-526 petition must be supported by probative evidence of the number of full time (35 hours per week) qualified employees for the 1 to 2 years prior to filing the petition whose positions shall be preserved/maintained throughout the alien's period of conditional residency. Such evidence should include copies of quarterly state employment tax reports, Forms W-2, Forms I-9, and any other pertinent employment records sufficient to demonstrate the number of "direct" qualifying pre-existing full time jobs in the enterprise preserved/maintained, and any other pertinent employment records sufficient to demonstrate the number of employees before the investment.

- To be credited with projected creation of new "direct" jobs for "qualifying employees" upon filing the I-526 petition, then the petition must be supported by a comprehensive detailed Jay Peak Luxury Hotel Suite Project business plan and supporting financial, marketing and related data and analysis providing a reasonable basis for projecting creation of the new direct jobs.

Each individual petition, to demonstrate that it is associated with the VACCD Regional Center, in conjunction with addressing all the requirements for an individual alien entrepreneur

petition, shall also contain as supporting evidence relating to this regional center designation, the following:

1. A copy of this letter of the amended approval and designation.

2. A copy of the approved regional center narrative proposal and business plan, and the approved amendments.

3. A copy of the approved job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the amended regional center economic analysis which has been approved by USCIS, which reflects that investment by an individual alien investor of at least $500,000 into the Jay Peak Resort luxury hotel project will generate full-time employment positions, either directly or indirectly, for not fewer than ten U.S. workers.

4. A signed legally executed copy of the limited partnership agreement between the Jay Peak Hotel Suites L.P. and the alien investor.

The reaffirmation by the USCIS of the designation of the VACCD as a regional center does not reflect any determination on the merits of individual petitions filed by alien entrepreneurs under the Investor Pilot Program. All petitions for alien entrepreneurs who invest within the regional center will be adjudicated by the USCIS on a case-by-case basis and each petition must be fully documented. The individual petitions must be submitted to the Texas Service Center.

If you have any questions concerning the SDIBI/DEDR approval and designation under the Immigrant Investor Pilot Program, please contact Maurice Berez, Chief Adjudications Officer, Foreign Trader, Investor and Regional Center Program, at (202) 272-8413.

Sincerely,

John M. Allen
Acting Chief
Service Center Operations

CC: Edward J. Carroll
CARROLL & SCRIBNER, P.C.
84 Pine Street, Suite 300
PO Box 932
Burlington, VT 05402-0932

EXHIBIT D

U.S. Department of Homeland Security
24000 Avila Road, 2nd Floor
Laguna Niguel, CA 92677

OCT 1 2 2009

U.S. Citizenship and Immigration Services

October 6, 2009

Kevin L. Dorn
State of Vermont
Agency of Commerce and Community Development
National Life Building, Drawer 20
Montpelier, VT 05620-0501

File No. W09000920

Application: Request to Amend Designation as a Regional Center
Applicant(s): Kevin L. Dorn

Re: VACCD Regional Center

Pursuant to Section 610 of the Appropriations Act of 1993, on June 26, 1997, the VACCD Regional Center, was approved and designated as a regional center to participate in the Immigrant Investor Pilot Program. On June 11, 2007, the designation was reaffirmed. In a written request dated August 17, 2009, VACCD Regional Center sought to amend its initial Regional Center designation, to expand the types of approved economic activities and industrial clusters as follows:

1. To add manufacturing, professional services, education, information and lending institutions to their current list of approved industries.
2. To add the economic activities of design, development and production of new products; expansion or renovation of existing facilities; establishing and expanding post secondary schools including building, development and operation of the schools; design, development & publishing of software, books and other information publishing activities.
3. To provide direct equity investments in to the industry clusters and/or to provide indirect investments to the industries through investment in an enterprise which in turn will lend the funds for specific industry related project(s).

Based on its review and analysis of the request to amend the previous VACCD Regional Center designation and prior amended proposals, business plan, and supplementary evidence, the U.S. Citizenship and Immigration Services (USCIS) amends the designation of the Regional Center as requested to incorporate the above 2 changes. In accepting the amendment, USCIS has updated its records of your Regional Center approval, designation, and business plan to encompass these amendments relative to the investment focus of the Regional Center on 5 areas of commercial enterprise:

1. The Ski and related Tourism Industry
2. Manufacturing
3. Professional Services
4. Education
5. Information Publishing

As such, aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for these new commercial enterprises located within the VACCD Regional Center regional center area is comprised of the State of Vermont.

The geographic focus of this area may contain some High Unemployment Targeted Employment Areas (TEAs) as designated by the State of Vermont, and rural TEAs as defined in 8 CFR 204.6(e). Therefore, the minimum capital investment threshold for any individual immigrant investment into an approved commercial enterprise throughout the Regional Center shall be not less than $500,000, if the investment target is located within a TEA or $1,000,000 if it is located outside of a TEA. No debt arrangement will be acceptable unless it is secured by assets owned by the alien entrepreneur. A full capital investment must be made and placed at risk.

Alien entrepreneurs who file petitions for commercial enterprises located in the regional center area must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprise directly hired ten new employees as a result of the alien entrepreneur's investment. Rather, the investor must show at the time of removal of conditions that they performed the activities described in the model and on which the approved methodology is based.

To demonstrate that it is associated with the your regional center, each individual alien entrepreneur petition in conjunction with addressing all the requirements for that petition, shall also contain as supporting evidence relating to this regional center designation, as follows:

1. A copy of this letter of the amended approval and designation.

2. A copy of the approved job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the VACCD Regional Center amended regional center application which has been approved by USCIS, which reflects that investment by an individual alien investor of at least AMOUNT $500,000 for state designated high unemployment area, $500,000 for a rural area or $1,000,000.

3. A signed legally executed and certified copy of the limited partnership agreement between the new commercial enterprise and the alien investor.

The designation by the USCIS of the VACCD Regional Center as a regional center does not reflect any determination on the merits of individual petitions filed by alien entrepreneurs under the Investor Pilot Program. All petitions for alien entrepreneurs who invest within the regional center will be adjudicated by the USCIS on a case-by-case basis and each petition must be fully documented. The individual petitions must be submitted to the California Service Center.

DESIGNEE'S RESPONSIBILITIES INHERENT IN CONDUCT OF THE REGIONAL CENTER:

The law, as reflected in the regulations at 8 CFR 204.6(m)(6), requires that an approved Regional Center in order to maintain the validity of its approval and designation must continue to meet the statutory requirements of the Immigrant Investor Pilot Program by serving the purpose of promoting economic growth, including increased export sales (where applicable), improved regional productivity, job creation, and increased domestic capital investment. Therefore, in order for USCIS to determine whether your Regional Center is in compliance with the above cited regulation, and in order to continue to operate as a USCIS approved and designated Regional Center, your administration, oversight, and management of your Regional Center shall be such as to monitor all investment activities under the sponsorship of your Regional Center and to maintain records, data and information on a quarterly basis in order to report to USCIS upon request the following year to date information for each Federal Fiscal Year[1], commencing with the initial year as follows:

1. Provide the principal authorized official and point of contact of the Regional Center responsible for the normal operation, management and administration of the Regional Center.

2. Be prepared to explain how you are administering the Regional Center and how you will be actively engaged in supporting a due diligence screening of its alien investors' lawful source of capital and the alien investor's ability to fully invest the requisite amount of capital.

3. Be prepared to explain the following:

   a. How the Regional Center is actively engaged in the evaluation, oversight and follow up on any proposed commercial activities that will be utilized by alien investors.

   b. How the Regional Center is actively engaged in the ongoing monitoring, evaluation, oversight and follow up on any investor commercial activity affiliated through the Regional Center that will be utilized by alien investors in order to create direct and/or indirect jobs through qualifying EB-5 capital investments into commercial enterprises within the Regional Center.

4. Be prepared to provide:

   a. the name, date of birth, petition receipt number, and alien registration number (if one has been assigned by USCIS) of each principal alien investor who has made an investment and has filed an EB-5/I-526 Petition with USCIS, specifying whether:
      i. the petition was filed,
      ii. was approved,
      iii. denied, or
      iv. withdrawn by the petitioner, together with the date(s) of such event.

   b. The total number of visas represented in each case for the principal alien investor identified in 4.a. above, plus his/her dependents (spouse and children) for whom immigrant status is sought or has been granted.

[1] A Federal Fiscal Year runs for twelve consecutive months from October 1st to September 30th.

c. The country of nationality of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

d. The U.S. city and state of residence (or intended residence) of each alien investor who has made an investment and filed an EB-5/I-526 petition with USCIS.

e. For each alien investor listed in item 4.a., above, identify the following:

i. the date(s) of investment in the commercial enterprise;

ii. the amount(s) of investment in the commercial enterprise; and

iii. the date(s), nature, and amount(s) of any payment/remuneration/profit/return on investment made to the alien investor by the commercial enterprise and/or Regional Center from when the investment was initiated to the present.

5. Be prepared to identify/list each of the target industry categories of business activity within the geographic boundaries of your Regional Center that have:

a. received alien investors' capital, and in what aggregate amounts;

b. received non-EB-5 domestic capital that has been combined and invested together, specifying the separate aggregate amounts of the domestic investment capital;

c. of the total investor capital (alien and domestic) identified above in 5.a and 5.b, identify and list the following:
i. The name and address of each "direct" job creating commercial enterprise.
ii. The industry category for each indirect job creating investment activity.

6. Be prepared to provide:

a. The total aggregate number of approved EB-5 alien investor I-526 petitions per each Federal Fiscal Year to date made through your Regional Center.

b. The total aggregate number of approved EB-5 alien investor I-829 petitions per each Federal Fiscal Year to date through your Regional Center.

7. The total aggregate sum of EB-5 alien capital invested through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

8. The combined total aggregate of "new" direct and/or indirect jobs created by EB-5 investors through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

9. If applicable, the total aggregate of "preserved" or saved jobs by EB-5 alien investors into troubled businesses through your Regional Center for each Federal Fiscal Year to date since your approval and designation.

10. If for any given Federal Fiscal Year your Regional Center did or does not have investors to report, then provide:

a. a detailed written explanation for the inactivity,

b. a specific plan which specifies the budget, timelines, milestones and critical steps to:

i. actively promote your Regional Center program,

ii. identify and recruit legitimate and viable alien investors, and

iii. a strategy to invest into job creating enterprises and/or investment activities within the Regional Center.

11. Regarding your website, if any, please be prepared to provide a hard copy which represents fully what your Regional Center has posted on its website, as well as providing your web address. Additionally, please provide a packet containing all of your Regional Center's hard copy promotional materials such as brochures, flyers, press articles, advertisements, etc.

12. Finally, please be aware that it is incumbent on each USCIS approved and designated Regional Center, in order to remain in good standing, to notify the USCIS within 15 business days at USCIS.ImmigrantInvestorProgram@dhs.gov of any change of address or occurrence of any material change in:

- the name and contact information of the responsible official and/or Point of Contact (POC) for the RC
- the management and administration of the RC,
- the RC structure,
- the RC mailing address, web site address, email address, phone and fax number,
- the scope of the RC operations and focus,
- the RC business plan,
- any new, reduced or expanded delegation of authority , MOU, agreement, contract, etc. with another party to represent or act on behalf of the RC,
- the economic focus of the RC, or
- any material change relating to your Regional Center's basis for its most recent designation and/or reaffirmation by USCIS.

If you have any questions concerning the Regional Center approval and designation under the Immigrant Investor Pilot Program, please contact the USCIS by Email at USCIS.ImmigrantInvestorProgram@dhs.gov.

Sincerely,

Christina Poulos
Director
California Service Center

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VERMONT

EXHIBIT D-1

Agency of Commerce and Community Development
One National Life Drive
Montpelier, VT 05620-0501
www.dca.state.vt.us

[phone] 802-828-3211
[fax] 802-828-3383

February 18, 2011

Bill Stenger
President and CEO
Jay Peak Resort
4850 VT Route 242
Jay, VT 05859-9261

Dear Mr. Stenger:

I am pleased that the Jay Peak EB-5 Projects have been such great successes and that you are moving ahead on future projects that will further stimulate the economy of Vermont. The EB-5 Alien Entrepreneur Program is an excellent vehicle for your project and I am glad foreign investors continue to view Jay Peak as a great investment opportunity.

The State of Vermont was designated a Regional Center by the U.S. Immigration and Naturalization Service in 1997. As you know, Jay Peak's proposed expansion was included in the State's application to illustrate the type of project that would benefit from accessing new capital through the EB-5 Program. Because Jay Peak is in a targeted employment area – a rural area outside the Burlington SMSA – investment in the expansion project made through Vermont's Regional Center Immigrant Investor Pilot Program will enjoy certain added advantages. For example:

1. Investors need only commit $500,000 U.S. instead of $1 million;
2. Investors are under a relaxed job creation requirement, as they are permitted to count jobs created directly *as well as indirectly*; and
3. Investors may be added at any time and need not be involved at the projects inception.

The Agency of Commerce and Community Development looks forward to seeing the Jay Peak project continue to have success and I look forward to welcoming the investors to Vermont when the opportunity arises.

If the Agency can be of any additional assistance, please do not hesitate to contact me – we are eager to support your efforts.

Sincerely,

Lawrence Miller

Lawrence Miller
Secretary

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EXHIBIT E

MEMORANDUM OF UNDERSTANDING

BETWEEN

STATE OF VERMONT
AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT

AND

JAY PEAK HOTEL SUITES L.P.

JAY PEAK HOTEL SUITES PHASE II L.P.

JAY PEAK PENTHOUSE SUITES L.P.

AND

JAY PEAK GOLF AND MOUNTAIN SUITES L.P. and JAY PEAK LODGE AND TOWNHOUSES LP. and JAY PEAK HOTEL SUITES STATESIDE L.P.

This Memorandum of Understanding ("Agreement") is made and entered into, by and between:

State of Vermont Agency of Commerce and Community Development, and its successors and assigns ("ACCD"), and

Jay Peak Hotel Suites, L.P., a limited partnership organized under the laws of the State of Vermont, and its respective successors and assigns (Jay Peak), and

Jay Peak Hotel Suites Phase II, L.P., a limited partnership organized under the laws of the State of Vermont, and its respective successors and assigns ("Jay Peak") and

Jay Peak Penthouse Suites L.P. a limited partnership organized under the laws of the State of Vermont, and its successors and assigns ("Jay Peak"), and

THE JAY PEAK PHASE III PROJECTS being Phase III-A, Phase III-B and Phase III-C: comprising Jay Peak Golf and Mountain Suites L.P., Jay Peak Lodge and Townhouses L.P. and Jay Peak Hotel Suites Stateside L.P., all three entities being limited partnerships organized under the laws of the State of Vermont, and its successors and assigns.

WHEREAS

ACCD, a governmental unit of the State of Vermont, is charged with enhancing the Vermont business climate, marketing Vermont to businesses and investors, facilitating, promoting and creating commercial and business opportunities within Vermont to contribute to the economic viability of and benefit the growth of the state; and,

ACCD is an approved and designated Regional Center recognized by the US. Department of Homeland Security ("DHS"), U.S. Citizenship and Immigration Services ("CIS") in accordance with the Immigrant Investor Pilot Program pursuant to section 203(b)(5) of the Immigration and Nationality Act, as amended, the Department of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L No. 102-395 section 610, as amended, and all applicable regulations promulgated thereunder, (collectively the "Pilot Program law"); and,

Initial designation as a Regional Center was made in a letter dated June 26, 1997, to Howard Dean, M.D., Governor of the State of Vermont from legacy U.S. Immigration and Naturalization Service (INS), informing him of the ACCD's appointment as a Regional Center, and

On March 19, 2007, CIS reaffirmed ACCD as a regional center and in that redesignation noted that the Secretary of the ACCD is its principal representative and the General Counsel of the ACCD is the principal administrator of the ACCD Regional Center. In the same redesignation, CIS updated its records of the ACCD Regional Center approval and designation, business plan and job creation methodology.

On April 29, 2008, CIS, through its Foreign Trader, Investor & Regional Center Program, informed the General Counsel of ACCD that no additional amendment to the ACCD Regional Center Designation is required for the

purposes of securing EB-5 related capital investments in Phase II of the Jay Peak project provided that three points are accommodated, including that any updated or revised Memorandum of Understanding relative to the Jay Peak enterprise shall encompass the entire Jay Peak project, including Phase II of the project, the subsequent Penthouse Suites Project and now the Phase III Projects. As such Jay Peak Golf and Mountain Suites L.P., Jay Peak Lodge and Townhouses L.P. and Jay Peak Hotel Suites Stateside L.P. are now parties jointly and severally to this updated Memorandum of Understanding.

Jay Peak is organized for the purpose of creating related, intertwined and successive EB-5, Alien Entrepreneur investment projects within the Agency's Regional Center and managing and operating these investment projects in conformance with 8 U.S.C.§ 1153 (b)(5)(A) - (D); INA § 203 (b) (5)(A) - (D) of the Immigration & Nationality Act (the "Act") and the Pilot Program law; and, Jay Peak has contracted with Carroll & Scribner, P.C., Attorneys-at-Law, for legal counsel regarding compliance with U.S. immigration and nationality law as it relates to EB-5, Alien Entrepreneur investment projects and to Regional Center Pilot Programs, and for the purpose of advising upon immigration matters in connection with such a projects; and,

ACCD desires to obtain assistance in the oversight and management of the related, intertwined and successive Jay Peak EB-5 Alien Entrepreneur investment projects within ACCD's Regional Center and to assure these projects' compliance with U.S. immigration law and regulations concerning investments within a regional center in the EB-5 visa preference category and, thereby, to have greater assurance of its compliance with regional center requirements; and,

ACCD and JAY PEAK desire to continue an arrangement whereby JAY PEAK with the on-going benefit of legal counsel will, together with the periodic concurrence of the ACCD's designated Regional Center monitoring official, will assist with the oversight, administration, management and overall compliance of the JAY PEAK project with legal and regulatory requirements, and JAY PEAK will formally report in writing not less than every three (3) months upon the activities of the project to ACCD and respond to any ongoing ACCD inquiries about the project and assist ACCD to comply with its obligations as a USCIS approved and designated regional center with respect to this project

NOW, THEREFORE, in consideration of the mutual agreements, and representations set forth herein, the parties agree as follows:

1. All of the provisions of the prior Memorandum of Understandings executed by ACCD on November 18, 2006 and by Jay Peak Hotel Suites L.P. on December 21, 2008, and on July 28, 2008 by Jay Peak Hotel Suites Phase II L.P., and on June 29, 2010 by Jay Peak Penthouse Suites L.P. are hereby incorporated by reference, subject only to modifications in such provisions by the terms and conditions of this Memorandum of Understanding by and between the foregoing parties, and with the consent of Jay Peak Golf and Mountain Suites L.P. and Jay Peak Lodge and Townhouses L.P. and Jay Peak Hotel Suites Stateside L.P as additional parties to this agreement.

2. Jay Peak will provide support to ACCD, regarding Jay Peak Hotel Suites LP. (the original Jay Peak EB-5 project; a/k/a Phase I), Jay Peak Hotel Suites Phase II L.P. (a/k/a Phase II) and Jay Peak Penthouse Suites L.P. (a/k/a Penthouse Project), the Phase III Projects comprising Jay Peak Golf and Mountain Suites L.P. and Jay Peak Lodge and Townhouses L.P. and Jay Peak Hotel Suites Stateside L.P including, but not limited to providing investment-related and supporting documentation to prospective investors, supplying economic analysis and modeling reports on direct and indirect job creation, defining investment opportunities within the Jay Peak project, and assisting ACCD to comply with relevant regulatory or administrative requirements in support of individual petitions filed with CIS by immigrant investors affiliated with the Phase I, Phase II, Penthouse, and Phase III Jay Peak projects, such as providing area maps, valid unemployment data, general Economic data and demographics concerning the geographic area covered by the Jay Peak projects.

3. Jay Peak will further support ACCD's, compliance with regional center requirements by providing on a quarterly basis progress reports on its activities, overseas meetings and other relevant efforts within and outside the United States to promote investment in the Jay Peak project through the EB-5 Alien Entrepreneur Regional Center Pilot Program. Quarterly reports will set forth for the preceding quarter and year to-date the number of investors, the status of alien investor capital (in escrow, transfers from escrow to the limited partnership) and activity of the Phase I, Phase II and Penthouse limited partnerships in furtherance of the project. The reports will also contain information distinguishing Investor Petitions "in preparation", "filed with CIS," "approved by CIS," "denied by CIS," or "filed with the CIS office of Administrative Appeals."

4. Jay Peak will support the purpose and goals of ACCD's Regional Center by encouraging investment and employment creation within the Regional Center through marketing at emigration fairs and conferences with individual investors inside and outside the United States; maintaining a website to promote and describe the project; preparing a desirable business plan to encourage individual investments in the project within the Regional Center, establishing escrow accounts when appropriate to assist orderly investment in the project; facilitating, on a fee basis, the preparation and submission of the 1-526, Alien Entrepreneur petition and petitions for other immigration benefits to CIS or the Department of State for individual investment; providing the primary entity and related entities to carry out the activities of the Phase I and Phase II, Penthouse, and all Phase III projects; structuring the enterprises so that they create requisite employment prior to the investors seeking removal of conditions; seeing to the timely completion and opening of the projects; providing operating expertise and personnel to operate the projects efficiently; and, if requested by individual investors, making referrals to advisors who may assist with issues arising from relocation by the investor and the investor's spouse and children to the United States.

5. Jay Peak agrees to promote investment in its projects and to perform its obligation under this Agreement honestly, consistently and fairly in furtherance of its efforts to assist ACCD with the oversight and management of the Regional Center in connection with the Jay Peak Phase I, Phase II, Penthouse, and all Phase III projects.

Jay Peak will act in an independent capacity and not as officers or employees of ACCD or the State of Vermont. Jay Peak shall indemnify, defend, and hold harmless ACCD, the State of Vermont and its officers and employees from liability and any claims, suits, judgments, and damages arising as a result of Jay Peak's acts and/or omissions performed under this Agreement.

ACCD will promptly request that USCIS acknowledge ACCD's designation of Kevin L. Dorn, Secretary of the Agency of Commerce and Community Development as the principal representative of ACCD in its capacity as a Regional Center.

1. ACCD will promptly request that USCIS acknowledge ACCD's designation of John Kessler, General Counsel for the Agency of Commerce and Community Development and James Candido for the Agency of Commerce and Community Development as the principal administrators of the Regional Center.

2. ACCD will promptly request that USCIS acknowledge ACCD's designation of JAY PEAK to assist in the management, administration and overall compliance of the Alien Entrepreneur project organized by JAY PEAK within ACCD's Regional Center with U.S. immigration laws and regulations controlling the investment process and participation in a regional center, and to report upon the activities of the project to ACCD and respond to ACCD inquiries about the project and assist ACCD to comply with its obligations as a regional center with respect to this project;

3. This Agreement shall be governed by the laws of the State of Vermont.

4. This Agreement may be modified by written consent of the parties. This Agreement may not be cancelled except upon a material breach of its terms or a material misrepresentation by a party which remains uncured for more than fourteen (14) days after receipt of a Notice of Intent to Cancel that provides specific information justifying the cancellation.

5. ACCD will notify USCIS in writing within thirty (30) days of any change in the designation of the principal representative of ACCD or the principal administrator to ACCD or any significant change in or the termination of this Agreement with JAY PEAK.

6. In the event of cancellation of this Agreement, ACCD will provide USCIS a clear explanation as to how services and responsibilities of JAY PEAK hereunder will be performed, and by whom, without interruption to the functioning of the Regional Center in connection with the JAY PEAK project or any affected alien investor in the JAY PEAK project.

7. Notices given hereunder shall be in writing and delivered by courier or by U.S. mail to:

<u>For ACCD</u>:
The ACCD Secretary or ACCD General Counsel
National Life Building, Drawer 20
Montpelier, VT 05620-0501

For JAY PEAK GOLF AND MOUNTAIN SUITES L.P.
William Stenger, President, Jay Peak GP Services Golf, Inc.
General Partner of Jay Peak Golf and Mountain Suites, L.P.
4850 VT Route 242
VT 05859

For JAY PEAK LODGE AND TOWNHOUSES L.P.

William Stenger, President, Jay Peak GP Services Lodge, Inc.
General Partner of Jay Peak Lodge and Townhouses L.P.
4850 VT Route 242 VT 05859

For JAY PEAK HOTEL SUITES STATESIDE L.P.

William Stenger, President, Jay Peak GP Services Stateside, Inc.
General Partner of Jay Peak Hotel Suites Stateside L.P.
4850 VT Route 242
VT 05859

The parties have executed this Agreement in duplicate originals as of the date of their signatures affixed below.

State of Vermont Agency of Commerce
and Community Development

Dated: 11/22/10

Kevin L. Dorn, Secretary

JAY PEAK GOLF AND MOUNTAIN SUITES L.P.

Dated: 11/24/10

William Stenger: Duly Authorized Agent of Jay Peak GP Services Golf, Inc. General Partner

JAY PEAK LODGE AND TOWNHOUSES L.P.

Dated: 11/24/10

William Stenger: Duly Authorized Agent of Jay Peak GP Services Lodge, Inc. General Partner

JAY PEAK HOTEL SUITES STATESIDE L.P.

Dated: 11/24/10

William Stenger: Duly Authorized Agent of Jay Peak GP Services Stateside, Inc. General Partner

EXHIBIT F

VERMONT

Agency of Commerce and Community Development
One National Life Drive
Montpelier, VT 05620-0501
www.dca.state.vt.us
[phone] 802-828-3211
[fax] 802-828-3383

November 23, 2010

Bill Stenger
President & CEO
Jay Peak Resort
Vermont Route 242
Jay, Vermont 05859

Dear Bill,

As 2010 draws to a close I wanted to let you know how pleased the Governor and I are at the progress you are making in the Jay Peak EB-5 Projects.

So many Vermonters are benefitting from the projects such as the Tram Haus Lodge and Hotel Jay with direct employment, but also from the indirect economic stimulus these projects are creating throughout the region.

The Agency of Commerce and Community Development is pleased to monitor as well as support these projects and look forward to the future Jay Peak projects being planned such as the Jay Peak Golf Cottages, Stateside Hotel Suites, and the Village Townhouse Suites.

Please feel free to call on me or my staff should you need further support to bring these projects online.

You and your EB-5 investors are making a profound impact on Jay Peak but also throughout Northern Vermont as well.

Sincerely,

Kevin Dorn
Secretary

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PETER SHUMLIN
Governor

EXHIBIT G

State of Vermont
OFFICE OF THE GOVERNOR

February 28, 2011

Mr. Bill Stenger
President and Chief Executive Officer
Jay Peak Resort
4850 VT Route 242
Jay, VT 05859

Dear Bill,

Thank you for having me at Jay Peak resort recently with Vermont Secretary of Commerce Lawrence Miller. I was pleased to see the impressive progress you are making in transitioning Jay Peak into a truly year round resort.

As Governor, I was proud to see how many Vermonters are working on the construction of different projects and of course in the operation of the resort itself. I know how tough it can be to run a business; your success in maintaining a Vermont-owned and operated company while still demonstrating the resort's national and international viability speaks to Jay Peak's bright future.

The EB-5 investor program you have used to fund the remarkable transformation is a great example of how the EB-5 program can work in the Vermont Regional Center. I want you to know that you have my full support and that of my Administration as you develop Jay Peak Resort and other EB-5 projects.

Your efforts are creating significant employment opportunities that in turn stimulate the economy and welcome a group of quality investors to the United States of America. If I can assist you in promoting your EB-5 programs at Jay Peak Resort or the Vermont Regional Center in the future please feel free to call on me. I look forward to our continued relationship towards the betterment of the great state of Vermont.

Sincerely,

Peter Shumlin
Governor

PS/aw

109 STATE STREET • THE PAVILION • MONTPELIER, VT 05609-0101 • WWW.VERMONT.GOV
TELEPHONE: 802.828.3333 • FAX: 802.828.3339 • TDD: 802.828.3345

PETER SHUMLIN
Governor

EXHIBIT G1

State of Vermont
OFFICE OF THE GOVERNOR

RECEIVED
MAY 0 4 2011
Per_____

April 25, 2011

Bill Stenger
President and CEO
Jay Peak Resort
Route 242, Jay Peak
Jay, Vermont 05859

Dear Bill,

Thank you for taking the time to give me a tour on the construction progress at Jay Peak. It was great to see the progress you have made and to meet some of your employees. Your vision is becoming a reality!

Please don't hesitate to let me know if I can ever be of assistance. I would be happy to help in any way that I can.

Again, thank you for inviting me back up to Jay Peak. I'll look forward to hearing about your progress.

Sincerely,

Peter Shumlin
Governor

Bill!! You're a great friend. Keep it up! Best, J.

PS:lk
encl.

109 State Street • The Pavilion • Montpelier, VT 05609-0101 • www.vermont.gov
Telephone: 802.828.3333 • Fax: 802.828.3339 • TDD: 802.828.3345

EXHIBIT H1

1036 VT RTE 242
Jay, VT 05859
(802) 988-2996
townofjay@comcast.net

November 10, 2011

To Whom It May Concern:

The Town of Jay's 2010 census count was 521 people, and our registered voter list has 295. The Town's population continues to grow, and I do not see where it would decrease I see it only increasing more.

Sincerely,
Tara Morse
Town Clerk/Treasurer

EXHIBIT H2

U.S. Census Bureau

AMERICAN FactFinder

DP-1 | Profile of General Population and Housing Characteristics: 2010

2010 Demographic Profile Data

Note: This is a modified view of the original table.
NOTE: For more information on confidentiality protection, nonsampling error, and definitions, see http://www.census.gov/prod/cen2010/doc/dpsf.pdf.

Geography: Jay town, Orleans County, Vermont

Subject	Number	Percent
SEX AND AGE		
Total population	521	100.0
Under 5 years	24	4.6
5 to 9 years	38	7.3
10 to 14 years	36	6.9
15 to 19 years	28	5.4
20 to 24 years	12	2.3
25 to 29 years	30	5.8
30 to 34 years	42	8.1
35 to 39 years	38	7.3
40 to 44 years	40	7.7
45 to 49 years	44	8.4
50 to 54 years	43	8.3
55 to 59 years	50	9.6
60 to 64 years	31	6.0
65 to 69 years	32	6.1
70 to 74 years	13	2.5
75 to 79 years	12	2.3
80 to 84 years	4	0.8
85 years and over	4	0.8
Median age (years)	41.3	(X)
Male population	272	52.2
Female population	249	47.8
RACE		
Total population	521	100.0
HISPANIC OR LATINO AND RACE		
Total population	521	100.0
Hispanic or Latino	3	0.6
Not Hispanic or Latino	518	99.4

X Not applicable.

[1] Other Asian alone, or two or more Asian categories.

[2] Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

[3] One of the four most commonly reported multiple-race combinations nationwide in Census 2000.

[4] In combination with one or more of the other races listed. The six numbers may add to more than the total population, and the six percentages may add to more than 100 percent because individuals may report more than one race.
[5] This category is composed of people whose origins are from the Dominican Republic, Spain, and Spanish-speaking Central or South American countries. It also includes general origin responses such as "Latino" or "Hispanic."
[6] "Spouse" represents spouse of the householder. It does not reflect all spouses in a household. Responses of "same-sex spouse" were edited during processing to "unmarried partner."
[7] "Family households" consist of a householder and one or more other people related to the householder by birth, marriage, or adoption. They do not include same-sex married couples even if the marriage was performed in a state issuing marriage certificates for same-sex couples. Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption. Same-sex couple households with no relatives of the householder present are tabulated in nonfamily households. "Nonfamily households" consist of people living alone and households which do not have any members related to the householder.

[8] The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale." It is computed by dividing the total number of vacant units "for sale only" by the sum of owner-occupied units, vacant units that are "for sale only," and vacant units that have been sold but not yet occupied; and then multiplying by 100.
[9] The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the total number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied; and then multiplying by 100.
Source: U.S. Census Bureau, 2010 Census.

EXHIBIT H3

U.S. Census Bureau

AMERICAN FactFinder

GCT-PL2

Population and Housing Occupancy Status: 2010 - State -- Place and (in selected states) County Subdivision
2010 Census Redistricting Data (Public Law 94-171) Summary File

Note: This is a modified view of the original table.

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see http://www.census.gov/prod/cen2010/pl94-171.pdf

NOTE: Change to the California,Connecticut,Mississippi,New Hampshire,Virginia, and Washington P. L. 94-171 Summary Files as delivered.

GEO: Vermont

Geographic area	Total population	Housing units		
		Total	Occupied	Vacant
Vermont	625,741	322,539	256,442	66,097
PLACE AND COUNTY SUBDIVISION				
Jay town, Orleans County	521	685	223	462
Alburg village, Vermont	497	330	203	127
Albany town, Orleans County	941	511	395	116
Alburg town, Grand Isle County	1,998	1,370	822	548
Andover town, Windsor County	467	408	218	190
Arlington CDP, Vermont	1,213	622	518	104
Arlington town, Bennington County	2,317	1,285	999	286
Ascutney CDP, Vermont	540	282	260	22
Athens town, Windham County	442	231	181	50
Averill town, Essex County	24	209	14	195
Avery's gore, Essex County	0	8	0	8
Bakersfield town, Franklin County	1,322	586	495	91
Baltimore town, Windsor County	244	100	90	10
Barnard town, Windsor County	947	716	413	303
Barnet CDP, Vermont	129	58	56	2
Barnet town, Caledonia County	1,708	950	666	284
Barre city, Vermont	9,052	4,504	4,137	367
Barre town, Washington County	7,924	3,402	3,228	174
Barton village, Vermont	737	460	355	105
Barton town, Orleans County	2,810	1,531	1,192	339
Beecher Falls CDP, Vermont	177	97	79	18
Bellows Falls village, Vermont	3,148	1,500	1,314	186
Belvidere town, Lamoille County	348	210	153	57
Bennington CDP, Vermont	9,074	4,122	3,833	289
Bennington town, Bennington County	15,764	6,763	6,246	517
Benson CDP, Vermont	308	149	131	18
Benson town, Rutland County	1,056	583	420	163
Berkshire town, Franklin County	1,692	648	612	36
Berlin town, Washington County	2,887	1,236	1,125	111
Bethel CDP, Vermont	569	298	262	36

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EXHIBIT J

PAYABLE TO:
MAIL TO:

TOWN OF JAY
1036 VT ROUTE 242
JAY, VT 05859-9694
Tara Morse, Treasurer
802-988-2996

TAX BILL

This is the only bill you will receive. Please forward to new owner if property is sold.

PARCEL ID	BILL DATE	TAX YEAR
148268.01-1	11/10/2011	2011

Taxes unpaid after the due date are delinquent. Maximum interest as allowable by law will be charged in addition to collectors fee of 8%. Postmarks are NOT accepted as timely payment. U.S. Funds.

Location: HOTEL,TRAM,LAND OTHER BLDGS,GOLF COURSE
Location: JAY PEAK SKI AREA

OWNER JAY PEAK INC
4850 VT ROUTE 242
JAY VT 05859

SPAN # 327-102-10560 SCL CODE: 102
TOTAL PARCEL ACRES 2,651.60

FOR INCOME TAX PURPOSES

ASSESSED VALUE		NON RESIDENTIAL
REAL	39,526,900	39,526,900
SPECIAL EXEMPTION		- 6,927,500
TOTAL TAXABLE VALUE	39,526,900	32,599,400
GRAND LIST VALUES	395,269.00	325,994.00

For more information about how education tax rates are determined, go online to: www.state.vt.us/tax/pvredtaxrates.shtml

TAX RATE NAME	TAX RATE	x GRAND LIST =	TAXES
TOWN TAX	0.2546	x395,269.00=	100635.49
LOCAL AGREEMENT	0.0003	x395,269.00=	118.58
NON RESIDENTIAL EDUCATION	1.3730	x325,994.00=	447589.76

PAYMENT 10/14/2011
DUE 548343.83

TOTAL TAX 548343.83
STATE PAYMENTS
NET TAX DUE 548343.83

DETACH THE STUBS BELOW AND RETURN WITH YOUR PAYMENT

TOWN OF JAY

PAYMENT DUE	TAX YEAR
10/14/2011	2011

OWNER NAME
JAY PEAK INC
PARCEL ID
148268.01-1

AMOUNT DUE	548343.83
AMOUNT PAID	

TOWN OF JAY
WEBSITE:
www.jayvt.com

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CERTIFICATE OF LIMITED PARTNERSHIP

COPY

EXHIBIT K

Name of Limited Partnership: **JAY PEAK HOTEL SUITES STATESIDE L.P.**

Address of Office: 4850 VT Route 242, Jay, Vermont 05859-9621

The latest date upon which the limited partnership is to dissolve: December 31, 2061.

The name and the business address of each GENERAL PARTNER:

JAY PEAK GP SERVICES STATESIDE INC.
4850 VT Route 242, Jay, Vermont 05859-9621

The name and place of residence of the initial LIMITED PARTNER:

JAY PEAK GP SERVICES STATESIDE INC.
4850 VT Route 242, Jay, Vermont 05859-9621

VERMONT SECRETARY OF STATE CORPORATIONS 2011 OCT 25 AM 11:50

Amount of cash, description, and agreed value of other property contributed by each limited partner: $10.00 or more dollars.

Restrictions on transferability of interests of Limited Partners are set forth in the Limited Partnership Agreement, on file with the General Partner. The interest of the initial Limited Partner shall be terminated upon the admission of the next Limited Partner, per the terms of the Limited Partnership Agreement.

Process Agent's Name and address (must be a resident of VT, or other registered entity in this state):

Mark H. Scribner
131 Church Street, Suite 300
Burlington, VT 05401

Signature(s)/date: **GENERAL PARTNER:**
JAY PEAK GP SERVICES STATESIDE INC.

By: _____ 10/14/11
William Stenger, President — Date
4850 VT Route 242
Jay, Vermont 05859-9621

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EXHIBIT L

STATE OF VERMONT

OFFICE OF SECRETARY OF STATE

The Office of Secretary of State hereby grants a

Certificate of Incorporation

to

JAY PEAK GP SERVICES STATESIDE INC.

a Vermont domestic corporation, effective November 19, 2010

November 19, 2010

Given under my hand and the seal
of the State of Vermont, at
Montpelier, the State Capital

Deborah Markowitz
Secretary of State

ARTICLES OF INCORPORATION (Vermont profit T.11A)

Vermont Secretary of State, 26 Terrace Street, Montpelier, VT 05609-1104
Telephone: 802-828-2386; Fax: 828-2853

Corporate Name: Jay Peak GP Services Stateside Inc.

Corp type: General (T. 11A)

State a brief Purpose here: Real estate management and development, and anything legally permitted of corporations in State of Vermont.

Registered agent's name: Mark H. Scribner

Registered agent's address: Carroll & Scribner, P.C., 84 Pine Street, PO Box 932, Burlington, Vermont 05402

Principal office address: 4580 VT Route 242, Jay, Vermont 05859-9621

Fiscal operating year end (month): October

Number of shares the corporation is authorized to issue: 1000

Classes of shares (common/preferred/etc.) and number of shares authorized to issue, in each: Common / 1000

One or more classes of shares that together have unlimited voting rights: Common

One or more classes of shares (which may be the same class with voting rights) that together are entitled to receive the net assets of the corporation upon dissolution: Common

DIRECTORS' names and addresses: William Stenger, 4580 VT Route 242, Jay, Vermont 05859-9621

One or more natural persons of majority age (18) may act as incorporator.

Incorporator's printed name: Mark H. Scribner

Incorporator's signature and address: _____

Mark H. Scribner
Carroll & Scribner, P.C.
84 Pine Street, Suite 300
Burlington, Vermont 05401

2010 NOV 19 AM 11:56

Fee is $75.00. Print and file in duplicate. If a delayed effective date is not specified, it is effective the date it is approved.

E-mail address or phone number where you can be reached: mscribner@cslaw.us (802) 862-2855

EXHIBIT M

VERMONT SECRETARY OF STATE

Jim Condos

ARCHIVES | CORPORATIONS | ELECTIONS | OTHER PROGRAMS | PROFESSIONAL REGULATIONS | SECRETARY'S DESK

Limited Partnership Information

Name	JAY PEAK HOTEL SUITES STATESIDE L.P.
Status	ACTIVE
Date Formed	10/25/2011
File Number	0000941
Type	Domestic
State	VT
Office Address	4850 VT ROUTE 242
City State Zip	JAY VT 05859-9621
Registered Agent	MARK H. SCRIBNER
Address	131 CHURCH STREET, STE 300
City State Zip	BURLINGTON VT 05401
Dissolve Date	12/31/2061
Partner(s) Listed	STATESIDE INC. JAY PEAK GP SERVICES
Partner(s) Listed	STATESIDE INC. JAY PEAK GP SERVICES
Partner(s) Listed	
Partner(s) Listed	
Partner(s) Listed	
Record Last Updated	10/26/2011

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November 22, 2011

Jay Peak GP Services Stateside Inc.
4850 VT Route 242
Jay, VT 05859

Re: Jay Peak Hotel Suites Stateside L.P.

To Whom It May Concern:

This will confirm that on November 18, 2011, we spoke to a representative of the IRS and verbally confirmed that the EIN number for the above-referenced entity is 30-0703826. Once we have received the confirmation letter from the IRS, we will forward that on to you. If you have any questions or comments please do not hesitate to contact me.

Very truly yours,

CARROLL & SCRIBNER, P.C.

Mark H. Scribner

MHS/so
Enclosure

EXHIBIT - N

Economic Development
RESEARCH GROUP

Job Generating Impacts from Jay Peak Phase III-C Hotel Suites Stateside L.P. Project

A project within the Jay Peak Resort Master Expansion Plan

Prepared for:

JAY PEAK
VERMONT

Jay Peak Resort
Jay, Vermont

Prepared by:

Economic Development Research Group, Inc.
2 Oliver Street, 9th Floor, Boston, MA 02109

In association with:

Rapid USA Visas
Naples, FL

October 31, 2011

Executive Summary

Overview: The purpose of this assessment was to measure the job generating effects (in *full-time equivalents,* FTE's) from a proposed – Phase III-C- expansion of Jay Peak Ski Resort in Northwestern Vermont. Specifically, the expansion proposal relates to the Jay Peak Stateside Hotel Suites, Golf Cottages / Mountain Chalets project and additional facilities to continue the transition of Jay Peak Resort into a year-round destination. Funding for the proposed expansion to be in the form of $67 million from foreign investors through the USCIS EB-5 Visa Program, and additional investment of $20 million from Jay Peak Resort.

Methodology: Five basic steps were used to develop this assessment:

1. Analyze the Business Plan data – for incremental annual *operations* (visitor activity and spending) in each of the first two years, as well as for the initial Development Phase *Capital Expenditure*
2. Conduct multiplier analysis - relevant aspects of the business plan for each phase are applied to a *geographically appropriate* set of RIMS II multiplier data (vintage 2008)
3. Identify *total FTE job impacts* for each of the first two years of operation on the 4-county northwest Vermont study region, and
4. Identify *non-direct*[1] FTE job impacts for the development phase for the relevant study region (state of Vermont).
5. Non-Direct FTE jobs from outside the Regional Center are excluded from this assessment.

Key Findings: Summarized in Exhibit ES-1 are the job impacts related to a one-year capital expenditure into the Project, and from Year 2 onwards the recurrent, annual additional visitor activities associated with the new facilities.

[1] Non-direct as defined for the EB-5 application not only captures the "indirect" and "induced" economic (job) activity typical of input-output analysis definitions, but also any tangible transactions in the study region initiated by the phase-specific project activity. Specifically since the construction jobs are not on the payroll of the *limited partnership* they are not "direct jobs" in the EB-5 regulation.

Exhibit. ES-1 – Job Generation effects of Jay Peak Proposed Expansion

Phase ==>	Operations		Development Phase
Study Region =>	4-county NW VT*		*State of Vermont*
	Year 1	Year 2	1 Year
Visitor spending (mil.$2011)	$ 31.396	$ 33.561	
Construction Budget (mil. 2011$)**			$ 84.382
direct Partnership jobs (FTE)	0	0	not applicable
tenant operator's employees (FTE)	124	132	0
non-direct Jobs (FTE)	463	495	1296
FTE Job Impacts	587	627	1296

* includes *Orleans, Lamoille, Franklin, and Chittenden counties*

** excludes land contribution, and working capital

The remainder of this report presents details used to assemble this analysis. Relevant portions of the Jay Peak Phase III-C Business Plan are included in an Appendix to this document.

(representing 2011$) were *deflated* to 2008 dollar basis[2]; aspects of visitor spending (retail purchases on resort) were allocated into producer costs for the various industries[3] (from manufacturing, to transport, to wholesale and/or retail channels) that handle some stage of the product to be consumed, and the industry exists in the study region, aspects of the construction budget (for furniture/fixtures or investment goods) were similarly allocated into producer costs for the various industries (from manufacturing, to transport, to wholesale and/or retail channels if Jay Peak wasn't dealing directly with the manufacturers for purchases) that handle some stage of the product to be consumed, and the industry exists in the study region. As recommended by RIMS II technical support staff, EDR Group did cross-reference the state-level VT IMPLAN data set (for 2008) to gauge the presence and scale of specific industries from which construction phase purchases could be procured in-state. Only those industry aspects of the distribution cost allocation that have an adequate presence in Vermont were applied against its final demand employment multiplier.

Adjusting to Full-time Equivalents (FTE's)

The RIMS II final demand employment multipliers yield a *total job impact* result that is combined full-time and part-time jobs. In order to re-cast this as a FTE value, we (i). subtract the estimate of direct FTE's (taken from the business plan) for the operations phase, and (ii) adjust the remaining portion of the RIMS II result by the U.S. 2009 U.S. ratio of *full-time* to all workers in ALL Private Industries, a value of 0.89.[4] The sum of the annual direct FTE job value *and* the annual non-direct FTE job value equals the annual total Job Impact in FTE's.

[2] Data from BLS-CPI program, *Northeast All urban consumers series*; May 2007 to May 2010, resulting in a deflator of 0.942.
[3] Using the U.S. distribution cost tables available with RIMS II data subscription
[4] U.S. BEA-National Income Product Accounts, Table 6.4D

Appendix 1: Firm Overview

Economic Development Research Group, Inc. (EDR Group) is a consulting firm focusing specifically on applying state-of-the-art tools and techniques for evaluating economic development performance, impacts and opportunities. The firm was started in 1996 by a core group of economists and planners who are specialists in models and tools for evaluating impacts of infrastructure, technology workforce and natural resources on economic development opportunities. Glen Weisbrod, President of EDR Group, is a former board member of the Council for Urban Economic Development, now IEDC. Lisa Petraglia, Director of Economic Research since joining the firm in 2000, previously spent 8 years with REMI as head of Technical Client Consulting.

EDR Group provides both consulting advisory services and full-scale research projects for public and private agencies throughout North America as well as in Europe, Asia and Africa. Our work focuses on three issues:

- Economic Impact Analysis -- *How can my project/program affect economic growth & attraction? ...How can I best target my efforts?*
- Market / Strategy Analysis -- *How will I be affected by changes in the economy? ...What should I do to respond to them?*
- Benefit / Cost Analysis -- *What will be the economic benefits & costs of my project / program? ...What should I do to maximize net value?*

The economic development work of EDR Group is organized in terms of five areas: (1) Forecasting economic change and needs, (2) Opportunities assessment, (3) Strategy development, (4) Benefit-cost analysis, and (5) Program evaluation. Our firm's work and clients have been nationally recognized for project excellence, including a 2005 recognition award by the International Economic Development Council, a 2002 award by the Northeast Economic Developers Association and a 2000 award by the Government Research Association.

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Economic Development
RESEARCH GROUP

Economic Impact Modeling

Staff Experience

Note: Economic Development Research Group is certified as a national expert in economic impact modeling for the IMPLAN Model (http://www.implan.com/ ConsultantsList/Default.asp or call the staff of IMPLAN at 651-439-4421) and also for the REMI Model (see http://www.remi.com/Consulting/consulting.html or call the staff of REMI at 413-549-1169). The firm is also expert at using the RIMS-II model (you can call their staff at 202-606-5343 to confirm our expertise though they do not formally published a list of experts).

Arizona	IMPLAN model of impacts of airports and aviation industries
California	IMPLAN model of economic impact of high speed rail
	REMI model of impacts of LA regional transportation program, also electric utility merger
	RIMS-II model of impacts of electric utility merger
Colorado	IMPLAN model of statewide airport impacts
	IMPLAN model of regional economic development impacts of utility rates
Connecticut	IMPLAN model of impact of casino
	REMI model of Solar-energy adoption
Delaware	IMPLAN model of impacts of new highway development
Florida	REMI model of impacts of building moratorium
Georgia	REMI model of HSGT alternatives Atlanta-Chattanooga
	IMPLAN model of impact of industrial development
	IMPLAN model for 28 county regional impact of Airport
Iowa	REMI model of impacts of energy policies
Illinois	REMI model of impacts of railroad industry & urban renewal scenarios
	IMPLAN model of impacts of Performing Arts College
	IMPLAN model of impacts of METRA *New START* investments
Indiana	REMI model of impacts of transportation, tourism and business attraction
Kentucky	REMI model of impacts of transportation, tourism and business attraction
	IMPLAN model of impact of industrial infrastructure development
	IMPLAN model of impacts from Natural Gas Mining activities
Louisiana	REMI model of impacts of transportation, tourism and business attraction; RIMS-II critical review of impact reports on behalf of Bureau of Governmental Research (BGR) in New

	Orleans
Maine	REMI model of impacts of proposed civic / convention center
	IMPLAN model for impacts of rail service
Maryland	IMPLAN model of impact of public infrastructure projects
Massachusetts	REMI models of impacts of highway, Clean Air Act, and Boston Harbor Cleanup Project, RGGI (*advisory*)
	IMPLAN model of impacts of Logan International Airport
	IMPLAN model of impacts of Boston's *MFA* expansion
	IMPLAN model for impacts of an office/industrial park and resort
	IMPLAN model of impacts of developing Biomass-fired energy generation
	RIMS-II models of impact of airports (statewide) and community health centers (statewide)
	IMPLAN model of Visitor-spending at BCEC and Hynes Convention Centers
Michigan	IMPLAN model of impacts of airports (statewide)
	REMI model of impacts of gas pipeline
	REMI model of MDOT's 5-Year Plan(s) through UMI
New Jersey	IMPLAN model analyses for Health Care Institute of NJ (HINJ) and Bio-Tech Council of NJ (BCNJ)
New York State	IMPLAN model of impacts of airports in North Country, also industrial infrastructure
	REMI model of impacts of army base and economic diversification
	RIMS-II model of impact of Lincoln Center
	IMPLAN model of impacts from NYSERDA Main-tier RPS contracts
	IMPLAN model of impact of public infrastructure
Northeast US	PC/I-O model of impacts of high speed rail
Oregon	IMPLAN model of impacts for 90 airports
	IMPLAN model for statewide impacts of air cargo
Pennsylvania	IMPLAN model of impacts from proposed expansion of the PA Convention Center
	IMPLAN model of impacts of cultural-*leisure* Tourism to the Greater Philadelphia Region
	IMPLAN model of impact of industrial park development & expansion of Philadelphia's *Free Library*
	IMPLAN model of impacts of Delaware River Ports Infrastructure
	REMI models of impacts of transit system and highway improvements
	IMPLAN model of impacts from Natural Gas Mining activities
	IMPLAN model of terminal/runway expansion at PHL
Rhode Island	IMPLAN model of impacts of airport expansion

S. Carolina	IMPLAN model of impact of industrial infrastructure investment
Tennessee	IMPLAN model of impact of Nashville Airport; also sewer, water and industrial parks
Texas	REMI model of San Antonio Municipal Utility energy-efficiency program
Vermont	REMI model to project scenarios for aviation planning
	IMPLAN model of impacts of aviation statewide
Virginia	IMPLAN model of impact of highway, also impact of industrial infrastructure investment and airport impacts
	IMPLAN model of impacts from Natural Gas Mining activities
West Virginia	IMPLAN model of impacts from Natural Gas Mining activities
Wisconsin	IMPLAN model of impact of GA and commercial airports (statewide)
	REMI model of impacts of highways, tourism, and energy-efficiency programs
Appalachia	IMPLAN model to evaluate exports
New England	REMI modeling of Proposed state-level energy-efficiency ramp-up policies.
Mid-Atlantic	REMI modeling for RGGI; for Low-carbon fuel standard development
National	IMPLAN-based toolkit to evaluate Scenic Byways Tourism Economic Impacts
	REMI model of *Clear Skies Proposal / Carper Amendment*
Scotland	Scottish I-O model of economic impacts of Glasgow airport

Appendix 3: RIMS II Type II Multiplier Data, 2008

RIMS II Multipliers (2002/2008) Table 2.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Industry Aggregation
Vermont 2008 Jay Peak Region Multipliers (Type II)

Brief Description

Regional Multipliers from the Regional Input-Output Modeling System (RIMS II): A Brief Description

Overview

Effective planning for public- and private-sector projects and programs at the State and local levels requires a systematic analysis of the economic impacts of these projects and programs on affected regions. In turn, systematic analysis of economic impacts must account for the interindustry relationships within regions because these relationships largely determine how regional economies are likely to respond to project and program changes. Thus, regional input-output (I-O) multipliers, which account for interindustry relationships within regions, are useful tools for conducting regional economic impact analysis.

In the 1970s, the Bureau of Economic Analysis (BEA) developed a method for estimating regional I-O multipliers known as RIMS (Regional Industrial Multiplier System), which was based on the work of Garnick and Drake. [1] In the 1980s, BEA completed an enhancement of RIMS, known as RIMS II (Regional Input-Output Modeling System), and published a handbook for RIMS II users. [2] 1992, BEA published a second edition of the handbook in which the multipliers were based on more recent data and improved methodology. In 1997, BEA published a third edition of the handbook (PDF • 677 KB) that provides more detail on the use of the multipliers and the data sources and methods for estimating them.

RIMS II is based on an accounting framework called an I-O table. For each industry, an I-O table shows the industrial distribution of inputs purchased and outputs sold. A typical I-O table in RIMS II is derived mainly from two data sources: BEA's national I-O table (PDF • 824 KB) , which shows the input and output structure of nearly 500 U.S. industries, and BEA's regional economic accounts, which are used to adjust the national I-O table to show a region's industrial structure and trading patterns. [3]

Using RIMS II for impact analysis has several advantages. RIMS II multipliers can be estimated for any region composed of one or more counties and for any industry, or group of industries, in the national I-O table. The accessibility of the main data sources for RIMS II keeps the cost of estimating regional multipliers relatively low. Empirical tests show that estimates based on relatively expensive surveys and RIMS II-based estimates are similar in magnitude.[4]

BEA's RIMS multipliers can be a cost-effective way for analysts to estimate the economic impacts of changes in a regional economy. However, it is important to keep in mind that, like all economic impact models, RIMS provides approximate order-of-magnitude estimates of impacts. RIMS multipliers are best suited for estimating the impacts of small changes on a regional economy. For some applications, users may want to supplement RIMS estimates with information they gather from the region undergoing the potential change. Examples of case studies where it is appropriate to use RIMS multipliers appear in the RIMS II User Handbook. (PDF • 677 KB)

To effectively use the multipliers for impact analysis, users must provide geographically and industrially detailed information on the initial changes in output, earnings, or employment that are associated with the project or program under study. The multipliers can then be used to estimate the total impact of the project or program on regional output, earnings, and employment.

RIMS II is widely used in both the public and private sector. In the public sector, for example, the Department of Defense uses RIMS II to estimate the regional impacts of military base closings. State transportation departments use RIMS II to estimate the regional impacts of airport construction and expansion. In the private-sector, analysts and consultants use RIMS II to estimate the regional impacts of a variety of projects, such as the development of shopping malls and sports stadiums.

RIMS II Methodology

RIMS II uses BEA's benchmark and annual I-O tables for the nation. Since a particular region may not contain all the industries found at the national level, some direct input requirements cannot be supplied by that region's industries. Input requirements that are not produced in a study region are identified using BEA's regional economic accounts.

The RIMS II method for estimating regional I-O multipliers can be viewed as a three-step process. In the first step, the producer portion of the national I-O table is made region-specific by using six-digit NAICS location quotients (LQs). The LQs estimate the extent to which input requirements are supplied by firms within the region. RIMS II uses LQs based on two types of data: BEA's personal income data (by place of residence) are used to calculate LQs in the service industries; and BEA's wage-and-salary data (by place of work) are used to calculate LQs in the nonservice industries.

In the second step, the household row and the household column from the national I-O table are made region-specific. The household row coefficients, which are derived from the value-added row of the national I-O table, are adjusted to reflect regional earnings leakages resulting from individuals working in the region but residing outside the region. The household column coefficients, which are based on the personal consumption expenditure column of the

national I-O table, are adjusted to account for regional consumption leakages stemming from personal taxes and savings.

In the last step, the Leontief inversion approach is used to estimate multipliers. This inversion approach produces output, earnings, and employment multipliers, which can be used to trace the impacts of changes in final demand on directly and indirectly affected industries.

Accuracy of RIMS II

Empirical evidence suggests that RIMS II commonly yields multipliers that are not substantially different in magnitude from those generated by regional I-O models based on relatively expensive surveys. For example, a comparison of 224 industry-specific multipliers from survey-based tables for Texas, Washington, and West Virginia indicates that the RIMS II average multipliers overestimate the average multipliers from the survey-based tables by approximately 5 percent. For the majority of individual industry-specific multipliers within these states, the difference between RIMS II and survey-based multipliers is less than 10 percent. In addition, RIMS II and survey multipliers show statistically similar distributions of affected industries.[4]

Advantages of RIMS II

There are numerous advantages to using RIMS II. First, the accessibility of the main data sources makes it possible to estimate regional multipliers without conducting relatively expensive surveys. Second, the level of industrial detail used in RIMS II helps avoid aggregation errors, which often occur when industries are combined. Third, RIMS II multipliers can be compared across areas because they are based on a consistent set of estimating procedures nationwide. Fourth, RIMS II multipliers are updated to reflect the most recent local-area wage-and-salary and personal income data.

Applications of RIMS II

RIMS II multipliers can be used in a wide variety of regional impact studies. For example, the U.S. Nuclear Regulatory Commission has used RIMS II multipliers in environmental impact statements required for licensing nuclear electricity- generating facilities. The U.S. Department of Housing and Urban Development has used RIMS II multipliers to estimate the impacts of various types of urban redevelopment expenditures. RIMS II multipliers have alsobeen used to estimate the regional economic and industrial impacts of: opening or closing military bases, tourist expenditures, new energy facilities, energy conservation, offshore drilling, opening or closing manufacturing plants, shopping malls, new sports stadiums, and new airport or port facilities.

Footnotes

1. See Daniel H. Garnick, "Differential Regional Multiplier Models," Journal of Regional Science 10 (February 1970): 35-47; and Ronald L. Drake, "A Short-Cut to Estimates of Regional Input-Output Multipliers," International Regional Science Review 1 (Fall 1976): 1-17.
2. See U.S. Department of Commerce, Bureau of Economic Analysis, Regional Input-Output Modeling System (RIMS II): Estimation, Evaluation, and Application of a Disaggregated Regional Impact Model (Washington, DC: U.S. Government Printing Office, 1981). Available from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161; order no. PB-82-168-865; price $26.
3. See U.S. Department of Commerce, Bureau of Economic Analysis, The Detailed Input-Output Structure of the U.S. Economy, Volume II (Washington, DC: U.S. Government Printing Office, November 1994); and U.S. Department of Commerce, Bureau of Economic Analysis, State Personal Income, 1929-93 (Washington, DC: U.S. Government Printing Office, June 1995).
4. See U.S. Department of Commerce, Regional Input-Output Modeling System (RIMS II), chapter 5. Also see Sharon M. Brucker, Steven E. Hastings, and William R. Latham III, "The Variation of Estimated Impacts from Five Regional Input-Output Models," International Regional Science Review 13 (1990): 119-39.

RIMS II Multipliers (2002/2008)

Table 2.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Industry Aggregation
Vermont 2008 Jay Peak Region Multipliers (Type II)

INDUSTRY	Multiplier					
	Final Demand				Direct Effect	
	Output/1/ (dollars)	Earnings/2/ (dollars)	Employment/3/ (jobs)	Value-added/4/ (dollars)	Earnings/5/ (dollars)	Employment/6/ (jobs)
1. Crop and animal production	1.7964	0.3094	13.5964	0.7481	2.2128	1.7148
2. Forestry, fishing, and related activities	1.7471	0.4204	18.6298	0.8269	1.7923	1.5793
3. Oil and gas extraction	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4. Mining, except oil and gas	1.6126	0.3673	10.3929	0.8864	1.8137	1.8588
5. Support activities for mining	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
6. Utilities*	1.3896	0.2996	5.4792	0.8327	1.5632	2.7141
7. Construction	1.7949	0.5402	16.6269	0.9661	1.6726	1.7084
8. Wood product manufacturing	1.9140	0.4024	13.6862	0.7625	2.2530	2.3889
9. Nonmetallic mineral product manufacturing	1.6976	0.4279	11.4039	0.8415	1.7639	1.9495
10. Primary metal manufacturing	1.7021	0.2819	6.3068	0.6594	2.3626	3.2927
11. Fabricated metal product manufacturing	1.5642	0.3867	9.5381	0.7545	1.6427	1.9278
12. Machinery manufacturing	1.6343	0.4328	10.3320	0.7540	1.6533	1.9765
13. Computer and electronic product manufacturing	1.4889	0.3090	6.3400	0.6449	1.7573	2.6161
14. Electrical equipment and appliance manufacturing	1.6145	0.3399	8.6257	0.7654	1.8051	2.0235
15. Motor vehicle, body, trailer, and parts manufacturing	1.4456	0.2837	7.0389	0.5098	1.7128	1.9683
16. Other transportation equipment manufacturing	1.5415	0.3560	7.6858	0.6855	1.7020	2.3422
17. Furniture and related product manufacturing	1.6665	0.4184	13.1925	0.7852	1.7107	1.7189
18. Miscellaneous manufacturing	1.6457	0.4097	11.5681	0.8723	1.7380	1.8470
19. Food, beverage, and tobacco product manufacturing	1.6842	0.3078	9.9147	0.6995	2.5692	2.7244
20. Textile and textile product mills	1.5706	0.3078	10.7646	0.6295	1.8459	1.6392
21. Apparel, leather, and allied product manufacturing	1.6059	0.3980	15.5248	0.7533	1.7021	1.4992
22. Paper manufacturing	1.5830	0.3008	7.0806	0.6886	1.9453	2.6072
23. Printing and related support activities	1.6645	0.4708	13.1698	0.8623	1.6202	1.7501
24. Petroleum and coal products manufacturing	1.4822	0.3094	5.8596	0.3850	1.6854	2.6953
25. Chemical manufacturing	1.4491	0.2419	6.3621	0.5848	1.8608	2.0587
26. Plastics and rubber products manufacturing	1.4951	0.2832	7.4613	0.6603	1.7779	1.9788
27. Wholesale trade	1.5802	0.4544	10.9100	1.0306	1.5548	1.8992
28. Retail trade	1.6434	0.4909	19.2317	1.0480	1.5368	1.4107
29. Air transportation	1.7562	0.5491	16.4988	0.9000	1.6425	1.7680
30. Rail transportation	1.6467	0.3520	8.2312	0.8683	2.1260	3.2942
31. Water transportation	1.7093	0.3445	9.1831	0.7354	2.6180	3.2941
32. Truck transportation	1.7946	0.5181	13.4111	0.9404	1.8362	2.2268
33. Transit and ground passenger transportation*	1.7485	0.4981	19.1556	0.7709	1.7387	1.5098
34. Pipeline transportation	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35. Other transportation and support activities*	1.7684	0.6405	17.7133	1.1137	1.5211	1.6803
36. Warehousing and storage	1.7586	0.5896	17.5010	1.0840	1.5335	1.6294
37. Publishing industries, except internet	1.7183	0.4672	14.4728	0.9927	1.7711	1.7984
38. Motion picture and sound recording industries	1.5736	0.3650	20.2511	0.9377	1.7395	1.3512
39. Broadcasting, except internet	1.7440	0.5881	13.6824	0.8778	1.5798	1.9811

(Continued)

Region Definition: Chittenden, VT; Franklin, VT; Lamoille, VT; Orleans, VT

*Includes Government enterprises.

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
3. Each entry in column 3 represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry. Because the employment multipliers are based on 2008 data, the output delivered to final demand should be in 2008 dollars.
4. Each entry in column 4 represents the total dollar change in value added that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
5. Each entry in column 5 represents the total dollar change in earnings of households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.
6. Each entry in column 6 represents the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

NOTE.–Multipliers are based on the 2002 Benchmark Input-Output Table for the Nation and 2008 regional data. Industry List B identifies the industries corresponding to the entries.

SOURCE.–Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.

RIMS II Multipliers (2002/2008)

Table 2.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Industry Aggregation
Vermont 2008 Jay Peak Region Multipliers (Type II)

INDUSTRY	Multiplier					
	Final Demand				Direct Effect	
	Output/1/ (dollars)	Earnings/2/ (dollars)	Employment/3/ (jobs)	Value-added/4/ (dollars)	Earnings/5/ (dollars)	Employment/6/ (jobs)
40. Telecommunications	1.6438	0.3181	7.5819	0.9328	2.0432	2.7648
41. Internet and other information services	1.6708	0.4674	13.4553	1.0328	1.6478	1.8050
42. Federal Reserve banks, credit intermediation and related services	1.6025	0.4001	9.5136	1.0372	1.7472	2.2647
43. Securities, commodity contracts, investments	1.8880	0.6926	19.3505	1.1078	1.5614	1.6871
44. Insurance carriers and related activities	1.8752	0.5134	11.8012	1.0575	1.8789	2.4361
45. Funds, trusts, and other financial vehicles	2.1101	0.4920	12.5032	0.8509	3.8154	5.5801
46. Real estate	1.3051	0.1224	7.8917	0.9305	2.7532	1.4630
47. Rental and leasing services and lessors of intangible assets	1.5760	0.3707	12.9352	1.0459	1.7256	1.6151
48. Professional, scientific, and technical services	1.7538	0.6396	17.0886	1.1331	1.4787	1.6869
49. Management of companies and enterprises	1.8367	0.6451	14.5982	1.1322	1.5736	2.0490
50. Administrative and support services	1.7039	0.5693	27.2797	1.1011	1.5110	1.3089
51. Waste management and remediation services	1.6479	0.4041	10.5875	0.9466	1.7714	2.1036
52. Educational services	1.8412	0.6101	22.6459	1.0830	1.5320	1.4537
53. Ambulatory health care services	1.8139	0.7134	17.9277	1.1436	1.4565	1.7008
54. Hospitals	1.7465	0.5886	14.1935	1.0248	1.4874	1.8445
55. Nursing and residential care facilities	1.7279	0.6359	22.4971	1.1099	1.4263	1.4045
56. Social assistance	1.7835	0.5677	28.1812	1.0452	1.5491	1.3174
57. Performing arts, spectator sports, museums, zoos, and parks	1.7505	0.4900	21.5410	1.0595	1.7296	1.4942
58. Amusements, gambling, and recreation	1.6812	0.4817	26.9773	1.0458	1.5804	1.2753
59. Accommodation	1.6212	0.4466	17.3910	1.0188	1.6183	1.4751
60. Food services and drinking places	1.6875	0.4759	24.4114	0.9262	1.5867	1.3050
61. Other services*	1.7376	0.4802	14.4547	0.9578	1.7171	1.8005
62. Households	0.9910	0.2645	9.1199	0.6103	0.0000	0.0000

Region Definition: Chittenden, VT; Franklin, VT; Lamoille, VT; Orleans, VT

*Includes Government enterprises.

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
3. Each entry in column 3 represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry. Because the employment multipliers are based on 2008 data, the output delivered to final demand should be in 2008 dollars.
4. Each entry in column 4 represents the total dollar change in value added that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
5. Each entry in column 5 represents the total dollar change in earnings of households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.
6. Each entry in column 6 represents the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

NOTE.–Multipliers are based on the 2002 Benchmark Input-Output Table for the Nation and 2008 regional data. Industry List B identifies the industries corresponding to the entries.

SOURCE.–Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.

RIMS II Multipliers (2002/2008)
Table 2.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Industry Aggregation
RIMS II 2008 State of Vermont Multipliers (Type II)

INDUSTRY	Multiplier					
	Final Demand				Direct Effect	
	Output/1/ (dollars)	Earnings/2/ (dollars)	Employment/3/ (jobs)	Value-added/4/ (dollars)	Earnings/5/ (dollars)	Employment/6/ (jobs)
1. Crop and animal production	1.6650	0.3363	14.7483	0.7784	2.3121	1.7883
2. Forestry, fishing, and related activities	2.0442	0.5038	22.0540	0.9692	2.1078	1.8346
3. Oil and gas extraction	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
4. Mining, except oil and gas	1.6452	0.3935	11.1336	0.8980	1.7921	1.8368
5. Support activities for mining	1.6226	0.5043	10.4508	0.9305	1.9461	3.3309
6. Utilities*	1.3922	0.2981	5.5593	0.8308	1.6064	2.8638
7. Construction	1.9252	0.8224	19.1634	1.0287	1.6936	1.7301
8. Wood product manufacturing	2.1709	0.4789	16.5135	0.8857	2.5733	2.7645
9. Nonmetallic mineral product manufacturing	1.7516	0.4685	12.5087	0.8547	1.7631	1.9601
10. Primary metal manufacturing	1.7322	0.3292	7.3420	0.6773	2.1994	3.0554
11. Fabricated metal product manufacturing	1.6424	0.4345	10.7858	0.7932	1.6711	1.9734
12. Machinery manufacturing	1.7041	0.4614	11.0854	0.7841	1.7076	2.0546
13. Computer and electronic product manufacturing	1.5559	0.3494	7.1868	0.6759	1.7676	2.6412
14. Electrical equipment and appliance manufacturing	1.6271	0.3411	8.6806	0.7667	1.8712	2.1055
15. Motor vehicle, body, trailer, and parts manufacturing	1.6583	0.3565	8.9852	0.6064	1.9219	2.2440
16. Other transportation equipment manufacturing	1.7367	0.4114	8.8367	0.7659	1.9183	2.6411
17. Furniture and related product manufacturing	1.7122	0.4086	12.8151	0.7993	1.8400	1.8482
18. Miscellaneous manufacturing	1.7021	0.4418	12.5188	0.8956	1.7579	1.8736
19. Food, beverage, and tobacco product manufacturing	1.9038	0.3225	10.4911	0.7088	2.5901	2.7742
20. Textile and textile product mills	1.5767	0.3348	11.9042	0.6334	1.8024	1.6273
21. Apparel, leather, and allied product manufacturing	1.6565	0.4034	15.7242	0.7634	1.7687	1.5569
22. Paper manufacturing	1.6869	0.2842	7.4299	0.7308	2.5348	3.7706
23. Printing and related support activities	1.7342	0.4747	13.3307	0.8873	1.6899	1.8326
24. Petroleum and coal products manufacturing	1.5387	0.3471	6.6501	0.4089	1.6920	2.7369
25. Chemical manufacturing	1.4871	0.2497	6.6129	0.5935	1.9360	2.1569
26. Plastics and rubber products manufacturing	1.5899	0.3503	9.3131	0.7135	1.7939	2.0150
27. Wholesale trade	1.5961	0.4548	10.9917	1.0334	1.5874	1.9525
28. Retail trade	1.6884	0.5109	19.9146	1.0660	1.5691	1.4333
29. Air transportation	1.7263	0.5453	16.4453	0.8732	1.8098	1.7394
30. Rail transportation	1.6464	0.3722	8.6619	0.8595	2.0383	3.1436
31. Water transportation	1.6818	0.3543	9.3613	0.7102	2.3411	2.9201
32. Truck transportation	1.8194	0.5080	13.1920	0.9410	1.9177	2.3331
33. Transit and ground passenger transportation*	1.6841	0.5425	20.5059	0.8273	1.8460	1.5757
34. Pipeline transportation	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000
35. Other transportation and support activities*	1.7644	0.8570	18.1897	1.1011	1.4949	1.6532
36. Warehousing and storage	1.7220	0.5107	15.1951	1.0517	1.6229	1.7285
37. Publishing industries, except internet	1.7574	0.4667	14.4136	1.0054	1.8574	1.8784
38. Motion picture and sound recording industries	1.6175	0.3899	21.5093	0.9589	1.7784	1.3732
39. Broadcasting, except internet	1.7399	0.5794	13.9704	0.8725	1.5725	1.9745

(Continued)

Region Definition: Vermont

*Includes Government enterprises.

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
3. Each entry in column 3 represents the total change in number of jobs that occurs in all industries for each additional 1 million dollars of output delivered to final demand by the industry corresponding to the entry. Because the employment multipliers are based on 2008 data, the output delivered to final demand should be in 2008 dollars.
4. Each entry in column 4 represents the total dollar change in value added that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
5. Each entry in column 5 represents the total dollar change in earnings of households employed by all industries for each additional dollar of earnings paid directly to households employed by the industry corresponding to the entry.
6. Each entry in column 6 represents the total change in number of jobs in all industries for each additional job in the industry corresponding to the entry.

NOTE.–Multipliers are based on the 2002 Benchmark Input-Output Table for the Nation and 2008 regional data. Industry List B identifies the industries corresponding to the entries.

SOURCE.–Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.

RIMS II Multipliers (2002/2008)
Table 2.5 Total Multipliers for Output, Earnings, Employment, and Value Added by Industry Aggregation
RIMS II 2008 State of Vermont Multipliers (Type II)

INDUSTRY	Multiplier					
	Final Demand				Direct Effect	
	Output/1/ (dollars)	Earnings/2/ (dollars)	Employment/3/ (jobs)	Value-added/4/ (dollars)	Earnings/5/ (dollars)	Employment/6/ (jobs)
40. Telecommunications	1.6161	0.3262	7.6212	0.9132	1.9921	2.7115
41. Internet and other information services	1.6472	0.4451	12.8652	1.0129	1.6885	1.8571
42. Federal Reserve banks, credit intermediation and related services	1.5793	0.3989	9.5101	1.0203	1.7136	2.2268
43. Securities, commodity contracts, investments	1.8951	0.7439	20.8125	1.1071	1.5175	1.6419
44. Insurance carriers and related activities	1.8811	0.5491	12.4430	1.0557	1.8487	2.3603
45. Funds, trusts, and other financial vehicles	1.8458	0.4209	10.4252	0.6931	2.9535	4.2100
46. Real estate	1.3338	0.1348	8.3292	0.9432	2.9764	1.5177
47. Rental and leasing services and lessors of intangible assets	1.5885	0.3749	13.0487	1.0470	1.7540	1.6374
48. Professional, scientific, and technical services	1.7981	0.8730	16.0146	1.1520	1.4983	1.7103
49. Management of companies and enterprises	1.8332	0.6486	14.7545	1.1239	1.5799	2.0679
50. Administrative and support services	1.7650	0.6211	29.6793	1.1313	1.5228	1.3153
51. Waste management and remediation services	1.7027	0.4391	11.5014	0.9709	1.7983	2.1352
52. Educational services	1.8532	0.6158	22.8328	1.0831	1.5629	1.4812
53. Ambulatory health care services	1.8539	0.7360	18.5530	1.1608	1.4836	1.7379
54. Hospitals	1.7750	0.5943	14.3972	1.0334	1.5255	1.9003
55. Nursing and residential care facilities	1.7850	0.6717	23.6670	1.1365	1.4545	1.4267
56. Social assistance	1.8160	0.6122	30.3065	1.0689	1.5577	1.3209
57. Performing arts, spectator sports, museums, zoos, and parks	1.7357	0.5360	23.8641	1.0479	1.6319	1.4276
58. Amusements, gambling, and recreation	1.7304	0.5221	29.1225	1.0682	1.5936	1.2808
59. Accommodation	1.6696	0.4745	18.4474	1.0421	1.6505	1.5021
60. Food services and drinking places	1.7404	0.4998	25.4057	0.9477	1.6237	1.3235
61. Other services*	1.8383	0.5318	15.9946	1.0052	1.7711	1.8554
62. Households	1.0353	0.2814	9.6468	0.6285	0.0000	0.0000

Region Definition: Vermont

*Includes Government enterprises.

1. Each entry in column 1 represents the total dollar change in output that occurs in all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
2. Each entry in column 2 represents the total dollar change in earnings of households employed by all industries for each additional dollar of output delivered to final demand by the industry corresponding to the entry.
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NOTE.--Multipliers are based on the 2002 Benchmark Input-Output Table for the Nation and 2008 regional data. Industry List B identifies the industries corresponding to the entries.

SOURCE.--Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.

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EXHIBIT P

MANAGEMENT AGREEMENT

JAY PEAK HOTEL SUITES STATESIDE

THISAGREEMENT is entered into by and

BETWEEN: **JAY PEAK GP SERVICESSTATESIDE, INC.**, a corporation duly organized and existing under the laws of the State of Vermont, the principal office of which is at 4850 VT Route 242, Jay, Vermont 05859-9621 (the "General Partner)";

AND: **SQ PROPERTY MANAGEMENT LLC**, a limited liability company duly organized and existing under the laws of the State of Vermont, the principal office of which is at 4850 VT Route 242, Jay, Vermont 05859-9621 (the "Manager").

RECITALS:

WHEREAS, General Partner is the general partner in a Vermont limited partnership known as "Jay Peak Hotel Suites Stateside L.P." (the "Owner"), pursuant to a limited partnership agreement dated as of _____, 2011 (the "Partnership Agreement"); and

WHEREAS, Owner has acquired the ground lease rights to construct, erect , fit up, furnish, own and lease out up to eighty four (84) cottage units (the "Units") , and construct erect , fit up, furnish, own and lease out eighty four (84) Stateside Hotel suites (the "Suites") to be located adjacent or near to the Stateside Base area and championship golf course at the Jay Peak Resort in Jay, Vermont (the "Resort"); and

WHEREAS, Owner will lease the Units and Suites to a third party, the cottages and the Stateside Hotel to be known as "Jay Peak Hotel Suites Stateside " which will be operated as vacation rentals (such vacation rentals, excluding the appurtenant interests in the Common Elements, referred to herein as the "Vacation Rentals"); and

WHEREAS, in the Partnership Agreement the General Partner is delegated the duty to manage the leasing of the Units (the "Lease"), either directly or through a designee, which designee may include any affiliates of the General Partner; and

WHEREAS, General Partner desires to retain Manager to manage the Lease; and,

WHEREAS, Manager is willing to accept such employment on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual premises and the covenants herein contained, the parties agree each with the other as follows:

1. Designation of Manager. On behalf of Owner, General Partner hereby appoints and designates Manager as General Partner's sole and exclusive agent to approve tenants and rent the Unit as a Vacation Rental pursuant to the terms of a lease to be negotiated between Owner and tenant, and to function as Owner's representative in all dealings with the tenant(s) and the obligations of the parties under said lease(s).

2. Manager's Authority. On behalf of General Partner and in accordance with the desires and directives of the General Partner, Manager shall use its best efforts in its management of the Unit and Leaseto maximize rental income to Ownerpursuant to a business plan provided to Manager and comply with this Agreement, all to the full extent reasonable and prudent in consideration of the location of the Hotel and the facilities in and at the Hotel and the surrounding area in the Resort, and consistent with sound business practices.

In furtherance of the exercise of this authority, Manager, pursuant to directives from General Partner, shall perform any and all acts which are necessary or desirable to lease the Unit, interact and negotiate lease issues with tenant(s). In this connection, Manager shall, among other duties:

(a) Negotiate one or more leases with tenants of the Unit;

(b) Hire, train, supervise and pay all personnel required to staff Manager. The terms, conditions and policies of employment of such personnel shall be determined by Manager. Such policies of employment shall include, without limitation, hiring and firing of employees, wages, profit sharing, benefit plans and insurance plans;

(c) Collect rentals, common area charges and any other payments due under the Lease, and insure that the tenant(s) adhere to all Lease terms;

(d) Coordinate with the efforts the Jay Peak Resort all common elements consistent with the expected standards of the Hotel;

(e) Collect such data, including but not limited to all employee records as may be permitted by law, and all monthly and annual visitor and revenue summaries of the tenant(s)' business operations, from the tenant(s) as may be required to support and validate job creation in connection with the Owner's requirements under the so-called EB-5 program under 8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) of the Immigration & Nationality Act, and other matters, all as further set forth in the Partnership Agreement;and

(f) Comply with the laws and regulations of any governmental agency having jurisdiction over the Hotel or the Unit, as any of the foregoing may be amended from time to time.

3. Manager's Fee. Manager shall pay itself from the gross revenue generated from the Lease, in the amount of up to a maximum of ten percent (10%) (the "Manager Fee").

4. Owner's Income. Manager shall distribute to Owner the net income from the Lease after payment of the Manager Fee, and office expenses.

5. Account; Books of Account; Budgets; Financial Reports.

(a) Gross rental income derived from the Leasewill be the property of Owner but in the exclusive possession and control of Manager, subject to the provisions of this Agreement. Such funds shall be maintained exclusively for Owner in a bank determined annually by General Partner on behalf of Owner. Manager shall not commingle its funds with those of Owner. According to the provisions of this Agreement, Manager shall disburse funds from this account to pay the Manager Fee and on behalf of Owner and shall allocate revenue and expenses as required hereunder. No funds shall be withdrawn unless by someone authorized to do so by Manager.

(b) Manager shall establish a Lease ledger account for Owner, which account shall be maintained by Manager in accordance with the terms of this Agreement, regarding which Manager shall make entries for deposits in, deductions from, and distributions of, such account in accordance with the terms of this Agreement.

(c) Manager shall periodically prepare such reports, budgets or other financial data reasonably requested by General Partner to meet General Partner's obligations under Article XIII of the Partnership Agreement.

(d) Upon five (5) days written notice to Manager, General Partner shall have the right at any time during ordinary business hours to examine, at the place where they regularly are kept, such books of Managerrelated to the Leaseand of any person, firm or corporation acting for, and performing the duties, functions and discretions of, Manager hereunder.

Unless the General Partner on Owner's behalf disputes computation or other information within forty-five (45) days after Manager mails statements or reports, the accuracy of such reports and financial statement shall be deemed to have been accepted by General Partner on Owner's behalf.

6. Taxes. Manager shall not be liable to Owner (a) for any tax assessed and levied by any governmental body; (b) for either federal or state income or corporate excise taxes attributable to income earned by, or paid to, Owner under this Agreement; (c) for Owner's ad valorem personal and real property taxes; (d) for any assessment of any kind assessed or levied by a governmental body.

7. Insurance. To the extent not already provided by the Jay Peak Resort, Manager shall obtain and maintain such additional types of insurance in such amounts

and upon such terms as Manager shall determine to be prudent under the circumstances having due regard for the liability of Owner and, at a minimum, comparable to that carried on other comparable properties. Owner shall be named as an additional insured on all such insurance policies. Except as stated above, Manager shall not be required to provide or maintain fire or casualty insurance of any kind with respect to the Unit or the Common Elements and the furnishings and personal property in such Unit and Common Elements, this being a responsibilityof the Owner.

8. Management Term. The agency created hereby shall commence immediately upon execution hereof and shall continue indefinitely until termination. General Partner may terminate this Agreement at any time for Manager's fraud, gross negligence, willful misconduct or a material breach of this Agreement. Such termination shall be effective at the end of ten (10) days after written notice of such decision to Manager.

In addition to the foregoing methods of termination of this Agreement, it may be terminated as follows:

(a) At any time by the mutual consent of the parties hereto.

(b) Upon the dissolution of Owner. In such circumstances, subject to the order of a court of appropriate jurisdiction, Manager will continue to manage the Lease, pursuant to the provisions of this Agreement, on behalf of the Owner.

(c) Upon the appointment of a receiver, trustee or liquidating agent for, or the assignment for the benefit of creditors of, all or substantially all of Manager's assets, or the bankruptcy or dissolution of Manager.

(d) Upon termination of the Lease.

If this Agreement is terminated, then Manager shall provide to General Partner on Owner's behalf a final financial statement, shall make the payment of balances in Owner's Hotel Account to Owner or as Owner shall otherwise direct, and shall yield up the Hotel in good condition and repair, excepting only reasonable wear and tear and damage by fire or other casualty.

9. Assignment. This Agreement may not be assigned unless by the consent of the parties.

10. Arbitration. Any dispute between General Partner and the Manager, which has not been resolved by mediation, must be submitted to arbitration. Such submission shall be made by a disputant providing notice of arbitration to other disputants within ten (10) days after receipt of notice of the failure of mediation; or, in the matter of termination of the Manager, within ten (10) days of notice called for in Section 8.

Within ten (10) days of the giving of notice of arbitration, Manager shall choose one arbiter, the General Partner shall choose one arbiter and those arbiters shall choose a third arbiter within a second period of ten (10) days. The arbiters shall apply the then current, appropriate rules of the American Arbitration Association ("AAA") and the laws of the State of Vermont, if they are not inconsistent with the rules of the AAA, and shall take testimony offered by the parties. When all evidence has been presented, the arbiters shall by majority vote resolve the issues upon application of testimony they believe is relevant and reliable. As well, they may make awards, including a determination of liability for attorneys' fees, arbitration costs, and compensation to arbiters. Their decision shall bind the parties and may be entered as a judgment under the Arbitration Act of the State of Vermont.

Manager may begin within thirty (30) days to cure diligently the basis of any arbitration decision against it. Such diligence shall include, if appropriate, the termination of subcontractors or assignees. Failing appropriate diligent actions by Manager, the General Partner may decide to terminate this Agreement.

11. Right to Compete and Contract. Manager and General Partner, and in the event that Manageror General Partnerassigns its rights and duties hereunder pursuant to Section9, such assignee, their partners, stockholders, officers, directors and affiliated companies, or any of them:

(a) May build, own, lease or manage other motels, motor inns, hotels, concierge businesses, suites, condominiums, restaurants or resorts and such establishments may compete with the Hotel for convention, tourist or commercial business. None of the foregoing entities shall be disqualified from so competing with the Hotel.

(b) Shall not be disqualified from contracting with the Hotel as vendor, purchaser, contractor, supplier, purveyor of goods or services, or otherwise, including food and beverage services; provided that the charges to Hotel under such contracts shall be competitive in light of the prevailing rates for such services and goods as may be involved. All such material affiliated relationships and services shall be disclosed in reasonable detail.

12. General Partner's Acknowledgements and Election. By the execution hereof, General Partner recognizes that (i) Manager is not a partner or joint venturer with General Partner but is the agent and independent contractor of General Partner; and (ii) the relationship between Manager and General Partner does not create a corporation in law or in fact. General Partner on behalf of Owner further acknowledges that the Lease of the Unit is a speculative venture with no guaranty, in fact or by implication, that Owner shall receive any, or any specific, sum of money in any given period of time on account of its entry into this operation.

General Partner further acknowledges and agrees that if, contrary to the intent of this Agreement, the relationship hereby created be deemed a general partnership, the scope thereof shall be solely the leasing of the Unit and that all powers and authority of General Partner to act within the scope of the partnership are vested by General Partnerin Manager exclusively.

Owner expressly retains both legal title and beneficial ownership of the Unit and its appurtenant interests in the Common Elements and their contents, and Owner is not contributing such property, or any thereof, or the use thereof, to any imagined or assumed entity. If, contrary to the intent of this Agreement, the agency relationship of Manager with Owner is deemed a partnership for federal income tax purposes, then Owner shall be deemed only to have contributed the use of the Unit and its appurtenant interests in the Common Elements and their contents to such partnership and not to have contributed the Unit itself or its appurtenant interest in the Common Elements or their contents or any title thereto or interest therein to such assumed partnership and Manager shall be deemed the tax management partner of any such assumed partnership. Legal and accounting fees reasonably incurred by the Manager and other such expenses incurred by Manager acting as tax managing partner shall be reimbursed by Owner. Manager shall vigorously deny partnership status for general law or tax purposes and may litigate to obtain refunds from the Internal Revenue Service imposed by it on account of the failure to file a partnership return.

General Partner acknowledges that Manager has not given legal or tax advice.

13. Notices. Notices hereunder to General Partner or Manager shall be delivered personally, or deposited in the United States Mail, certified mail, return receipt requested, postage fully paid, addressed to General Partner or Manager, as the case may be, at the address first set forth above (or such more recent address of which the party addressed shall have given written notice to the other party), and shall be deemed to be given when delivered personally, or when the notice has been delivered as evidenced by the return receipt.

14. Attorneys' Fees. In litigation or arbitration arising out of this Agreement, the parties shall be responsible for their owncosts and attorneys' fees incurred in such litigation, both at trial and upon appeal, if any, unless the arbitration award specifically awards such fees and costs to the prevailing party.

15. Applicable Law. This Agreement shall be construed under, and shall be governed by, the laws of the State of Vermont.

16. Entire Agreement. This Agreement, together with any other writings signed by the parties expressly stated to be supplemental hereto and together with any instruments to be executed and delivered under this Agreement, constitutes the entire agreement between the parties with respect to the agency created hereunder and supersedes all prior understandings and writings, and may be changed only by a writing signed by the parties hereto.

17. Severability. The invalidity in whole or in part of any term, covenant or provision hereof shall not affect the validity of the remainder hereof. Any portion of this Agreement determined to be invalid or unenforceable shall, to the extent possible, be reformed to accomplish its intended effect.

18. Miscellaneous. The terms "General Partner" or "Manager" wherever herein used shall include the person, or persons, named and its or their successors and permitted assignees. Where the context so admits or requires, use of the singular includes the plural, and vice versa, and use of any gender includes any or all other genders.

19. Acknowledgement of Arbitration. Manager and General Partner understand that this Agreement contains an agreement to arbitrate; and, unless a question of constitutional or civil rights law is involved, Manager and General Partner understand that they will not be able to litigate any dispute covered by the arbitration provisions of this Agreement. Instead, Manager and General Partner agree to submit such disputes to impartial arbitration.

DATED _____

General Partner:
JAY PEAK GP SERVICES STATESIDE, INC.

By: _____
William Stenger, President and
Duly Authorized Agent

Manager:
SQ PROPERTY MANAGEMENT LLC

By: _____
William Stenger, Member and
Duly Authorized Agent

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EXHIBIT Q

COMMERCIAL LEASE – STATESIDE HOTEL

THIS COMMERCIAL LEASE (the "Lease") is made this ____ day of _____, 201__, between **JAY PEAK HOTEL SUITES STATESIDE L.P.**, a Vermont limited partnership with its principal place of business at 4850 VT Route 242, Jay, Vermont 05859-9621 (hereinafter referred to as the "Landlord"), and _____, a _____with its principal place of business at _____ (hereinafter referred to as the "Tenant").

1. **Demise, Description of Premises.** Landlord does hereby demise, let, rent, and lease unto the Tenant, and the Tenant hereby hires and rents from the Landlord, certain premises located at the Jay Peak Resort in Jay, Vermont 05859 (the "Resort"), being eighty four (84) suites within the Stateside Hotel with one, two or more beds in each (the "Stateside Hotel or "Premises"), fully improved, pursuant to plans to be attached hereto, for the Tenant's proposed use of the Premises as further set forth in Section 4 below, all being located at Jay Peak Resort (the "Resort") adjacent or near to the Stateside Base area ski trails at the Resort.

2. **Term of Lease.** The Premises are hereby leased to Tenant, subject to all of the terms and conditions contained in this Lease, for a term often (10) years commencing _____, 20__ and ending_____, 20__, unless sooner terminated as hereinafter providedor should Landlord's partners all withdraw from the limited partnership pursuant to various options and mechanisms set forth in the Landlord's partnership agreement(the "Term").

3. **Rent.**

   (a) Tenant agrees to pay to Landlord rent in the amount of $_____ per monthduring the Term.

   (b) In addition, Tenant agrees to pay Landlord percentage rent based on Tenant's income during the Term, calculated according to the following formula: _____.

4. **Use of the Property.**

   (a) The Premises will be used as a hotel solely for the purpose of the operation of vacation rentals and all related amenities and activities as incorporated into the Premises (the "Vacation Rentals"), all to be operated for the benefit of all members and guests of the Resort, and all to be operated compatible with the standards of a luxury class vacation rentalsand with the other Resort accommodations and services. No other, different, or additional use of the Premises shall be permitted except with the prior written consent of the Landlord. At no time will the Premises be used for illegal or immoral purposes. If the Tenant's use of the Premises necessitates application for zoning or planning approval or compliance with other municipal or state regulations at any time during the Term, Tenant will prosecute and bear the costs of such applications necessary to obtain compliance and approval.

(b) The Tenant is obligated hereunder to oversee any third parties' operation of the Premises or any business function therein.

5. **Insurance, Utilities, and Taxes.** The Tenant shallbe responsible for and pay all charges for heat, gas, hot water, electricity, light and power, and other service or services furnished to the demised Premises. Tenant shall be responsible for insuring the Premises against fire and other casualty losses. Tenant shall be responsible for and pay all real estate taxes regarding the Premises.

6. **Alterations.**

(a) Except as hereinafter expressly provided, the Tenant shall not make or permit to be made any alterations, additions, changes, or improvements in or to the Premises or any part thereof without first obtaining the written consent of the Landlord.

(b) Before requesting the Landlord's consent, the Tenant shall submit to the Landlord a copy of the detailed plans and specifications of such proposed alterations, changes, additions or improvements, together with reasonable evidence of the approval of such alterations, additions, changes, or improvements by any and all municipal, state, federal, or other governmental or other authorities, offices, and departments now existing or hereafter created having jurisdiction in the Premises.

(c) The Landlord and Landlord's agents and employees shall have the right to enter upon the Premises in a reasonable manner and at all reasonable times during the course of any such alterations, additions, changes, or improvements for the purpose of inspection and determining whether such work conforms to the approved plans and specifications and the terms of this Lease.

(d) Throughout the Term, the Tenant, at its own cost and expense, will cause any and all mechanics' liens and perfection of the same which may be filed against the Premises to be paid and satisfied of record within thirty (30) days after the Landlord sends to the Tenant written notice by registered mail of the filing of any notice thereof against the Premises or the Landlord, for or purporting to be for labor or materials alleged to be furnished or to be charged by or for the Tenant at the Premises, or will bond such mechanics' liens and use reasonable efforts to have such liens discharged by an order of a court of competent jurisdiction within such thirty (30) day period.

(e) The Tenant also covenants and agrees that any alterations, improvements, or other work once begun will be prosecuted with reasonable diligence to completion and, subject to the provisions of Section 6(d) above, be paid for by Tenant, free and clear of liens or encumbrances against the Premises or the Landlord, and will be performed in all respects in accordance with governing law.

7. **Tenant to Comply With Laws, Etc.** The Tenant, at its own cost and expense, will promptly execute and comply with any and all requirements arising at any time affecting the Premises imposed by any present or future law, statute, or governmental authority now existing or hereafter created, foreseen or unforeseen, and with any and all present and future statutes, laws,

ordinances, acts, rules, regulations, orders, and requirements of every kind and nature applicable to the Premises or any part thereof and all requirements incidental to or the result of any use or occupation thereof. The Tenant shall further so comply with each and every rule, order, and requirement of any national, state, municipal, legislative, executive, judicial, or other governmental body, commissioner, or officer or of any bureau or department thereof, whether now existing or hereafter created, having jurisdiction over the Premises or any part thereof or exercising any power relative thereto or to the owners, tenants, or occupants thereof. Tenant, however, will not be responsible for any conditions of the Premises or any hazardous substance, as defined by federal and state laws and regulations, that are located at, on, or in the Premises that existed at the commencement of the Term or are not caused by, or in the case of hazardous substances, not placed on or in the Premises by the Tenant.

8. **No Waiver.** The failure of the Landlord to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions, and agreements of this Lease, or to exercise any option herein conferred, shall not be considered as waiving or relinquishing for the future any such terms, covenants, conditions, agreements, or options, but the same shall continue and shall remain in full force and effect.

9. **Landlord's Right of Access.** Landlord and Landlord's agents and employees shall have the right to enter the Premises in a reasonable manner and at all reasonable times to examine the same and to show them to prospective investors, guests, purchasers, mortgagees or lessees. Without limiting the foregoing, Tenant acknowledges by its signature below that Landlord has designated SQ Property Management LLC as its management agent (the "Agent") to manage the Lease and said Agent will have such access to the Premises as is necessary to insure that Tenant is meeting its obligations under the Lease.

10. **Mortgages.** This Lease is specifically made subject to and subordinate to any mortgage now existing or placed upon the Premises by Landlord, and Tenant shall execute any documentation required by any mortgagee to reflect such subordination. Notwithstanding the previous sentence, the terms of this Lease shall continue in full force and effect so long as Tenant is in compliance therewith, and any mortgagee or subsequent owner of the Premises shall be bound by the terms of this Lease and not disturb Tenant's occupancy of the Premises provided Tenant attorns to said mortgagee or subsequent owner.

11. **Condition of Premises.** The Tenant has been afforded full opportunity to examine and inspect the Premises and hereby acknowledges and agrees that Tenant is leasing the improvements on the Premises in an "as is" condition, and the Landlord has made no promises or representations that the improvements on the Premises shall be renovated, repaired, or improved in any manner after the execution of this Lease.

12. **Care of Premises.** Tenant, at its sole cost and expense, shall be fully responsible for all necessary maintenance to all heating, plumbing, electrical, and other systems and equipment located in or upon the Premises. Tenant, at Tenant's sole cost and expense, shall be fully responsible for all necessary repairs to and, if necessary, replacement of all heating, plumbing, electrical, and other systems and equipment located in or upon the Premises.

13. **Assignment, Subletting.** The Tenant may not assign this Lease or sublet the Premises without the prior written consent of Landlord.

14. **Casualty Loss.** If, at any time during the Term, a Substantial Portionof the Premises(as defined below) shall be damaged or destroyed by fire or other occurrence (including any occurrence for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Landlord, at Landlord's option and no later than one hundred twenty (120) days from such fire or other occurrence, may terminate this Lease. If, at any time during the Term, a Substantial Portion of the Premises are damaged or destroyed by fire or other occurrence (including any occurrence for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant may, no later than one hundred twenty (120) days from such fire or other occurrence, at its option, terminate this Lease. In the event of any such termination, Tenant shall be released from all of its obligations under this Lease, and the parties shall proceed as provided in Section 20. In the event less than a Substantial Portion of the Premises are damaged or destroyed, this Lease shall continue in full force and effect, except that rent shall be abated on a prorata basis based upon the number of square feet being rendered unusable to Tenant. The term "Substantial Portion of the Premises" means a portion of the premises that, if subject to damage, destruction, or a Taking by Condemnation (defined in Section 15 below), would render the remainder of the Premises substantially unusable by the Tenant for the purposes set forth in Section 4 above.

15. **Condemnation or Eminent Domain.** If, at any time during the Term, title to a Substantial Portion of the Premisesshall be taken by exercise of the right of condemnation or eminent domain or by agreement between Landlord and those authorized to exercise such right (all such proceedings being collectively referred to as a "Taking in Condemnation"), this Lease shall terminate and expire on the date of such taking and the rent shall be apportioned and paid up through the date of the award.That portion of the award attributable solely to the Landlord shall belong solely to Landlord. That portion of the award attributable solely to the Tenant shall belong solely to Tenant.In the event of any such termination, Tenant shall be released from all of its obligations under this Lease, and the parties shall proceed as provided in Section 21. If title to less than a Substantial Portion of the Premises is taken in condemnation, so that the business of the Tenant may continue without material diminution, this Lease shall continue in full force and effect. In the event of such partial condemnation, rent shall be abated on a prorata basis based upon the number of square feet being rendered unusable to Tenant. Any award from the partial condemnation attributable solely to the Landlord shall belong solely to Landlord and any award for partial condemnation attributable solely to the Tenant shall belong solely to Tenant.

16. **Personal Property.** Tenant shall be solely responsible for all personal property placed upon the Premises during the Term and renewals hereto, if any, which responsibility shall include by way of illustration and not by way of limitation, payment of all taxes and fees assessed against the personal property and insurance for all personal property. Further, at the expiration or earlier termination of this Lease, the Tenant shall remove all such personal property from the Premises exercising due care not to damage the Premises by such removal. The Tenant shall repair any and all damage done to the Premises by the removal of such personal property.

17. **Default.** If any one or more of the following events ("Events of Default") shall happen:

(a) If default shall be made in the due and punctual payment of rent payable under this Lease, or any part thereof, when and as the same shall become due and payable, and such default shall continue for a period of fifteen (15) days after the Tenant receives written notice from Landlord that such rent has not been paid; or

(b) If default shall be made by Tenant in the performance or compliance with any of the agreements, terms, covenants, or conditions in the Lease, other than as referred to above, for a period of thirty (30) days after Tenant receives notice from Landlord specifying the items in default, or in the case of a default or contingency that cannot with reasonable due diligence be cured within such thirty (30) day period, if Tenant fails to commence within such thirty (30) day period the steps necessary to cure the same and thereafter to prosecute the curing of such default with reasonable due diligence (it being understood that the time of Tenant within which to cure shall be extended for such period as may be necessary to complete the same with all reasonable due diligence); or

(c) If Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or if there shall be appointed a receiver or trustee of all or substantially all of the property of the Tenant, or if Tenant shall make any assignment for the benefit of Tenant's creditors, or if the Tenant shall vacate the Premises, and any such condition shall continue for a period of thirty (30) days after notice from Landlord specifying the matter involved;

then, and in any such event, Landlord at any time thereafter may give written notice to Tenant specifying such event or events of default and stating that this Lease and the term hereby demised shall expire and terminate on the date specified in such notice, and upon the date so specified, all rights of Tenant under this Lease shall expire and terminate.Thereafter, the Landlord shall use Landlord's best efforts to relet the Premises. Upon any termination of this Lease as above-stated, the Tenant shall immediately vacate the Premises and surrender the same to the Landlord as set forth in Section 20.

18. **Landlord's Covenants.** The Landlord warrants that Landlord has good title to and the right to lease the Premises in manner provided for in this Lease and that Landlord will suffer and permit the Tenant (so long as the Tenant shall materially keep all the covenants on its part, as herein contained) to occupy, possess, and enjoy the Premises during the Term, without hindrance or molestation from Landlord or any person claiming by, from, or under Landlord.

19. **Quiet Enjoyment.** Landlord covenants that the Tenant, on paying all rent required to be paid by Tenant, and materially performing the other covenants and undertakings by the Tenant to be performed, shall and may peaceably have and enjoy the Premises for the Term in accordance with the terms of this Lease.

20. **Removal and Surrender.** The Tenant will, at the expiration or earlier termination of this Lease, peaceably surrender the Premises and all improvements thereon, and Tenant will execute all documents necessary to place marketable title to all improvements in Landlord's name or Landlord's nominee's name, subject only to (a)the mortgages existing at the time of

commencement of this Lease, (b) any changes or additions to which Landlord consented pursuant to Section 6, and (c) any easements, rights of way, conditions, or other encumbrances existing at the commencement of this Lease.

21. **Waste or Nuisance.** Tenant shall not commit or suffer to be committed any waste upon the Premises or any act that constitutes a public or private nuisance.

22. **Holding Over.** Any holding over after the expiration of the Term and one month thereafter shall be construed to be a tenancy from month to month at the rent prevailing immediately prior to such holding over (prorated on a daily basis) and shall otherwise be on the terms and conditions herein specified, so far as applicable.

23. **Successors and Assigns.** All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the respective successors and assigns of the parties, subject to Section 13 above.

24. **Entire Agreement, Applicable Law.** This Lease contains the entire agreement of the parties with respect to the Premises, and no representations, inducements, promises, or agreements not embodied in this Lease shall be of any force or effect, unless the same are in writing and signed by or on behalf of the party to be charged. The captions of particular Sections are inserted as a matter of convenience only and in no way affect or define the scope or intent of this Lease. This Lease shall be governed by and interpreted in accordance with the laws of the State of Vermont, without regard to conflict of law principles.

25. **Partial Invalidity.** If any term, covenant, or condition of this Lease or the application thereofto any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

26. **Waiver of Rule of Construction.** The parties waive the benefit of any rule that this Lease is to be construed strictly against one party or the other by virtue of the circumstances of the drafting of this Lease.

27. **Notices.** All notices, requests, and other communications hereunder shall be in writing and delivered and mailed:

    (a) If to Landlord, to Jay Peak Hotel Suites Stateside L.P., c/o SQProperty Management LLC, 4850 VT Route 242, Jay, Vermont 05859-9621 or at such other address as may be furnished to Tenant by Landlordin writing.

    (b) If to Tenant, to _____, 4850 VT Route 242, Jay, Vermont05859-9621, or at such other address as may be furnished to the Landlord by Tenant in writing.

28. **Memorandum of Lease.** The parties agree to prepare and record in the Land Records of the Town of Jay, Vermont a memorandum of this Lease sufficient to satisfy statutory requirements.

29. **Obligation of Tenant to Produce Business Records of Tenant.** Tenant acknowledges by its signature below that Landlord, in connection with requirements imposed on it by the so-called EB-5 program under 8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) of the Immigration & Nationality Act, may be required to produce evidence of employment and economic activity to substantiate its limited partners' investment and job creation in connection with the construction and operation of the Premises. As such, Tenant hereby agrees to cooperate with Landlord and its Agent in any request made to evidence Tenant's employment and economic activity, including without limitation production for inspection and copying of Tenant's employees' I-9 forms. Additional business records that Tenant agrees to share with Landlord upon request will include without limitationmonthly and annual visitor and revenue summaries of the Tenant's business operations. Tenant agrees to provide such information within seven (7) business days of receiving a request from Landlord.

30. **Projected Business Activity of Vacation Rental.** Tenant and Landlord shall cooperate in preparing a business plan which sets forth rental rates, projected income of the Vacation Rental and projected percentage rents due hereunder, and Tenant agrees to operate the Vacation Rental in accordance with said business plan.

INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties have executed and delivered this Lease on the date first written above.

IN THE PRESENCE OF:

LANDLORD
JAY PEAK HOTEL SUITES STATESIDE L.P.
BY: Jay Peak GP Services Stateside, Inc., its General Partner

_____
Witness

_____
William Stenger, Its President
and duly authorized agent

TENANT:

_____
Witness

BY:_____
_____its duly authorized agent

State of Vermont
County of _____, ss.

At _____, this ___ day of _____, 201_, personally appeared before me William Stenger, duly authorized agent on behalf of Jay Peak GP Services Stateside, Inc., general partner of Jay Peak Hotel Suites Stateside L.P.., and acknowledged this instrument, by him subscribed, to be his free act and deed, the free act and deed of Jay Peak GP Services Stateside, Inc., and the free act and deed of Jay Peak Hotel Suites Stateside L.P.

Before me, _____
Notary Public
Comm. Exp. 2/10/15

State of Vermont
County of _____, ss.

At _____, this ___ day of _____, 201_, personally appeared before me _____ duly authorized agent on behalf of _____, and acknowledged this instrument, by him subscribed, to be his free act and deed and the free act and deed of _____.

Before me, _____
Notary Public
Comm. Exp. 2/10/15

EXHIBIT - Q1

COMMERCIAL LEASE - COTTAGES

THIS COMMERCIAL LEASE (the "Lease") is made this ____ day of _____, 201__, between **JAY PEAK HOTEL SUITES STATESIDE L.P.**, a Vermont limited partnership with its principal place of business at 4850 VT Route 242, Jay, Vermont 05859-9621 (hereinafter referred to as the "Landlord"), and _____, a _____with its principal place of business at _____ (hereinafter referred to as the "Tenant").

1. **Demise, Description of Premises.** Landlord does hereby demise, let, rent, and lease unto the Tenant, and the Tenant hereby hires and rents from the Landlord, certain premises located at the Jay Peak Resort in Jay, Vermont 05859 (the "Resort"), being up to eighty four (84) cottage units with one, two or more bedrooms in each (the "Cottages or "Premises"), fully improved, pursuant to plans to be attached hereto, for the Tenant's proposed use of the Premises as further set forth in Section 4 below, all being located at Jay Peak Resort (the "Resort") adjacent or near to the Stateside Base area ski trails and championship golf course at the Resort.

2. **Term of Lease.** The Premises are hereby leased to Tenant, subject to all of the terms and conditions contained in this Lease, for a term often (10) years commencing _____, 20__ and ending_____, 20__, unless sooner terminated as hereinafter providedor should Landlord's partners all withdraw from the limited partnership pursuant to various options and mechanisms set forth in the Landlord's partnership agreement(the "Term").

3. **Rent.**

   (a) Tenant agrees to pay to Landlord rent in the amount of $_____ per monthduring the Term.

   (b) In addition, Tenant agrees to pay Landlord percentage rent based on Tenant's income during the Term, calculated according to the following formula: _____.

4. **Use of the Property.**

   (a) The Premises will be used as cottages units solely for the purpose of the operation of vacation rentals and all related amenities and activities as incorporated into the Premises (the "Vacation Rentals"), all to be operated for the benefit of all members and guests of the Resort, and all to be operated compatible with the standards of a luxury class vacation rentalsand with the other Resort accommodations and services. No other, different, or additional use of the Premises shall be permitted except with the prior written consent of the Landlord. At no time will the Premises be used for illegal or immoral purposes. If the Tenant's use of the Premises necessitates application for zoning or planning approval or compliance with other municipal or state regulations at any time during the Term, Tenant will prosecute and bear the costs of such applications necessary to obtain compliance and approval.

(b) The Tenant is obligated hereunder to oversee any third parties' operation of the Premises or any business function therein.

5. **Insurance, Utilities, and Taxes.** The Tenant shallbe responsible for and pay all charges for heat, gas, hot water, electricity, light and power, and other service or services furnished to the demised Premises. Tenant shall be responsible for insuring the Premises against fire and other casualty losses. Tenant shall be responsible for and pay all real estate taxes regarding the Premises.

6. **Alterations.**

(a) Except as hereinafter expressly provided, the Tenant shall not make or permit to be made any alterations, additions, changes, or improvements in or to the Premises or any part thereof without first obtaining the written consent of the Landlord.

(b) Before requesting the Landlord's consent, the Tenant shall submit to the Landlord a copy of the detailed plans and specifications of such proposed alterations, changes, additions or improvements, together with reasonable evidence of the approval of such alterations, additions, changes, or improvements by any and all municipal, state, federal, or other governmental or other authorities, offices, and departments now existing or hereafter created having jurisdiction in the Premises.

(c) The Landlord and Landlord's agents and employees shall have the right to enter upon the Premises in a reasonable manner and at all reasonable times during the course of any such alterations, additions, changes, or improvements for the purpose of inspection and determining whether such work conforms to the approved plans and specifications and the terms of this Lease.

(d) Throughout the Term, the Tenant, at its own cost and expense, will cause any and all mechanics' liens and perfection of the same which may be filed against the Premises to be paid and satisfied of record within thirty (30) days after the Landlord sends to the Tenant written notice by registered mail of the filing of any notice thereof against the Premises or the Landlord, for or purporting to be for labor or materials alleged to be furnished or to be charged by or for the Tenant at the Premises, or will bond such mechanics' liens and use reasonable efforts to have such liens discharged by an order of a court of competent jurisdiction within such thirty (30) day period.

(e) The Tenant also covenants and agrees that any alterations, improvements, or other work once begun will be prosecuted with reasonable diligence to completion and, subject to the provisions of Section 6(d) above, be paid for by Tenant, free and clear of liens or encumbrances against the Premises or the Landlord, and will be performed in all respects in accordance with governing law.

7. **Tenant to Comply With Laws, Etc.** The Tenant, at its own cost and expense, will promptly execute and comply with any and all requirements arising at any time affecting the Premises imposed by any present or future law, statute, or governmental authority now existing or hereafter created, foreseen or unforeseen, and with any and all present and future statutes, laws,

ordinances, acts, rules, regulations, orders, and requirements of every kind and nature applicable to the Premises or any part thereof and all requirements incidental to or the result of any use or occupation thereof. The Tenant shall further so comply with each and every rule, order, and requirement of any national, state, municipal, legislative, executive, judicial, or other governmental body, commissioner, or officer or of any bureau or department thereof, whether now existing or hereafter created, having jurisdiction over the Premises or any part thereof or exercising any power relative thereto or to the owners, tenants, or occupants thereof. Tenant, however, will not be responsible for any conditions of the Premises or any hazardous substance, as defined by federal and state laws and regulations, that are located at, on, or in the Premises that existed at the commencement of the Term or are not caused by, or in the case of hazardous substances, not placed on or in the Premises by the Tenant.

8. **No Waiver.** The failure of the Landlord to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions, and agreements of this Lease, or to exercise any option herein conferred, shall not be considered as waiving or relinquishing for the future any such terms, covenants, conditions, agreements, or options, but the same shall continue and shall remain in full force and effect.

9. **Landlord's Right of Access.** Landlord and Landlord's agents and employees shall have the right to enter the Premises in a reasonable manner and at all reasonable times to examine the same and to show them to prospective investors, guests, purchasers, mortgagees or lessees. Without limiting the foregoing, Tenant acknowledges by its signature below that Landlord has designated SQ Property Management LLC as its management agent (the "Agent") to manage the Lease and said Agent will have such access to the Premises as is necessary to insure that Tenant is meeting its obligations under the Lease.

10. **Mortgages.** This Lease is specifically made subject to and subordinate to any mortgage now existing or placed upon the Premises by Landlord, and Tenant shall execute any documentation required by any mortgagee to reflect such subordination. Notwithstanding the previous sentence, the terms of this Lease shall continue in full force and effect so long as Tenant is in compliance therewith, and any mortgagee or subsequent owner of the Premises shall be bound by the terms of this Lease and not disturb Tenant's occupancy of the Premises provided Tenant attorns to said mortgagee or subsequent owner.

11. **Condition of Premises.** The Tenant has been afforded full opportunity to examine and inspect the Premises and hereby acknowledges and agrees that Tenant is leasing the improvements on the Premises in an "as is" condition, and the Landlord has made no promises or representations that the improvements on the Premises shall be renovated, repaired, or improved in any manner after the execution of this Lease.

12. **Care of Premises.** Tenant, at its sole cost and expense, shall be fully responsible for all necessary maintenance to all heating, plumbing, electrical, and other systems and equipment located in or upon the Premises. Tenant, at Tenant's sole cost and expense, shall be fully responsible for all necessary repairs to and, if necessary, replacement of all heating, plumbing, electrical, and other systems and equipment located in or upon the Premises.

13. **Assignment, Subletting.** The Tenant may not assign this Lease or sublet the Premises without the prior written consent of Landlord.

14. **Casualty Loss.** If, at any time during the Term, a Substantial Portionof the Premises(as defined below) shall be damaged or destroyed by fire or other occurrence (including any occurrence for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Landlord, at Landlord's option and no later than one hundred twenty (120) days from such fire or other occurrence, may terminate this Lease. If, at any time during the Term, a Substantial Portion of the Premises are damaged or destroyed by fire or other occurrence (including any occurrence for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant may, no later than one hundred twenty (120) days from such fire or other occurrence, at its option, terminate this Lease. In the event of any such termination, Tenant shall be released from all of its obligations under this Lease, and the parties shall proceed as provided in Section 20. In the event less than a Substantial Portion of the Premises are damaged or destroyed, this Lease shall continue in full force and effect, except that rent shall be abated on a prorata basis based upon the number of square feet being rendered unusable to Tenant. The term "Substantial Portion of the Premises" means a portion of the premises that, if subject to damage, destruction, or a Taking by Condemnation (defined in Section 15 below), would render the remainder of the Premises substantially unusable by the Tenant for the purposes set forth in Section 4 above.

15. **Condemnation or Eminent Domain.** If, at any time during the Term, title to a Substantial Portion of the Premisesshall be taken by exercise of the right of condemnation or eminent domain or by agreement between Landlord and those authorized to exercise such right (all such proceedings being collectively referred to as a "Taking in Condemnation"), this Lease shall terminate and expire on the date of such taking and the rent shall be apportioned and paid up through the date of the award.That portion of the award attributable solely to the Landlord shall belong solely to Landlord. That portion of the award attributable solely to the Tenant shall belong solely to Tenant.In the event of any such termination, Tenant shall be released from all of its obligations under this Lease, and the parties shall proceed as provided in Section 21. If title to less than a Substantial Portion of the Premises is taken in condemnation, so that the business of the Tenant may continue without material diminution, this Lease shall continue in full force and effect. In the event of such partial condemnation, rent shall be abated on a prorata basis based upon the number of square feet being rendered unusable to Tenant. Any award from the partial condemnation attributable solely to the Landlord shall belong solely to Landlord and any award for partial condemnation attributable solely to the Tenant shall belong solely to Tenant.

16. **Personal Property.** Tenant shall be solely responsible for all personal property placed upon the Premises during the Term and renewals hereto, if any, which responsibility shall include by way of illustration and not by way of limitation, payment of all taxes and fees assessed against the personal property and insurance for all personal property. Further, at the expiration or earlier termination of this Lease, the Tenant shall remove all such personal property from the Premises exercising due care not to damage the Premises by such removal. The Tenant shall repair any and all damage done to the Premises by the removal of such personal property.

17. **Default.** If any one or more of the following events ("Events of Default") shall happen:

(a) If default shall be made in the due and punctual payment of rent payable under this Lease, or any part thereof, when and as the same shall become due and payable, and such default shall continue for a period of fifteen (15) days after the Tenant receives written notice from Landlord that such rent has not been paid; or

(b) If default shall be made by Tenant in the performance or compliance with any of the agreements, terms, covenants, or conditions in the Lease, other than as referred to above, for a period of thirty (30) days after Tenant receives notice from Landlord specifying the items in default, or in the case of a default or contingency that cannot with reasonable due diligence be cured within such thirty (30) day period, if Tenant fails to commence within such thirty (30) day period the steps necessary to cure the same and thereafter to prosecute the curing of such default with reasonable due diligence (it being understood that the time of Tenant within which to cure shall be extended for such period as may be necessary to complete the same with all reasonable due diligence); or

(c) If Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or if there shall be appointed a receiver or trustee of all or substantially all of the property of the Tenant, or if Tenant shall make any assignment for the benefit of Tenant's creditors, or if the Tenant shall vacate the Premises, and any such condition shall continue for a period of thirty (30) days after notice from Landlord specifying the matter involved;

then, and in any such event, Landlord at any time thereafter may give written notice to Tenant specifying such event or events of default and stating that this Lease and the term hereby demised shall expire and terminate on the date specified in such notice, and upon the date so specified, all rights of Tenant under this Lease shall expire and terminate.Thereafter, the Landlord shall use Landlord's best efforts to relet the Premises. Upon any termination of this Lease as above-stated, the Tenant shall immediately vacate the Premises and surrender the same to the Landlord as set forth in Section 20.

18. **Landlord's Covenants.** The Landlord warrants that Landlord has good title to and the right to lease the Premises in manner provided for in this Lease and that Landlord will suffer and permit the Tenant (so long as the Tenant shall materially keep all the covenants on its part, as herein contained) to occupy, possess, and enjoy the Premises during the Term, without hindrance or molestation from Landlord or any person claiming by, from, or under Landlord.

19. **Quiet Enjoyment.** Landlord covenants that the Tenant, on paying all rent required to be paid by Tenant, and materially performing the other covenants and undertakings by the Tenant to be performed, shall and may peaceably have and enjoy the Premises for the Term in accordance with the terms of this Lease.

20. **Removal and Surrender.** The Tenant will, at the expiration or earlier termination of this Lease, peaceably surrender the Premises and all improvements thereon, and Tenant will execute all documents necessary to place marketable title to all improvements in Landlord's name or Landlord's nominee's name, subject only to (a)the mortgages existing at the time of

commencement of this Lease, (b) any changes or additions to which Landlord consented pursuant to Section 6, and (c) any easements, rights of way, conditions, or other encumbrances existing at the commencement of this Lease.

21. **Waste or Nuisance.** Tenant shall not commit or suffer to be committed any waste upon the Premises or any act that constitutes a public or private nuisance.

22. **Holding Over.** Any holding over after the expiration of the Term and one month thereafter shall be construed to be a tenancy from month to month at the rent prevailing immediately prior to such holding over (prorated on a daily basis) and shall otherwise be on the terms and conditions herein specified, so far as applicable.

23. **Successors and Assigns.** All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the respective successors and assigns of the parties, subject to Section 13 above.

24. **Entire Agreement, Applicable Law.** This Lease contains the entire agreement of the parties with respect to the Premises, and no representations, inducements, promises, or agreements not embodied in this Lease shall be of any force or effect, unless the same are in writing and signed by or on behalf of the party to be charged. The captions of particular Sections are inserted as a matter of convenience only and in no way affect or define the scope or intent of this Lease. This Lease shall be governed by and interpreted in accordance with the laws of the State of Vermont, without regard to conflict of law principles.

25. **Partial Invalidity.** If any term, covenant, or condition of this Lease or the application thereofto any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

26. **Waiver of Rule of Construction.** The parties waive the benefit of any rule that this Lease is to be construed strictly against one party or the other by virtue of the circumstances of the drafting of this Lease.

27. **Notices.** All notices, requests, and other communications hereunder shall be in writing and delivered and mailed:

    (a) If to Landlord, to Jay Peak Hotel Suites Stateside L.P., c/o SQProperty Management LLC, 4850 VT Route 242, Jay, Vermont 05859-9621 or at such other address as may be furnished to Tenant by Landlordin writing.

    (b) If to Tenant, to _____, 4850 VT Route 242, Jay, Vermont05859-9621, or at such other address as may be furnished to the Landlord by Tenant in writing.

28. **Memorandum of Lease**. The parties agree to prepare and record in the Land Records of the Town of Jay, Vermont a memorandum of this Lease sufficient to satisfy statutory requirements.

29. **Obligation of Tenant to Produce Business Records of Tenant.** Tenant acknowledges by its signature below that Landlord, in connection with requirements imposed on it by the so-called EB-5 program under 8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) of the Immigration & Nationality Act, may be required to produce evidence of employment and economic activity to substantiate its limited partners' investment and job creation in connection with the construction and operation of the Premises. As such, Tenant hereby agrees to cooperate with Landlord and its Agent in any request made to evidence Tenant's employment and economic activity, including without limitation production for inspection and copying of Tenant's employees' I-9 forms. Additional business records that Tenant agrees to share with Landlord upon request will include without limitationmonthly and annual visitor and revenue summaries of the Tenant's business operations. Tenant agrees to provide such information within seven (7) business days of receiving a request from Landlord.

30. **Projected Business Activity of Vacation Rental.** Tenant and Landlord shall cooperate in preparing a business plan which sets forth rental rates, projected income of the Vacation Rental and projected percentage rents due hereunder, and Tenant agrees to operate the Vacation Rental in accordance with said business plan.

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IN WITNESS WHEREOF, the parties have executed and delivered this Lease on the date first written above.

IN THE PRESENCE OF:

LANDLORD
JAY PEAK HOTEL SUITES STATESIDE L.P.
BY: Jay Peak GP Services Stateside, Inc., its General Partner

_____
Witness

_____
William Stenger, Its President
and duly authorized agent

TENANT:

_____
Witness

BY:_____
_____its duly authorized agent

State of Vermont
County of _____, ss.

At _____, this ___ day of _____, 201_, personally appeared before me William Stenger, duly authorized agent on behalf of Jay Peak GP Services Stateside, Inc., general partner of Jay Peak Hotel Suites Stateside L.P.., and acknowledged this instrument, by him subscribed, to be his free act and deed, the free act and deed of Jay Peak GP Services Stateside, Inc., and the free act and deed of Jay Peak Hotel Suites Stateside L.P.

Before me, _____
Notary Public
Comm. Exp. 2/10/15

State of Vermont
County of _____, ss.

At _____, this ___ day of _____, 201_, personally appeared before me _____ duly authorized agent on behalf of _____, and acknowledged this instrument, by him subscribed, to be his free act and deed and the free act and deed of _____.

Before me, _____
Notary Public
Comm. Exp. 2/10/15

EXHIBIT R

GROUND LEASE AGREEMENT

JAY PEAK HOTEL SUITES STATESIDE L.P.

THIS LEASE is entered into by and between:

> **JAY PEAK, INC.**, a Vermont corporation, with a principal place of business at Route 242, Jay, Vermont (hereinafter called "Ground Lessor"),
>
> And
>
> **JAY PEAK HOTEL SUITES STATESIDE L.P.**, a Vermont limited partnership with a principal place of business at Route 242, Jay, Vermont (hereinafter called "Ground Lessee"):

1. **Description of Premises.** Ground Lessor hereby leases to Ground Lessee land only, together with specified benefits and subject to specified burdens thereto, consisting of a portion of the Jay Peak Resort owned by Ground Lessor (the "Resort"), Jay, Vermont, being various parcels of land located near or adjacent to the Jay Peak Championship Golf Course and Stateside Base area ski trails at the Resort, all as is more specifically depicted in a plat entitled "_____, Jay, Vermont, Boundary of Lease Land", dated _____, 201__, prepared by _____, recorded in Slide No. _____ in the Jay Land Records, a copy of which is attached hereto and made a part hereof as Exhibit A (the "Premises"), for the purpose of Ground Lessee constructing approximately eighty four (84) cottage / mountain chalet units with one, two or more bedrooms in each (the "Improvements"). Any development on the Premises by Ground Lessee shall be in accordance with all state, local and federal laws, regulations, ordinances and rules.

2. **Commencement and Term.** The term of this Lease shall commence upon _____ __, 201__, and the term shall expire on _____ ____, 2061, unless sooner terminated.

3. **Rental Payments.** Ground Lessee agrees to pay the annual rental of Ten Dollars ($10.00).

4. **Net Lease.** This is a "net lease" and the Ground Lessor shall not be required to provide any services or do any acts in connection with the demised Premises except as specifically provided herein, and the rent reserved hereunder shall be paid to the Ground Lessor without any claims on the part of the Ground Lessee for diminution or abatement.

5. **Use of Premises.** Ground Lessee shall use the demised Premises only to build and operate the Improvements, either directly or through designated independent contractors, and related like kind purposes, including without limitation parking, food services and other services in conjunction with and in conformity with the operations of

the Resort. Ground Lessee shall in any event build and operate the Improvements in strict conformity with the overall master plan of the Resort as dictated by the Ground Lessor. This provision shall be void if it is in violation of any state or federal statute or if it is an unlawful restraint on alienation.

6. **Parking Area.** The Ground Lessee and its subtenant(s) and guests shall have the non-exclusive use of the parking areas, if any, contained within the Premises, as depicted on Exhibit A. Ground Lessor agrees that it shall not use such parking facilities or allow their use except as an appurtenance to and consistent with Ground Lessee's use and with Ground Lessor's expansion of the Resort. Ground Lessee and its subtenant(s) and guests shall also have the right to park on portions of the Resort owned and retained by Ground Lessor, adjacent or in close proximity to the Premises, to be determined by Ground Lessor in its sole discretion.

7. **Taxes.** Ground Lessee shall, during the term of this Lease, pay and discharge punctually, as and when the same shall become due and payable, all taxes, special and general assessments, water rents, rates and charges, sewer rents, and other governmental impositions and charges of every kind and nature whatsoever, extraordinary as well as ordinary, and each and every installment thereof which shall or may, during the term of this lease, be charged, levied, laid, assessed, imposed, become due and payable, or liens upon or for, or with respect to the Premises or any part thereof, or any Improvements, appurtenances, or equipment owned or used by Ground Lessee thereon or therein, or any part thereof, together with all interest and penalties thereon, under or by virtue or all present or future laws, ordinances, requirements, order, or regulations of the federal, state, county, town and city governments, and of all other governmental authorities whatsoever, and all sewer rents, charges for water, steam, heat, gas, hot water, electricity, light and power, and other service or services, furnished to the Premises or the occupants thereof during the term of this lease.

8. **Utilities and Services.** Ground Lessor shall furnish all required utilities and other necessary services to the Premises, including, but not limited to, heat, water, waste disposal and power; notwithstanding the foregoing, Ground Lessor shall not on account of this Lease be liable for any failure of water supply or sewer service or electric current or of any service by any utility, or for injury to persons (including death) or damage to property caused by or resulting from steam, gas, sewage, electricity, water, rain or snow which may flow or leak from or to any part of the demised Premises, or from any pipes, appliances or plumbing works of the same or from the street or subsurface of from any other place within or without the Resort, or for interference with light or other incorporeal hereditaments or easements, however caused, except as due to the gross negligence or the wilful acts of the Ground Lessor. Groumd Lessee specifically agrees to pay all charges for gas, electricity, water, light, sewer, heat, power and/or other services used or charges imposed in or about or supplied to the Premises, and shall indemnify Ground Lessor against any and all liability on account of such charges.

9. **Maintenance of Improvements.** Ground Lessee shall at all times during the term of this Lease, at its own cost and expense, keep and maintain, or cause to be kept

and maintained, in repair and good condition (ordinary wear and tear accepted), all Improvements on the Premises (other than improvements which serve as access to and from the Premises, including all roadways, easements and rights of way, whether located thereon or elsewhere at the Resort, which shall be the responsibility of Ground Lessor), and shall use all reasonable precaution to prevent waste, damage, or injury to same. Ground Lessor shall not be required to make any improvements, repairs, or alterations in or to the Premises during the term of this Lease, other than to roadways and other rights of way into and from the Premises. Ground Lessee shall indemnify and save the Ground Lessor harmless from and defend Ground Lessor against any and all costs, expenses, claims, losses, damages, fines or penalties, including reasonable attorneys' fees, because of or due to Ground Lessee's failure to comply with the foregoing.

10. Compliance with Laws. Ground Lessee, at its sole expense, shall comply with all laws, orders and regulations of federal, state, and municipal authorities, and with any direction of any public officer, pursuant to law, respecting the use or occupancy of the Premises, and the construction of all Improvements. Ground Lessee, at its sole expense, shall obtain all licenses or permits which may be required for the conduct of its business or operations, or for the construction of the Improvements and the making of repairs, alterations or additions to the Improvements or Premises. Ground Lessor where necessary will join with the Ground Lessee at its own expense in applying for all such permits or licenses. Ground Lessee shall not use or occupy the Premises for unlawful purposes or purposes in conflict with the master plan of the Resort or the Resort's other operations.

11. Condition of Premises. Ground Lessee acknowledges that it has had sufficient opportunity to inspect the Premises and accepts the Premises in its present condition and without any representation or warranty by the Ground Lessor under this Lease as to the condition of any improvements which are located in, on, or under the Premises and improvements which serve the Premises but are not located thereon, or as to the use or occupancy which may be made thereof. Ground Lessee acknowledges that Ground Lessor and Ground Lessor's agents have made no representation or warranties as to the condition or use of the Premises. At the expiration or early termination of this Lease, the Ground Lessee, but only if requested in writing by Ground Lessor in Ground Lessor's sole discretion, shall remove all Improvements and shall peaceably surrender the Premises in as good condition as they were in at the beginning of the term, reasonable wear and tear accepted. Absent such written request by Ground Lessor to remove the Improvements, Ground Lessee upon expiration or early termination of this Lease shall leave the Improvements as is, and the Improvements shall immediately become the owned property of Ground Lessor. Ground Lessee by its signature hereto acknowledges and agrees that in consideration of the mutual covenants contained herein and in consideration of such financial considerations as are contained in the Limited Partnership Agreement that governs Ground Lessee and its limited partners, the Improvements are being built for the benefit of both the Ground Lessor and Ground Lessee, and in conjunction with and to benefit the operations of the Resort.

12. **Alterations and Improvements.** Ground Lessee may make alterations, additions and Improvements to the Premises from time to time and all of such alterations, additions or Improvements shall be and remain the property of Ground Lessee at all times during the term of this Lease and any extensions or renewals thereof. With the prior written consent of Ground Lessor in writing, Ground Lessee at its sole expense may demolish and remove any and all Improvements on the Premises owned by it.

Ground Lessee shall not be required to remove any alterations, additions or Improvements, provided, however, Ground Lessee's failure to do so prior to the termination or expiration of this Lease shall be deemed abandonment thereof and, at Ground Lessor's option, title thereto shall vest in Ground Lessor. In the case of removal or demolition of any Improvements, Ground Lessee shall level the Premises and remove all rubble.

13. **Ground Lessee's Default.** A default or an event of default shall be defined as follows (an "Event of Default"):

(a) If default shall be made in the due and punctual payment of any rent or additional rent or other sums payable under this Lease, or any part thereof, when and as the same shall become due and such default shall continue for a period of thirty (30) days after written notice by Ground Lessor to Ground Lessee; or

(b) If default shall be made by the Ground Lessee in the performance or compliance with any of the agreements, terms, covenants, or conditions in this Lease other than those referenced in the foregoing subparagraph (a), and shall not be cured within a period of thirty (30) days after notice by the Ground Lessor to the Ground Lessee specifying the event of default, or in the case of a default which cannot with due diligence be cured within said thirty (30) day period, if the Ground Lessee fails to commence within said thirty (30) day period the steps necessary to cure the same and thereafter to prosecute the cure of such default with due diligence; or

(c) If the Ground Lessee shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or if there shall be appointed a receiver or trustee of all or substantially all of the property of the Ground Lessee, or if the Ground Lessee shall make an assignment for the benefit of one of Ground Lessee's creditors;

Upon the occurrence of one or more Events of Default, in addition to any other rights or remedies the Ground Lessor may have, the Ground Lessor shall have the right to immediately re-enter and regain possession of the Premises and to exclude the Ground Lessee from further use, occupancy, and enjoyment thereof. The Ground Lessee waives any and all claims which the Ground Lessee may have against the Ground Lessor, regardless of when the same arise, on account of such regaining of possession by the Ground Lessor or such exclusion. In particular, but not by way of limitation, the Ground Lessor may remove all persons and property from the Premises and may store such

property in a public warehouse or elsewhere at the cost of and for the account of the Ground Lessee, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby.

Should the Ground Lessor elect to re-enter, as provided herein, or should the Ground Lessor take possession pursuant to legal proceedings or pursuant to any notice provided for by law, the Ground Lessor may either terminate this Lease or may from time to time, without terminating this Lease, make such alterations and repairs as the Ground Lessor deems necessary in order to relet and operate the Premises. The Ground Lessor may relet and operate the Premises or any part thereof for such term or terms which may be for a term extending beyond the term of this Lease, and at such rental or rents and upon such other terms and conditions as the Ground Lessor, in its sole discretion deems advisable. Upon such reletting, all rental thereby received by the Ground Lessor shall be applied: first, to the payment of any indebtedness or rent due hereunder from the Ground Lessee to the Ground Lessor; second, to the payment of any costs and expenses of such reletting, including brokerage fees and attorneys' fees, and costs of any such alterations and repairs as the Ground Lessor may make to facilitate such re-rental; and, third, the residue, if any, shall be held by the Ground Lessor and applied in payment of future rent as the same may become due and payable hereunder. No such re-entry or taking possession of the Premises by the Ground Lessor shall be construed as an election on its part to terminate this Lease unless a written notice of such intention be mailed to the Ground Lessee or unless the termination thereof be decreed by a court of competent jurisdiction, at which time all amounts recovered by Ground Lessor by reletting and operating the Premises may be kept by it.

Notwithstanding any such reletting without termination, the Ground Lessor may, at any time thereafter elect to terminate this Lease for such previous breach. Should the Ground Lessor at any time terminate this Lease for any breach, in addition to any other remedies it may have, the Ground Lessor may recover from the Ground Lessee all damages the Ground Lessor may incur by reason of such breach, including the costs of recovering the Premises and reasonable attorneys' fees. Ground Lessee also consents and agrees that any rights granted hereby or expressed herein as to the Premises, as a result of Ground Lessee's default, shall also appertain to any of Ground Lessee's Improvements on the Premises or serving the Premises but not located thereon.

14. <u>Ground Lessor's Right to Perform Ground Lessee's Obligations</u>. If the Ground Lessee is in default of any provision of this Lease, other than the provisions requiring the payment of rent, and the Ground Lessor shall give to the Ground Lessee written notice of such Event of Default, and if the Ground Lessee shall fail to cure or commerce to cure such Event of Default within thirty (30) days after the receipt of such notice, then the Ground Lessor may cure such Event of Default for the account of the Ground Lessee, and any sums reasonably expended by the Ground Lessor in connection therewith shall be deemed to be additional rent and payable upon written demand by Ground Lessor.

15. **Right of Access.** The Ground Lessor and its representatives may enter upon any Improvement located on the Premises at any reasonable time for the purpose of inspections relating to compliance with this Lease.

16. **Easement.** Subject to all covenants, conditions, restrictions, reservations, encumbrances, rights-of-way, public dedications, easements and other matters of record in the Land Records of the Town of Jay, Vermont or the applicable District Environmental Conservation office, Ground Lessor hereby grants to the Ground Lessee and its successors and assigns, for their benefit and for the benefit of their respective agents, invitees and guests (collectively, the "Grantees"), a perpetual, non-exclusive easement on, over, along, across, through, above and below the Premises and the Resort, including without limitation a perpetual, non-exclusive easement to use all sidewalks, terraces, pathways, walkways, hallways and any other connecting passageways between the Improvements and other improvements located on the Resort and the Resort itself. Said perpetual, non-exclusive easement is granted for the following purposes: (a) ingress and egress to and from the Improvements from Town Highway No. 242, and from the interior roadways lying within the Resort; (b) motor vehicle parking and lighting; (c) the use of walkways, hiking, downhill and cross country ski and snowboarding and other accessible trails and facilities within the Resort, subject to the rights of Owner to restrict or limit access to, and charge fees in connection with the use of such areas as provided in Sections 17 and 18 below; and (d) the construction, installation, maintenance, repair and use of overhead and underground utilities and other appurtenant works, including without limitation, electricity, water, sewer, telephone and cable utilities in those locations as finally constructed and in such additional locations as may be reasonably necessary from time to time to provide reliable and adequate utility services to the Improvements. The easement granted hereby shall not by itself entitle any of the Grantees to enter or use the facilities and structures located within the Resort, and shall not preclude Owner from constructing further permanent structures and other improvements in the Resort.

17. **Use of Improvements and Resort by Ground Lessor, Ground Lessee and Others.** Except as provided in Sections 16 and 18 hereof, nothing contained in this Lease shall limit the ability of Ground Lessor, Ground Lessee, or their employees, agents, invitees, guests, staff, prospects, licensees, lessees, and customers from using the Improvements or Resort for all lawful purposes authorized by Ground Lessor or Ground Lessee, including without limitation for constructing, installing, laying, re-laying, operating, restoring, repairing, using and maintaining: (i) structures, terraces and improvements located or to be located on or adjacent to the Premises; (ii) roads, walkways, culverts, stormwater drainage works, parking areas, lighting, and directional and sales signage; (iii) downhill skiing, snowboarding, cross country skiing, snowshoe and hiking trails, golf and other recreational facilities and trails in existing locations on the Resort, whether owned, constructed or leased by or to Ground Lessor, and in other locations that may be established in the future by Ground Lessor in its sole discretion; (iv) landscaping and gardens in such locations and in such vegetative varieties as Ground Lessor or Ground Lessee in their sole discretion may determine from time to time; (v) overhead and underground utilities, including without limitation, electricity, water, sewer, telephone and cable utilities, hookups, connections, pipelines, electrical wires, and

appurtenant works; and to grant to the appropriate utility service providers such easements as they may reasonably require in connection therewith; and (vi) other structures and works reasonably necessary to effectively obtain the benefit of the aforesaid easement rights; and in connection therewith, to use maintenance and other equipment in the Premises or in the Resort. In addition, nothing contained in this Lease shall prohibit Ground Lessor from granting other easements or licenses to use the Premises or Resort to third parties. Further, all use of the Resort is subject to Ground Lessor's right, in its sole discretion, to limit or restrict access to, or charge fees in connection with the usage of, certain portions of the Resort that are part of its systems of ski or snowboarding trails, golf facilities and other recreational or maintenance facilities, provided that such limitations or restrictions do not unreasonably restrict access to the Improvements; and use of the Improvements and Resort shall be subject to such reasonable rules and regulations as Ground Lessor may impose in connection with the health, welfare and safety of the residents and visitors to the Resort, in order to preserve and protect the natural beauty of the Resort, and in connection with the operation by Ground Lessor of the recreational aspects of the Resort, including without limitation golf facilities, other accommodations, other amenities and ski and snowboarding trails.

18. Limitations on Use of Improvements. The Premises shall not be used by Ground Lessee or any of the Grantees for any uses which would materially interfere with any other parties' use of the Premises or Resort as provided herein and they shall not construct or place any structures or objects on the Premises, other than the Improvements by Ground Lessee or by Ground Lessor or Ground Lessee for the purposes of roadway and building construction, utilities' placement and maintenance, paving, grading, landscaping or the like, as contemplated in this Lease. The Ground Lessee and Grantees shall not permit or license any use of the Premises except as may otherwise be allowed under this Lease.

19. Insurance. During the term of this Lease, the Ground Lessee, at its sole cost and expense, and for the benefit of the Ground Lessor, shall carry and maintain comprehensive public liability insurance, including property damage, insuring the Ground Lessor against liability for injury to persons or property occurring in or about the Premises and areas serving the Premises and any parking areas used by or on behalf of the Ground Lessee or arising out of the ownership, maintenance, use, including the sale of liquor, or occupancy thereof. The coverage of such insurance shall not be less than Two Million Dollars ($2,000,000.00) for public liability insurance, not less than One Million Dollars ($1,000,000.00) for property damage and an umbrella policy of not less than Four Million Dollars ($4,000,000.00) for both.

All insurance policies maintained by Ground Lessee pursuant to the terms of this Lease shall name Ground Lessor and Ground Lessee as insureds as their respective interests may appear and shall be written as primary policies which do not contribute to and are not in excess of coverage which Ground Lessor may carry. All such insurance policies shall require the insurance carriers to provide the Ground Lessor with at least thirty (30) days written notice prior to termination or cancellation of any policy. At the commencement of the term of this Lease and thereafter not less than thirty (30) days prior

to the expiration date of any policy required hereunder, Ground Lessee shall deliver to Ground Lessor certificates of insurance.

20. **Quiet Enjoyment.** Ground Lessor covenants and agrees with Ground Lessee that upon Ground Lessee paying said rent, and performing all the covenants and conditions aforesaid on Ground Lessee's part to be observed and performed, Ground Lessee shall and may peaceably and quietly have, hold and enjoy the Premises hereby demised, for the term aforesaid, subject, however, to any underlying mortgages, or any restrictions, easements or covenants benefiting the Resort and its guests, whether referenced herein or set forth in instruments of record or regulating the Resort.

21. **Assignment and Subletting.** This Lease may not be assigned or sublet by the Ground Lessee without the prior written consent of the Ground Lessor. Notwithstanding the foregoing, it is agreed by the parties hereto that Ground Lessee may sublet to one or more tenants for the purpose of operating the Premises and leasing out the Improvements for commercial purposes, subject at all times to the provisions hereof.

22. **Indemnification of Ground Lessor.** Except for claims arising out of acts caused by the gross negligence or willful misconduct of the Ground Lessor or its representatives, the Ground Lessee shall indemnify and defend the Ground Lessor, at the Ground Lessee's expense, against all claims, expenses, and liabilities arising from (a) the use or operation of or any occurrence in, on or about the Premises and any parking area or easement or right of way used by or on behalf of the Ground Lessee and in, on, under or about areas serving the Premises; (b) any default by the Ground Lessee hereunder; or (c) any act of negligence of the Ground Lessee or its agents, directors, employees, invitees, guests or licensees.

23. **Condemnation.** If at any time during the term of this Lease a substantial portion of the Premises (meaning thereby so much as shall render the Premises to any extent unusable by Ground Lessee, as reasonably determined by Ground Lessee) shall be taken by exercise of the right of condemnation or eminent domain or by agreement between Ground Lessor and those authorized to exercise such rights (all such proceedings being collectively designated as a "taking in condemnation" or a "taking"), this Lease shall at the option of Ground Lessee terminate and expire on the date of such taking and the rent and other amounts payable to Ground Lessee hereunder shall be apportioned and paid to the date of such taking. Ground Lessee shall have no right to interpose, prosecute or collect a claim against the Ground Lessor in any proceedings for taking in condemnation, for the loss of the value of this Lease or improvements made by the Ground Lessee to the Premises, provided, however, that the Ground Lessee may claim and recover from the condemning authority, but not from the Ground Lessor, such compensation as may be separately awarded or recoverable by the Ground Lessee in Ground Lessee's own right on account of any and all damage to Ground Lessee's Improvements, or to its operation by reason of taking in condemnation and for and on account of any cost or loss to which Ground Lessee might be put in removing Ground Lessee's Improvements, furniture, fixtures and equipment. Any award for the value of the

land and loss of rent shall belong to the Ground Lessor, and Ground Lessee shall not be entitled to share in any such award on account of any leasehold interest.

If the title to less than a substantial portion of the Premises shall be taken in condemnation so that the operations conducted on the Premises can be continued without material diminution, this Lease shall continue in full force and effect at the option of Ground Lessee. If the taking does not amount to a substantial portion but does materially adversely affect the Ground Lessee's ability to conduct Ground Lessee's operation on the Premises, the rent from and after the date of the vesting of title in the condemner shall be equitably adjusted by the Ground Lessor to reflect the diminished value of the Premises to the Ground Lessee as a direct result of the condemnation. Any award for a partial taking shall be vested as set forth in the prior paragraph relating to the total taking in condemnation.

24. **Priority of Mortgages**. It is understood and expressly agreed between the parties that this Lease shall always be subject and subordinate to any present or future mortgages on the Premises; provided, however, Ground Lessee may require as a precondition to any such subordination that the mortgagee agree to honor this Lease in the event of foreclosure and, in return, Ground Lessee shall agree to attorn to such mortgagee.

25. **Cumulative Remedies**. The remedies of the Ground Lessor herein shall be cumulative and not alternative, and not exclusive of any other right or remedy available to the Ground Lessor.

26. **Holdover Tenancy**. Any holding over by the Ground Lessee after the termination of this Lease shall be on a day to day basis at the rent in effect at the time of the holding over prorated on a daily basis. The covenants and agreements contained herein shall remain in force during the period of any holding over insofar as applicable.

27. **Right of Entry**. The Ground Lessor expressly reserves an assignable perpetual, non-exclusive easement or easements of ingress and egress and for all utility installations and maintenance over, across and under all the roadways and parking areas as described on Exhibit A hereto to be exercised in a reasonable manner which does not materially detract from the value and use of the Ground Lessee. Ground Lessor further reserves for itself and its assignees, the ownership of all equipment, utility lines and other fixtures installed in connection therewith. The Ground Lessor, including its designees, contractors, successors and assigns, shall have the right in its and their sole discretion, from time to time to enter the Premises and to take all action necessary or convenient for the purpose of completing construction on the Premises or any part thereof and any Improvements thereon or located or to be located thereon and for the repair, replacement and maintenance purposes which the Ground Lessee fails to do, provided, however, such activity shall not unreasonably interfere with the use and enjoyment by the Ground Lessee, their guests and invitees.

28. Waiver. The failure of the Ground Lessor to insist upon a strict performance of any of the terms, conditions and covenants herein, shall not be deemed a waiver of any rights or remedies that the Ground Lessor may have and shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained.

29. Invalidity or Inapplicability of Clause. If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest permitted by law. Any portion of this Lease determined to be invalid or unenforceable shall, to the extent possible, be reformed to accomplish its intended effect.

30. Captions. The parties mutually agree that the headings and captains contained in this Lease are inserted for convenience of reference only, and are not to be deemed part of or to be used in construing this Lease.

31. Notices. Service of all notices under this Lease shall be sufficient if delivered personally or if mailed via registered mail to the party involved at the address hereinafter set forth, or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address shall be effective when deposited in the United States mail, duly addressed and with postage prepaid.

Ground Lessor's Address:	Ground Lessee's Address:
Route 242 Jay, Vermont 05859	Route 242 Jay, Vermont 05859

32. Successors or Assigns. Except as otherwise provided herein, the covenants and agreements herein contained shall, subject to the provisions of this Lease, bind and inure to the benefit of the Ground Lessor, its successors and assigns, and Ground Lessee, and it successors and assigns.

33. Entire Agreement; Amendments. It is expressly understood and agreed by and between the parties hereto that this Lease sets forth all the promises, agreements, conditions, inducements and understandings between Ground Lessor and Ground Lessee relative to the demised Premises and that there are no promises, agreements, conditions, understandings, inducements, warranties or representations, oral or written, express or implied, between them other than as herein set forth and shall not be modified in any manner except by an instrument in writing executed by the parties.

34. Recording. The parties agree that this Lease or a Memorandum of Lease may be recorded at Ground Lessee's option in the Land Records of the Town of Jay.

IN WITNESS WHEREOF, the parties have executed this Lease as of this _____ day of _____, 201__.

In the Presence of:

GROUND LESSOR:
JAY PEAK, INC.

_____

By: _____
William Stenger, President and
Duly Authorized Agent

GROUND LESSEE:
JAY PEAK HOTEL SUITES STATESIDE L.P.
BY: JAY PEAK GP SERVICES STATESIDE, INC.,
General Partner

_____

By: _____
William Stenger, President and Duly
Authorized Agent

STATE OF VERMONT
COUNTY OF _____, SS.:

At _____ in said County this _____ day of _____, 201__, personally appeared William Stenger, Duly Authorized Agent of JAY PEAK, INC. and he acknowledged this instrument by him sealed and subscribed to be his free act and deed and the free act and deed of JAY PEAK, INC.

_____
Notary Public
My Commission Expires: __ / __ / ____

STATE OF VERMONT
COUNTY OF _____, SS.:

At _____, this ___ day of _____, 201__, personally appeared William Stenger, duly authorized agent on behalf of JAY PEAK GP SERVICES STATESIDE, INC., general partner of JAY PEAK HOTEL SUITES STATESIDE L.P., and acknowledged this instrument, by him subscribed, to be his free act and deed, the free act and deed of JAY PEAK GP SERVICES STATESIDE, INC., and the free act and deed of JAY PEAK HOTEL SUITES STATESIDE L.P.

Before me, _____
Notary Public
Comm. Exp. __ / __ / ____

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EXHIBIT S

COMMERCIAL SUBLEASE

THIS COMMERCIAL SUBLEASE (the "Sublease") is made this ____ day of _____, 20__, between **JAY PEAK HOTEL SUITES STATESIDE L.P.**, a Vermont limited partnership with its principal place of business at 4850 VT Route 242, Jay, Vermont 05859-9621 (hereinafter referred to as the "Landlord"), and _____, a _____ with its principal place of business at _____ (hereinafter referred to as the "Tenant").

1. **Demise, Description of Premises.** Landlord does hereby demise, let, rent, and sublease unto the Tenant, and the Tenant hereby hires and rents from the Landlord, certain premises located at the Jay Peak Resort in Jay, Vermont 05859 (the "Resort"), being the so-called Recreation Center (the "Premises") located at the Resort in one or more buildings, fully improved, pursuant to plans to be attached hereto, for the Tenant's proposed use of the Premises as further set forth in Section 4 below. By its signature below, Tenant acknowledges that Landlord is leasing the Premises from the Resort owner, Jay Peak, Inc. (the "Resort Owner") and subleasing the Premises to Tenant (the "Lease").

2. **Term of Sublease.** The Premises are hereby leased to Tenant, subject to all of the terms and conditions contained in this Sublease, for a term of ten (10) years commencing _____, 20__ and ending _____, 20__, unless sooner terminated as hereinafter provided or should Landlord's partners all withdraw from the limited partnership pursuant to various options and mechanisms set forth in the Landlord's partnership agreement (the "Term").

3. **Rent.**

   (a) Tenant agrees to pay to Landlord rent in the amount of $_____ per month during the Term.

   (b) In addition, Tenant agrees to pay Landlord percentage rent based on Tenant's income during the Term, calculated according to the following formula: _____.

4. **Use of the Property.**

   (a) The Premises will be used solely for the purpose of the operation of Recreation Center and all related amenities and activities as incorporated into the Premises including but not limited to indoor recreation activities, dining and retail purchases (the "Recreation Center"), all to be operated for the benefit of all members and guests of the Resort, and all to be operated compatible with the standards of similar facilities and with the other Resort accommodations and services. No other, different, or additional use of the Premises shall be permitted except with the prior written consent of the Landlord. At no time will the Premises be used for illegal or immoral purposes. If the Tenant's use of the Premises necessitates application for zoning or planning approval or compliance with other municipal or state regulations at any time during the Term, Tenant will prosecute

and bear the costs of such applications necessary to obtain compliance and approval. Notwithstanding the foregoing, Landlord will be responsible for insuring that the Resort Owner install and provide the necessary infrastructure to accommodate and support Tenant's proposed use of the Premises, as further set forth in the Lease.

(b) The Tenant is obligated hereunder to oversee any third parties' operation of the Premises or any business function therein.

5. **Insurance, Utilities, and Taxes.** The Tenant shall be responsible for and pay all charges for heat, gas, hot water, electricity, light and power, and other service or services furnished to the demised Premises. Tenant shall be responsible for insuring the Premises against fire and other casualty losses. Tenant shall be responsible for and pay all real estate taxes regarding the Premises.

6. **Alterations.**

(a) Except as hereinafter expressly provided, the Tenant shall not make or permit to be made any alterations, additions, changes, or improvements in or to the Premises or any part thereof without first obtaining the written consent of the Landlord.

(b) Before requesting the Landlord's consent, the Tenant shall submit to the Landlord a copy of the detailed plans and specifications of such proposed alterations, changes, additions or improvements, together with reasonable evidence of the approval of such alterations, additions, changes, or improvements by any and all municipal, state, federal, or other governmental or other authorities, offices, and departments now existing or hereafter created having jurisdiction in the Premises.

(c) The Landlord and Landlord's agents and employees shall have the right to enter upon the Premises in a reasonable manner and at all reasonable times during the course of any such alterations, additions, changes, or improvements for the purpose of inspection and determining whether such work conforms to the approved plans and specifications and the terms of this Sublease.

(d) Throughout the Term, the Tenant, at its own cost and expense, will cause any and all mechanics' liens and perfection of the same which may be filed against the Premises to be paid and satisfied of record within thirty (30) days after the Landlord sends to the Tenant written notice by registered mail of the filing of any notice thereof against the Premises or the Landlord, for or purporting to be for labor or materials alleged to be furnished or to be charged by or for the Tenant at the Premises, or will bond such mechanics' liens and use reasonable efforts to have such liens discharged by an order of a court of competent jurisdiction within such thirty (30) day period.

(e) The Tenant also covenants and agrees that any alterations, improvements, or other work once begun will be prosecuted with reasonable diligence to completion and, subject to the provisions of Section 6(d) above, be paid for by Tenant, free and clear of liens or encumbrances against the Premises or the Landlord, and will be performed in all

respects in accordance with governing law.

7. **Tenant to Comply With Laws, Etc.** The Tenant, at its own cost and expense, will promptly execute and comply with any and all requirements arising at any time affecting the Premises imposed by any present or future law, statute, or governmental authority now existing or hereafter created, foreseen or unforeseen, and with any and all present and future statutes, laws, ordinances, acts, rules, regulations, orders, and requirements of every kind and nature applicable to the Premises or any part thereof and all requirements incidental to or the result of any use or occupation thereof. The Tenant shall further so comply with each and every rule, order, and requirement of any national, state, municipal, legislative, executive, judicial, or other governmental body, commissioner, or officer or of any bureau or department thereof, whether now existing or hereafter created, having jurisdiction over the Premises or any part thereof or exercising any power relative thereto or to the owners, tenants, or occupants thereof. Tenant, however, will not be responsible for any conditions of the Premises or any hazardous substance, as defined by federal and state laws and regulations, that are located at, on, or in the Premises that existed at the commencement of the Term or are not caused by, or in the case of hazardous substances, not placed on or in the Premises by the Tenant.

8. **No Waiver.** The failure of the Landlord to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions, and agreements of this Sublease, or to exercise any option herein conferred, shall not be considered as waiving or relinquishing for the future any such terms, covenants, conditions, agreements, or options, but the same shall continue and shall remain in full force and effect.

9. **Landlord's Right of Access.** Landlord and Landlord's agents and employees shall have the right to enter the Premises in a reasonable manner and at all reasonable times to examine the same and to show them to prospective investors, guests, purchasers, mortgagees or lessees. Without limiting the foregoing, Tenant acknowledges by its signature below that Landlord has designated SQ Property Management LLC as its management agent (the "Agent") to manage the Sublease and said Agent will have such access to the Premises as is necessary to insure that Tenant is meeting its obligations under the Sublease.

10. **Mortgages.** This Sublease is specifically made subject to and subordinate to any mortgage now existing or placed upon the Premises by Landlord or the Resort Owner, and Tenant shall execute any documentation required by any mortgagee to reflect such subordination. Notwithstanding the previous sentence, the terms of this Sublease shall continue in full force and effect so long as Tenant is in compliance therewith, and any mortgagee or subsequent owner of the Premises shall be bound by the terms of this Sublease and not disturb Tenant's occupancy of the Premises provided Tenant attorns to said mortgagee or subsequent owner.

11. **Condition of Premises.** The Tenant has been afforded full opportunity to examine and inspect the Premises and hereby acknowledges and agrees that Tenant is leasing the improvements on the Premises in an "as is" condition, and the Landlord has made no promises or representations that the improvements on the Premises shall be renovated, repaired, or improved in any manner after the execution of this Sublease.

12. **Care of Premises.** Tenant, at its sole cost and expense, shall be fully responsible for all necessary maintenance to all heating, plumbing, electrical, and other systems and equipment located in or upon the Premises. Tenant, at Tenant's sole cost and expense, shall be fully responsible for all necessary repairs to and, if necessary, replacement of all heating, plumbing, electrical, and other systems and equipment located in or upon the Premises.

13. **Assignment, Subletting.** The Tenant may not assign this Sublease or sublet the Premises without the prior written consent of Landlord.

14. **Casualty Loss.** If, at any time during the Term, a Substantial Portion of the Premises (as defined below) shall be damaged or destroyed by fire or other occurrence (including any occurrence for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Landlord, at Landlord's option and no later than one hundred twenty (120) days from such fire or other occurrence, may terminate this Sublease. If, at any time during the Term, a Substantial Portion of the Premises are damaged or destroyed by fire or other occurrence (including any occurrence for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant may, no later than one hundred twenty (120) days from such fire or other occurrence, at its option, terminate this Sublease. In the event of any such termination, Tenant shall be released from all of its obligations under this Sublease, and the parties shall proceed as provided in Section 20. In the event less than a Substantial Portion of the Premises are damaged or destroyed, this Sublease shall continue in full force and effect, except that rent shall be abated on a prorata basis based upon the number of square feet being rendered unusable to Tenant. The term "Substantial Portion of the Premises" means a portion of the premises that, if subject to damage, destruction, or a Taking by Condemnation (defined in Section 15 below), would render the remainder of the Premises substantially unusable by the Tenant for the purposes set forth in Section 4 above.

15. **Condemnation or Eminent Domain.** If, at any time during the Term, title to a Substantial Portion of the Premises shall be taken by exercise of the right of condemnation or eminent domain or by agreement between Landlord and those authorized to exercise such right (all such proceedings being collectively referred to as a "Taking in Condemnation"), this Sublease shall terminate and expire on the date of such taking and the rent shall be apportioned and paid up through the date of the award. That portion of the award attributable solely to the Landlord shall belong solely to Landlord. That portion of the award attributable solely to the Tenant shall belong solely to Tenant. In the event of any such termination, Tenant shall be released from all of its obligations under this Sublease, and the parties shall proceed as provided in Section 21. If title to less than a Substantial Portion of the Premises is taken in condemnation, so that the business of the Tenant may continue without material diminution, this Sublease shall continue in full force and effect. In the event of such partial condemnation, rent shall be abated on a prorata basis based upon the number of square feet being rendered unusable to Tenant. Any award from the partial condemnation attributable solely to the Landlord shall belong solely to Landlord and any award for partial condemnation attributable solely to the Tenant shall belong solely to Tenant.

16. **Personal Property.** Tenant shall be solely responsible for all personal property placed upon the

Premises during the Term and renewals hereto, if any, which responsibility shall include by way of illustration and not by way of limitation, payment of all taxes and fees assessed against the personal property and insurance for all personal property. Further, at the expiration or earlier termination of this Sublease, the Tenant shall remove all such personal property from the Premises exercising due care not to damage the Premises by such removal. The Tenant shall repair any and all damage done to the Premises by the removal of such personal property.

17. **Default.** If any one or more of the following events ("Events of Default") shall happen:

(a) If default shall be made in the due and punctual payment of rent payable under this Sublease, or any part thereof, when and as the same shall become due and payable, and such default shall continue for a period of fifteen (15) days after the Tenant receives written notice from Landlord that such rent has not been paid; or

(b) If default shall be made by Tenant in the performance or compliance with any of the agreements, terms, covenants, or conditions in the Sublease, other than as referred to above, for a period of thirty (30) days after Tenant receives notice from Landlord specifying the items in default, or in the case of a default or contingency that cannot with reasonable due diligence be cured within such thirty (30) day period, if Tenant fails to commence within such thirty (30) day period the steps necessary to cure the same and thereafter to prosecute the curing of such default with reasonable due diligence (it being understood that the time of Tenant within which to cure shall be extended for such period as may be necessary to complete the same with all reasonable due diligence); or

(c) If Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or if there shall be appointed a receiver or trustee of all or substantially all of the property of the Tenant, or if Tenant shall make any assignment for the benefit of Tenant's creditors, or if the Tenant shall vacate the Premises, and any such condition shall continue for a period of thirty (30) days after notice from Landlord specifying the matter involved;

then, and in any such event, Landlord at any time thereafter may give written notice to Tenant specifying such event or events of default and stating that this Sublease and the term hereby demised shall expire and terminate on the date specified in such notice, and upon the date so specified, all rights of Tenant under this Sublease shall expire and terminate. Thereafter, the Landlord shall use Landlord's best efforts to relet the Premises. Upon any termination of this Sublease as above-stated, the Tenant shall immediately vacate the Premises and surrender the same to the Landlord as set forth in Section 20.

18. **Landlord's Covenants.** The Landlord warrants that Landlord has good title to and the right to lease the Premises in manner provided for in this Sublease and that Landlord will suffer and permit the Tenant (so long as the Tenant shall materially keep all the covenants on its part, as herein contained) to occupy, possess, and enjoy the Premises during the Term, without hindrance or molestation from Landlord or any person claiming by, from, or under Landlord.

19. **Quiet Enjoyment.** Landlord covenants that the Tenant, on paying all rent required to be paid

by Tenant, and materially performing the other covenants and undertakings by the Tenant to be performed, shall and may peaceably have and enjoy the Premises for the Term in accordance with the terms of this Sublease.

20. **Removal and Surrender.** The Tenant will, at the expiration or earlier termination of this Sublease, peaceably surrender the Premises and all improvements thereon, and Tenant will execute all documents necessary to place marketable title to all improvements in Landlord's name or Landlord's nominee's name, subject only to (a) the mortgages existing at the time of commencement of this Sublease, (b) any changes or additions to which Landlord consented pursuant to Section 6, and (c) any easements, rights of way, conditions, or other encumbrances existing at the commencement of this Sublease.

21. **Waste or Nuisance.** Tenant shall not commit or suffer to be committed any waste upon the Premises or any act that constitutes a public or private nuisance.

22. **Holding Over.** Any holding over after the expiration of the Term and one month thereafter shall be construed to be a tenancy from month to month at the rent prevailing immediately prior to such holding over (prorated on a daily basis) and shall otherwise be on the terms and conditions herein specified, so far as applicable.

23. **Successors and Assigns.** All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the respective successors and assigns of the parties, subject to Section 13 above.

24. **Entire Agreement, Applicable Law.** This Sublease contains the entire agreement of the parties with respect to the Premises, and no representations, inducements, promises, or agreements not embodied in this Sublease shall be of any force or effect, unless the same are in writing and signed by or on behalf of the party to be charged. The captions of particular Sections are inserted as a matter of convenience only and in no way affect or define the scope or intent of this Sublease. This Sublease shall be governed by and interpreted in accordance with the laws of the State of Vermont, without regard to conflict of law principles.

25. **Partial Invalidity.** If any term, covenant, or condition of this Sublease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, or condition of this Sublease shall be valid and be enforced to the fullest extent permitted by law.

26. **Waiver of Rule of Construction.** The parties waive the benefit of any rule that this Sublease is to be construed strictly against one party or the other by virtue of the circumstances of the drafting of this Sublease.

27. **Notices.** All notices, requests, and other communications hereunder shall be in writing and delivered and mailed:

(a) If to Landlord, to Jay Peak Hotel Suites Stateside L.P., c/o SQ Property Management LLC, 4850 VT Route 242, Jay, Vermont 05859-9621 or at such other address as may be furnished to Tenant by Landlord in writing.

(b) If to Tenant, to _____, 4850 VT Route 242, Jay, Vermont 05859-9621, or at such other address as may be furnished to the Landlord by Tenant in writing.

28. **Memorandum of Sublease.** The parties agree to prepare and record in the Land Records of the Town of Jay, Vermont a memorandum of this Sublease sufficient to satisfy statutory requirements.

29. **Obligation of Tenant to Produce Business Records of Tenant.** Tenant acknowledges by its signature below that Landlord, in connection with requirements imposed on it by the so-called EB-5 program under 8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) of the Immigration & Nationality Act, may be required to produce evidence of employment and economic activity to substantiate its limited partners' investment and job creation in connection with the construction and operation of the Premises. As such, Tenant hereby agrees to cooperate with Landlord and its Agent in any request made to evidence Tenant's employment and economic activity, including without limitation production for inspection and copying of Tenant's employees' I-9 forms. Additional business records that Tenant agrees to share with Landlord upon request will include without limitation monthly and annual visitor and revenue summaries of the Tenant's business operations. Tenant agrees to provide such information within seven (7) business days of receiving a request from Landlord.

29. **Projected Business Activity of Recreation Center.** Tenant and Landlord shall cooperate in preparing a business plan which sets forth rental rates, projected income of the Recreation Center and projected percentage rents due hereunder, and Tenant agrees to operate the Recreation Center in accordance with said business plan.

IN WITNESS WHEREOF, the parties have executed and delivered this Sublease on the date first written above.

IN THE PRESENCE OF:

LANDLORD
JAY PEAK HOTEL SUITES STATESIDE L.P.
BY: Jay Peak GP Services Stateside, Inc., its General Partner

_____
Witness

_____
William Stenger, Its President
and duly authorized agent

TENANT:

_____ BY: _____

Witness _____ its duly authorized agent

State of Vermont
County of _____, ss.

At _____, this ___ day of _____, 201_, personally appeared before me William Stenger, duly authorized agent on behalf of Jay Peak GP Services Stateside, Inc., general partner of Jay Peak Hotel Suites Stateside L.P.., and acknowledged this instrument, by him subscribed, to be his free act and deed, the free act and deed of Jay Peak GP Services Stateside, Inc., and the free act and deed of Jay Peak Hotel Suites Stateside L.P.

Before me, _____
Notary Public
Comm. Exp. ___/___/___

State of Vermont
County of _____, ss.

At _____, this ___ day of _____, 201_, personally appeared before me _____ duly authorized agent on behalf of _____, and acknowledged this instrument, by him subscribed, to be his free act and deed and the free act and deed of _____.

Before me, _____
Notary Public
Comm. Exp. ___/___/___

Eb5 Projects/JaypeakHotelSuitesStateside/commerciallease.RecreationCenter.103111

EXHIBIT T

COMMERCIAL SUBLEASE

THIS COMMERCIAL SUBLEASE (the "Sublease") is made this ____ day of _____, 20__, between **JAY PEAK HOTEL SUITES STATESIDE L.P.**, a Vermont limited partnership with its principal place of business at 4850 VT Route 242, Jay, Vermont 05859-9621 (hereinafter referred to as the "Landlord"), and _____, a _____ with its principal place of business at _____ (hereinafter referred to as the "Tenant").

1. **Demise, Description of Premises.** Landlord does hereby demise, let, rent, and sublease unto the Tenant, and the Tenant hereby hires and rents from the Landlord, certain premises located at the Jay Peak Resort in Jay, Vermont 05859 (the "Resort"), being the so-called Medical Center (the "Premises") located at the Resort in one or more buildings, fully improved, pursuant to plans to be attached hereto, for the Tenant's proposed use of the Premises as further set forth in Section 4 below. By its signature below, Tenant acknowledges that Landlord is leasing the Premises from the Resort owner, Jay Peak, Inc. (the "Resort Owner") and subleasing the Premises to Tenant (the "Lease").

2. **Term of Sublease.** The Premises are hereby leased to Tenant, subject to all of the terms and conditions contained in this Sublease, for a term of ten (10) years commencing _____, 20__ and ending _____, 20__, unless sooner terminated as hereinafter provided or should Landlord's partners all withdraw from the limited partnership pursuant to various options and mechanisms set forth in the Landlord's partnership agreement (the "Term").

3. **Rent.**

   (a) Tenant agrees to pay to Landlord rent in the amount of $_____ per month during the Term.

   (b) In addition, Tenant agrees to pay Landlord percentage rent based on Tenant's income during the Term, calculated according to the following formula: _____.

4. **Use of the Property.**

   (a) The Premises will be used solely for the purpose of the operation of Medical Center and all related amenities and activities as incorporated into the Premises including but not limited to first aid and tending to minor ailments (the "Medical Center"), all to be operated for the benefit of all members and guests of the Resort, and all to be operated compatible with the standards of similar facilities and with the other Resort accommodations and services. No other, different, or additional use of the Premises shall be permitted except with the prior written consent of the Landlord. At no time will the Premises be used for illegal or immoral purposes. If the Tenant's use of the Premises necessitates application for zoning or planning approval or compliance with other municipal or state regulations at any time during the Term, Tenant will prosecute and

bear the costs of such applications necessary to obtain compliance and approval. Notwithstanding the foregoing, Landlord will be responsible for insuring that the Resort Owner install and provide the necessary infrastructure to accommodate and support Tenant's proposed use of the Premises, as further set forth in the Lease.

(b) The Tenant is obligated hereunder to oversee any third parties' operation of the Premises or any business function therein.

5. **Insurance, Utilities, and Taxes.** The Tenant shall be responsible for and pay all charges for heat, gas, hot water, electricity, light and power, and other service or services furnished to the demised Premises. Tenant shall be responsible for insuring the Premises against fire and other casualty losses. Tenant shall be responsible for and pay all real estate taxes regarding the Premises.

6. **Alterations.**

(a) Except as hereinafter expressly provided, the Tenant shall not make or permit to be made any alterations, additions, changes, or improvements in or to the Premises or any part thereof without first obtaining the written consent of the Landlord.

(b) Before requesting the Landlord's consent, the Tenant shall submit to the Landlord a copy of the detailed plans and specifications of such proposed alterations, changes, additions or improvements, together with reasonable evidence of the approval of such alterations, additions, changes, or improvements by any and all municipal, state, federal, or other governmental or other authorities, offices, and departments now existing or hereafter created having jurisdiction in the Premises.

(c) The Landlord and Landlord's agents and employees shall have the right to enter upon the Premises in a reasonable manner and at all reasonable times during the course of any such alterations, additions, changes, or improvements for the purpose of inspection and determining whether such work conforms to the approved plans and specifications and the terms of this Sublease.

(d) Throughout the Term, the Tenant, at its own cost and expense, will cause any and all mechanics' liens and perfection of the same which may be filed against the Premises to be paid and satisfied of record within thirty (30) days after the Landlord sends to the Tenant written notice by registered mail of the filing of any notice thereof against the Premises or the Landlord, for or purporting to be for labor or materials alleged to be furnished or to be charged by or for the Tenant at the Premises, or will bond such mechanics' liens and use reasonable efforts to have such liens discharged by an order of a court of competent jurisdiction within such thirty (30) day period.

(e) The Tenant also covenants and agrees that any alterations, improvements, or other work once begun will be prosecuted with reasonable diligence to completion and, subject to the provisions of Section 6(d) above, be paid for by Tenant, free and clear of liens or encumbrances against the Premises or the Landlord, and will be performed in all

respects in accordance with governing law.

7. **Tenant to Comply With Laws, Etc.** The Tenant, at its own cost and expense, will promptly execute and comply with any and all requirements arising at any time affecting the Premises imposed by any present or future law, statute, or governmental authority now existing or hereafter created, foreseen or unforeseen, and with any and all present and future statutes, laws, ordinances, acts, rules, regulations, orders, and requirements of every kind and nature applicable to the Premises or any part thereof and all requirements incidental to or the result of any use or occupation thereof. The Tenant shall further so comply with each and every rule, order, and requirement of any national, state, municipal, legislative, executive, judicial, or other governmental body, commissioner, or officer or of any bureau or department thereof, whether now existing or hereafter created, having jurisdiction over the Premises or any part thereof or exercising any power relative thereto or to the owners, tenants, or occupants thereof. Tenant, however, will not be responsible for any conditions of the Premises or any hazardous substance, as defined by federal and state laws and regulations, that are located at, on, or in the Premises that existed at the commencement of the Term or are not caused by, or in the case of hazardous substances, not placed on or in the Premises by the Tenant.

8. **No Waiver.** The failure of the Landlord to insist in any one or more instances upon the strict performance of any of the terms, covenants, conditions, and agreements of this Sublease, or to exercise any option herein conferred, shall not be considered as waiving or relinquishing for the future any such terms, covenants, conditions, agreements, or options, but the same shall continue and shall remain in full force and effect.

9. **Landlord's Right of Access.** Landlord and Landlord's agents and employees shall have the right to enter the Premises in a reasonable manner and at all reasonable times to examine the same and to show them to prospective investors, guests, purchasers, mortgagees or lessees. Without limiting the foregoing, Tenant acknowledges by its signature below that Landlord has designated SQ Property Management LLC as its management agent (the "Agent") to manage the Sublease and said Agent will have such access to the Premises as is necessary to insure that Tenant is meeting its obligations under the Sublease.

10. **Mortgages.** This Sublease is specifically made subject to and subordinate to any mortgage now existing or placed upon the Premises by Landlord or the Resort Owner, and Tenant shall execute any documentation required by any mortgagee to reflect such subordination. Notwithstanding the previous sentence, the terms of this Sublease shall continue in full force and effect so long as Tenant is in compliance therewith, and any mortgagee or subsequent owner of the Premises shall be bound by the terms of this Sublease and not disturb Tenant's occupancy of the Premises provided Tenant attorns to said mortgagee or subsequent owner.

11. **Condition of Premises.** The Tenant has been afforded full opportunity to examine and inspect the Premises and hereby acknowledges and agrees that Tenant is leasing the improvements on the Premises in an "as is" condition, and the Landlord has made no promises or representations that the improvements on the Premises shall be renovated, repaired, or improved in any manner after the execution of this Sublease.

12. **Care of Premises.** Tenant, at its sole cost and expense, shall be fully responsible for all necessary maintenance to all heating, plumbing, electrical, and other systems and equipment located in or upon the Premises. Tenant, at Tenant's sole cost and expense, shall be fully responsible for all necessary repairs to and, if necessary, replacement of all heating, plumbing, electrical, and other systems and equipment located in or upon the Premises.

13. **Assignment, Subletting.** The Tenant may not assign this Sublease or sublet the Premises without the prior written consent of Landlord.

14. **Casualty Loss.** If, at any time during the Term, a Substantial Portion of the Premises (as defined below) shall be damaged or destroyed by fire or other occurrence (including any occurrence for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Landlord, at Landlord's option and no later than one hundred twenty (120) days from such fire or other occurrence, may terminate this Sublease. If, at any time during the Term, a Substantial Portion of the Premises are damaged or destroyed by fire or other occurrence (including any occurrence for which insurance coverage was not obtained or obtainable) of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Tenant may, no later than one hundred twenty (120) days from such fire or other occurrence, at its option, terminate this Sublease. In the event of any such termination, Tenant shall be released from all of its obligations under this Sublease, and the parties shall proceed as provided in Section 20. In the event less than a Substantial Portion of the Premises are damaged or destroyed, this Sublease shall continue in full force and effect, except that rent shall be abated on a prorata basis based upon the number of square feet being rendered unusable to Tenant. The term "Substantial Portion of the Premises" means a portion of the premises that, if subject to damage, destruction, or a Taking by Condemnation (defined in Section 15 below), would render the remainder of the Premises substantially unusable by the Tenant for the purposes set forth in Section 4 above.

15. **Condemnation or Eminent Domain.** If, at any time during the Term, title to a Substantial Portion of the Premises shall be taken by exercise of the right of condemnation or eminent domain or by agreement between Landlord and those authorized to exercise such right (all such proceedings being collectively referred to as a "Taking in Condemnation"), this Sublease shall terminate and expire on the date of such taking and the rent shall be apportioned and paid up through the date of the award. That portion of the award attributable solely to the Landlord shall belong solely to Landlord. That portion of the award attributable solely to the Tenant shall belong solely to Tenant. In the event of any such termination, Tenant shall be released from all of its obligations under this Sublease, and the parties shall proceed as provided in Section 21. If title to less than a Substantial Portion of the Premises is taken in condemnation, so that the business of the Tenant may continue without material diminution, this Sublease shall continue in full force and effect. In the event of such partial condemnation, rent shall be abated on a prorata basis based upon the number of square feet being rendered unusable to Tenant. Any award from the partial condemnation attributable solely to the Landlord shall belong solely to Landlord and any award for partial condemnation attributable solely to the Tenant shall belong solely to Tenant.

16. **Personal Property.** Tenant shall be solely responsible for all personal property placed upon the

Premises during the Term and renewals hereto, if any, which responsibility shall include by way of illustration and not by way of limitation, payment of all taxes and fees assessed against the personal property and insurance for all personal property. Further, at the expiration or earlier termination of this Sublease, the Tenant shall remove all such personal property from the Premises exercising due care not to damage the Premises by such removal. The Tenant shall repair any and all damage done to the Premises by the removal of such personal property.

17. **Default.** If any one or more of the following events ("Events of Default") shall happen:

(a) If default shall be made in the due and punctual payment of rent payable under this Sublease, or any part thereof, when and as the same shall become due and payable, and such default shall continue for a period of fifteen (15) days after the Tenant receives written notice from Landlord that such rent has not been paid; or

(b) If default shall be made by Tenant in the performance or compliance with any of the agreements, terms, covenants, or conditions in the Sublease, other than as referred to above, for a period of thirty (30) days after Tenant receives notice from Landlord specifying the items in default, or in the case of a default or contingency that cannot with reasonable due diligence be cured within such thirty (30) day period, if Tenant fails to commence within such thirty (30) day period the steps necessary to cure the same and thereafter to prosecute the curing of such default with reasonable due diligence (it being understood that the time of Tenant within which to cure shall be extended for such period as may be necessary to complete the same with all reasonable due diligence); or

(c) If Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or if there shall be appointed a receiver or trustee of all or substantially all of the property of the Tenant, or if Tenant shall make any assignment for the benefit of Tenant's creditors, or if the Tenant shall vacate the Premises, and any such condition shall continue for a period of thirty (30) days after notice from Landlord specifying the matter involved;

then, and in any such event, Landlord at any time thereafter may give written notice to Tenant specifying such event or events of default and stating that this Sublease and the term hereby demised shall expire and terminate on the date specified in such notice, and upon the date so specified, all rights of Tenant under this Sublease shall expire and terminate. Thereafter, the Landlord shall use Landlord's best efforts to relet the Premises. Upon any termination of this Sublease as above-stated, the Tenant shall immediately vacate the Premises and surrender the same to the Landlord as set forth in Section 20.

18. **Landlord's Covenants.** The Landlord warrants that Landlord has good title to and the right to lease the Premises in manner provided for in this Sublease and that Landlord will suffer and permit the Tenant (so long as the Tenant shall materially keep all the covenants on its part, as herein contained) to occupy, possess, and enjoy the Premises during the Term, without hindrance or molestation from Landlord or any person claiming by, from, or under Landlord.

19. **Quiet Enjoyment.** Landlord covenants that the Tenant, on paying all rent required to be paid

by Tenant, and materially performing the other covenants and undertakings by the Tenant to be performed, shall and may peaceably have and enjoy the Premises for the Term in accordance with the terms of this Sublease.

20. **Removal and Surrender.** The Tenant will, at the expiration or earlier termination of this Sublease, peaceably surrender the Premises and all improvements thereon, and Tenant will execute all documents necessary to place marketable title to all improvements in Landlord's name or Landlord's nominee's name, subject only to (a) the mortgages existing at the time of commencement of this Sublease, (b) any changes or additions to which Landlord consented pursuant to Section 6, and (c) any easements, rights of way, conditions, or other encumbrances existing at the commencement of this Sublease.

21. **Waste or Nuisance.** Tenant shall not commit or suffer to be committed any waste upon the Premises or any act that constitutes a public or private nuisance.

22. **Holding Over.** Any holding over after the expiration of the Term and one month thereafter shall be construed to be a tenancy from month to month at the rent prevailing immediately prior to such holding over (prorated on a daily basis) and shall otherwise be on the terms and conditions herein specified, so far as applicable.

23. **Successors and Assigns.** All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the respective successors and assigns of the parties, subject to Section 13 above.

24. **Entire Agreement, Applicable Law.** This Sublease contains the entire agreement of the parties with respect to the Premises, and no representations, inducements, promises, or agreements not embodied in this Sublease shall be of any force or effect, unless the same are in writing and signed by or on behalf of the party to be charged. The captions of particular Sections are inserted as a matter of convenience only and in no way affect or define the scope or intent of this Sublease. This Sublease shall be governed by and interpreted in accordance with the laws of the State of Vermont, without regard to conflict of law principles.

25. **Partial Invalidity.** If any term, covenant, or condition of this Sublease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such term, covenant, or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, or condition of this Sublease shall be valid and be enforced to the fullest extent permitted by law.

26. **Waiver of Rule of Construction.** The parties waive the benefit of any rule that this Sublease is to be construed strictly against one party or the other by virtue of the circumstances of the drafting of this Sublease.

27. **Notices.** All notices, requests, and other communications hereunder shall be in writing and delivered and mailed:

(a) If to Landlord, to Jay Peak Hotel Suites Stateside L.P., c/o SQ Property Management LLC, 4850 VT Route 242, Jay, Vermont 05859-9621 or at such other address as may be furnished to Tenant by Landlord in writing.

(b) If to Tenant, to _____, 4850 VT Route 242, Jay, Vermont 05859-9621, or at such other address as may be furnished to the Landlord by Tenant in writing.

28. **Memorandum of Sublease.** The parties agree to prepare and record in the Land Records of the Town of Jay, Vermont a memorandum of this Sublease sufficient to satisfy statutory requirements.

29. **Obligation of Tenant to Produce Business Records of Tenant.** Tenant acknowledges by its signature below that Landlord, in connection with requirements imposed on it by the so-called EB-5 program under 8 U.S.C.§ 1153 (B)(5)(A) - (D); INA § 203 (B)(5)(A) - (D) of the Immigration & Nationality Act, may be required to produce evidence of employment and economic activity to substantiate its limited partners' investment and job creation in connection with the construction and operation of the Premises. As such, Tenant hereby agrees to cooperate with Landlord and its Agent in any request made to evidence Tenant's employment and economic activity, including without limitation production for inspection and copying of Tenant's employees' I-9 forms. Additional business records that Tenant agrees to share with Landlord upon request will include without limitation monthly and annual visitor and revenue summaries of the Tenant's business operations. Tenant agrees to provide such information within seven (7) business days of receiving a request from Landlord.

29. **Projected Business Activity of Medical Center.** Tenant and Landlord shall cooperate in preparing a business plan which sets forth rental rates, projected income of the Medical Center and Tenant agrees to operate the Medical Center in accordance with said business plan.

IN WITNESS WHEREOF, the parties have executed and delivered this Sublease on the date first written above.

IN THE PRESENCE OF:

LANDLORD
JAY PEAK HOTEL SUITES STATESIDE L.P.
BY: Jay Peak GP Services Stateside, Inc., its General Partner

_____
Witness

_____
William Stenger, Its President
and duly authorized agent

TENANT:

_____ BY: _____

Witness _____ its duly authorized agent

State of Vermont
County of _____, ss.

At _____, this ___ day of _____, 201_, personally appeared before me William Stenger, duly authorized agent on behalf of Jay Peak GP Services Stateside, Inc., general partner of Jay Peak Hotel Suites Stateside L.P.., and acknowledged this instrument, by him subscribed, to be his free act and deed, the free act and deed of Jay Peak GP Services Stateside, Inc., and the free act and deed of Jay Peak Hotel Suites Stateside L.P.

Before me, _____
Notary Public
Comm. Exp. ___/___/___

State of Vermont
County of _____, ss.

At _____, this ___ day of _____, 201_, personally appeared before me _____ duly authorized agent on behalf of _____, and acknowledged this instrument, by him subscribed, to be his free act and deed and the free act and deed of _____.

Before me, _____
Notary Public
Comm. Exp. ___/___/___

Eb5 Projects/jaypeakHotelSuitesStateside/commercialsublease.MedicalCenter.103111

FORUM

Leahy introduces bill to create jobs

Attract foriegn investment to Vermont

WASHINGTON— Senator Patrick Leahy (D-Vt.) this week introduced legislation to make permanent a program that has attracted millions of dollars in direct foreign investment and created hundreds of new jobs for Vermont. Leahy's legislation would also strengthen the Regional Center pilot program at the U.S. Citizenship and Immigration Services (USCIS).

The Regional Center pilot program was first created in 1993 and allows a regional governmental agency or private entity within a state to apply to the USCIS for designation as a Regional Center. The designation allows agencies or entities involved to attract foreign investment to the region, bringing money and jobs into regional economies. Through Leahy's efforts, Vermont's Regional Center was established in 1997 and rechartered in 2007. Two Vermont ski resorts have actively participated in the Regional Center pilot program, launching ambitious development projects to draw more tourism and business to the state, and Vermont's Regional Center has more investment projects in the works.

In turn, Regional Centers provide opportunities to foreign investors to invest in new American projects, as well as an avenue to citizenship, while adding an additional layer of screening against immigration fraud. Foreign investors seeking legal permanent residency through investment must pledge a minimum of $500,000 to a targeted project within a Regional Center and independently apply for an EB-5 visa. If approved by USCIS, foreign investors are granted a conditional two-year green card. After two years, the investor must provide proof that ten jobs within the region have been created as a result of the investment and that they have met additional investment requirements set by USCIS.

"There is no question that Vermont has benefited from the Regional Center pilot program," said Leahy. "I was proud to reauthorize the Regional Center program in 2003, and this successful partnership between American entrepreneurs and the USCIS is worth saving. Making this program permanent would promote further long term investment in Vermont, in our industries and in our economy. With the country on the brink of a recession, we should be doing all we can to increase jobs and provide additional access to capital to our local economies."

Patrick Leahy

The Regional Center program has generated millions of dollars in job-creating investments since its inception. There are 17 Regional Centers across the country, including the Vermont center. In 2007 alone, investment through the Regional Centers totaled $500 million with the creation of 10,000 new American jobs, and USCIS officials have estimated that direct investment through the program will double in 2008.

EXHIBIT U

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JAY PEAK
VERMONT

FOR IMMEDIATE RELEASE

Contact: Alicia De Martini
PMG Public Relations
Phone: (802) 863-3929 ext: 102
E-Mail: alicia@peoplemakinggood.com

July 8, 2010

SEN. LEAHY BREAKS GROUND FOR JAY PEAK DEVELOPMENT ON JULY 7

Senator Launches Construction of New Hotel and Water Park, Tours Completed Phase I Infrastructure

Jay, VT— On Wednesday, July 7, Senator Patrick Leahy attended a ground-breaking ceremony for the next phase of the $100+ million Jay Peak Resort redevelopment project. Resort President Bill Stenger gave Leahy, state officials and the press a tour of the facilities completed to date, including a new lodge with 57 luxury suites, restaurant, bar, spa and retail facilities; an indoor ice arena; and a golf clubhouse with restaurant, pro shop and three luxury suites.

The ceremony broke ground for two major facilities: a 170-suite hotel to replace the old Hotel Jay, and a state-of-the art indoor water park.

Jay Peak officials say that the development will result in a four season, weatherproof destination for vacationers from the US and Canada. Mr. Stenger noted that more than 1,000 new year-round jobs, both directly and indirectly, will be created at the resort as a result of the expansion, and local businesses will feel a positive economic impact as well, as the resort attracts guests to the area throughout the year. He also points out that much of the development was financed through the innovative EB5 program. This strategic capital-raising approach will help Jay Peak maintain its traditional focus on being a skier and rider's mountain, even while adding new amenities.

—MORE—

Mr. Stenger spoke admirably of both Senator Leahy and the EB5 program at the event: "I can say to you without doubt, that were it not for the extensions of the EB5 program that Senator Leahy has championed and spearheaded, we would not be here today." Senator Leahy praised Mr. Stenger for his foresight and willingness to step up in the major project, and pledged to keep the EB5 program going.

The massive construction project has proceeded on schedule and on budget, according to Jay Peak Marketing Vice President Steve Wright. "With the Tram Haus Lodge, Ice Haus arena and Golf Clubhouse all open for business, a visitor gets a real feel for the vision that started out as a pile of blueprints a few years ago. You can really see how we're coming together as a destination that will offer a rich vacation experience, with diverse dining, lodging and recreation options for every day of a guest's stay. It's not like anything else in the East."

Ariel Quiros, co-owner of the resort, shares the excitement for the developments: "I am so proud of what our team has been able to accomplish in such a short amount of time. You can already see the effect our growth is having on both business at the resort and inside this special community. We're looking forward to completing Phase 2, creating more direct and indirect jobs at the resort and in the region, and welcoming more guests on a year round basis."

When fully complete in 2012, Jay Peak will have added the following amenities:

- **Lodging:** Lodging options including 57 luxury suites in the Tram Haus lodge, three deluxe condominium suites at the Golf Clubhouse, and 170 suites in the new Hotel Jay.
- **Dining:** Resort guests will be able to choose from a variety of dining options across seven restaurants and casual eateries. Alice's Table at the Tram Haus Lodge features a Vermont-inspired menu, the Clubhouse Grille restaurant and bar offers American-style food, and the Tower Bar at the Tram Haus Lodge has lighter fare and appetizers. The Ice Haus Arena has its own heated snack bar and café, and the Aroma Café offers beverages and snacks. The new Hotel Jay will offer three additional restaurant options.
- **Recreational activities:** The Ice Haus arena features an NHL-sized rink with room for 700 spectators, and offers skating lessons, hockey games and curling tournaments. The Golf Clubhouse is available for golfers in the summer and serves as a Nordic Ski Center during the winter. The Taiga Spa & Fitness Center at the Tram Haus Lodge is available for massage therapy and spa treatments, as well as fitness and yoga classes. The indoor water park, opening with the new hotel in 2012, will feature a state-of-the-art retractable roof for year-round access. It will have one of the longest indoor rivers in North America, a kamikaze straight drop (the first indoor of its kind in

North America) and a double Flow Rider surf machine. There will also be an area available for smaller children.

###

Jay Peak Resort's $100+ million redevelopment project includes: The Tram Haus Lodge, a mix of studio, 1 and 2 bedroom suites and one 3-bedroom suite, each with fireplace, flat screen television, full kitchen, deck and mountain and valley views. The Tram Haus also features a bar and restaurant with seating for up to 180, a fitness center, coffee shop and bakery, and a gift shop. The Ice Haus indoor ice arena came online June 1, followed later in the month with the opening of the Golf Clubhouse, which is adjacent to the 18th hole of the championship golf course. Under construction is an indoor water park, and second hotel with 120 rooms, both scheduled to open in 2012.

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Year-Round PEAK Experience

JAY PEAK VERMONT

Jay Peak is about snow...lots of it!

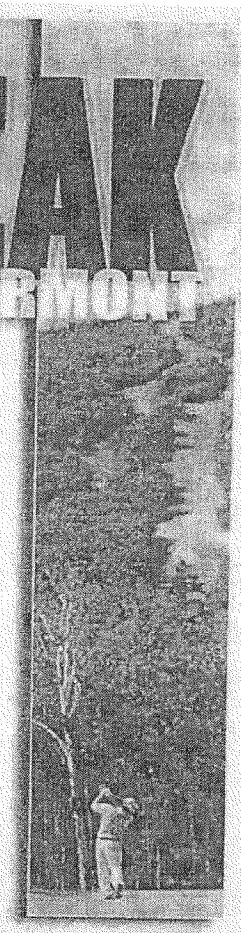
This must be the hottest day of the year. I break into a full sweat just opening the car door. By the time I drag myself the hundred or so feet to the Ice Haus entrance, I am thoroughly drenched with perspiration. If this is summer in the Northeast Kingdom, bring on winter. Puhrlease!

I've followed the asphalt snake to Vermont's northernmost ski resort to check out the latest in Jay Peak's $120 million redevelopment plan. To date, construction has been completed on the handsome, 57-suite Tram Haus hotel; the Ice Haus, an NHL-size and quality ice rink with seating for 400 and standing room for another 500; and a stunning championship clubhouse that perfectly matches Jay's stunning 18-hole, Graham Cooke designed championship golf course.

Every square inch of land separating these three spanking-new facilities is either under construction or teeming with construction workers, materials and equipment. Whatever has become of the old sleepy Jay I remember?

Tomorrow promises to be another big day here. Jay has taken to hosting big days with clockwork regularity. Tomorrow, work will officially commence on a magnificent 175-suite hotel complete with three bars, three restaurants, ample space for retail shops and Vermont's biggest indoor water park.

continued on page 4



By Dave Fonda

Photography courtesy of J. Cash and Jay Peak Resort

Above photo – ***With their Graham Cooke designed championship golf course, Jay Peak is about more than snow!***

Get the Snorkle! It's a powder day in the glades

Slopeskiing with the family

JAY PEAK
VERMONT

cocinol ben japs l

The three-phase redevelopment project is part and parcel of Jay President Bill Stenger's master plan to rebrand the resort. Long known as a hardcore skier's mountain, Jay is where the terminally obsessed flock to score first tracks every fall, last tracks every spring, and first tracks after every dump, so they can have bragging rights all season long. Jay's vitals speak for themselves:

Skiable terrain: 385+ acres
Gladed terrain: 100+ acres
Miles of trails: 50
Longest trail: Ullr's Dream – 3 miles
Lifts: 8, including Vermont's only aerial tram
Average annual snowfall: 376 inches

You get the picture.

So, why does Bill want to change all that?

The short answer is that he doesn't. Jay will always be Jay; A great mountain with great terrain that – through the miracles of topography, geography, meteorology and plain old good luck – just happens to have its own microclimate. Affectionately known as 'The Jay Cloud,' it typically generates more snow in any given year than many of the most hallowed powder-skiing havens west of the mighty Mississippi.

The long answer is that Jay is becoming more and more known as a terrific family resort, where, Bill says, "kids under 14 ski and stay free. And kids under six can ski, stay and eat free! Typically, we get 50% of our destination business from Metropolitan Boston, Connecticut, New Jersey and New York State. And 50% from Montreal, Toronto and Ottawa."

Recognizing that Jay isn't exactly a stone's throw from any of these major population centers (Montreal excluded) and that today's families and their hard-earned dollars are not easily parted, Bill has made it his mission to make Jay as desirable and bombproof a vacation destination as is humanly possible. This is no small task. Bill's solution is achingly simple. Says he, "We aim to weatherproof the amenities so that the whole family can use them."

That's why, once it opens in the winter of 2011, the Northeast Kingdom's largest water park will have a retractable roof, so the whole family can stay together and play together rain, snow or shine.

It's also why Jay Peak, the mountain famous for its BIG SNOW DIFFERENCE, now has its very own Ice Haus where guests can pick up some rental blades and skate. Or they can discover the ever-curious joys of 'curling.' Or, if they prefer, take in a regularly scheduled hockey game.

Ice hockey, incredibly, is almost as big as skiing up here. Teams from every local town, hamlet and burg compete on a regular basis. Their fans are legion. And they are all, it seems, now chomping at the bit to play and cheer at Jay.

All of which suits Bill just fine.

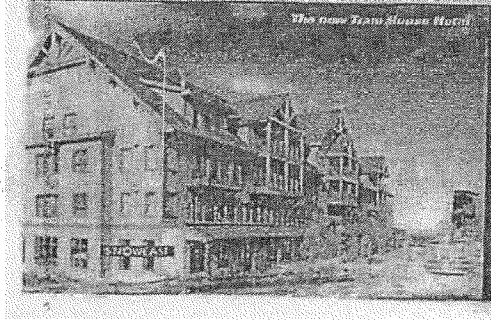
The thing is, Bill Stenger is nothing if not visionary. Which is why he and son Jamie would also like to see Jay Peak become a favorite training center and Green mountain retreat for NHL teams from, you guessed it, New York, Boston, Long Island, Buffalo, Montreal, Ottawa and Toronto.

If the Ice Haus' state-of-the-art ice surface, electric Zamboni machine, tony dressing rooms and well-stocked pro shop aren't enough to win the NHLers over, both Bill and Jamie are confident that the bucolic Vermont countryside and Jay's stellar new accommodations, restaurants, bars and championship-caliber golf course surely will. Now if repeated viewings of Happy Gilmour have taught me anything at all about life, it is this: hockey and golf go together like Vermont maple syrup and a stack of hot buttered pancakes.

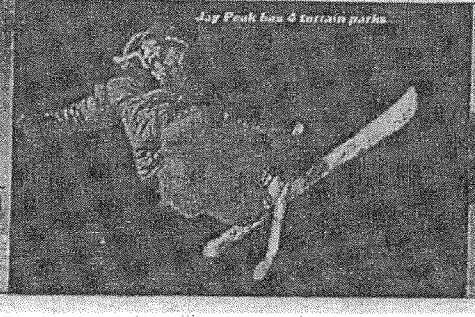
Already, Bill's redevelopment plan seems to be paying off... big time! For instance, the handsome, slopeside Tram Haus has been going great guns ever since it opened. Tastefully appointed with colorful photos shot by Jay employees, Vermont barn-wood doors and furniture, and sculptural pieces fashioned from old lift cables, the Tram Haus was THE PLACE to ski & stay in New England late last spring. According to Gage, my ever-helpful tour guide, "the minute people heard that Jay was still open and that we had great snow conditions, they booked a suite for the weekend."

Special economical spring rates mean that skiers got an all-day lift ticket plus one night in a swank, slopeside suite with a kitchenette, a huge comfy bed, a balcony overlooking the hill or the golf course and a massive flat screen TV. They could also work out in the hotel's uber-equipped gym, veg out in the Taiga spa, dine on authentic Vermont cuisine at Alice's Table or party hearty at the Tower Bar.

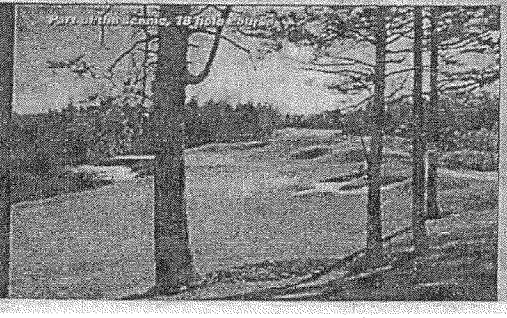
Now I realize it's only July, but jeez, I wish it would snow. ❄



The new Tram House Hotel



Jay Peak has 4 terrain parks



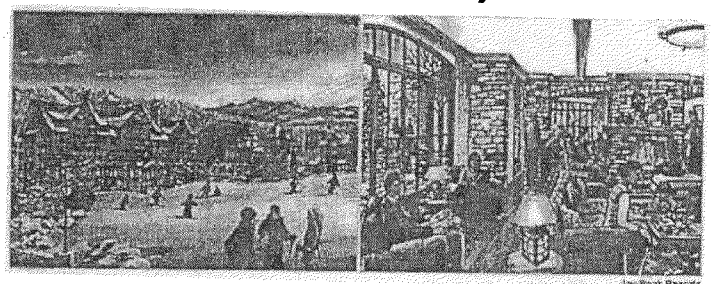
Pure, in the scenic, 18 hole golf course

JAY PEAK RESORT • Jay, Vermont 05859

Website:	www.jaypeakresort.com
Telephone:	800-451-4449
Vertical Drop:	1,153 feet
Summit Elev.:	3,968 feet
Snowmaking:	80%
Trails:	76 Trails 100+ Acres Gladed Novice 20% Intermediate 40% Expert 40% 4 Terrain Parks
Lifts:	1 Tram 1 Hi-Speed Quad 2 Quad Chairs 1 Triple Chair 1 Double Chair 2 Surface Lifts

SQUARE FEET | CHECKING IN

For Foreign Investors, Profit Isn't Only Goal



Jay Peak Resorts

The Jay Peak ski resort in Vermont is building a new hotel, renderings, with the help of foreigners participating in a federal program that grants legal residency in exchange for investing in certain businesses.

By FRED A. BERNSTEIN
Published: March 16, 2008

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BRIAN GOULDING recently moved with his wife, Majella, and three young children to Wilmington, N.C. "It's gorgeous here," he said, referring to the region's temperate climate.

Enlarge This Image

Paul O. Boisvert for The New York Times

Bill Stenger says that he has received $17.5 million from 35 foreign investors.

But Mr. Goulding also has a strong interest in the colder environs of northern Vermont and, specifically, the success of a new hotel at the Jay Peak ski resort, five miles from the Canadian border. If the hotel, expected to open next fall, succeeds, Mr. Goulding and his family, who are from Ireland, will be allowed to remain in the United States.

The Gouldings are among the beneficiaries of a program that grants foreigners legal residency in the United States if they invest in job-creating businesses. "If, in two years, the project has delivered the employment to the state of Vermont," Mr. Goulding said, he will receive a permanent green card. "If the project collapses," he said, "I won't."

But Bill Stenger, the president and chief operating officer of Jay Peak, doesn't see much danger of the project failing. At a time when bank loans are becoming harder to get, Mr. Stenger said he had received the money he needs to construct the hotel — $17.5 million — from 35 investors, all of whom are hoping to become permanent residents of the United States.

Under the program, known as EB-5, a foreigner receives a green card for investing $500,000 in a business in a rural or high-unemployment area. With currency exchange rates what they are — the dollar has fallen sharply against the euro and British pound — the required investment "is very affordable to many foreigners," Mr. Stenger said.

To tap into that source of capital, Mr. Stenger formed an alliance with Rapid USA Visas, which has offices in Naples, Fla., and in London. The company's clients are looking to make their homes in the United States — in many cases, as retirees in the Sun Belt. (Under the law creating the EB-5 visas, they need never set foot in the state where the money is invested.)

"It's win-win-win," said Steve Yale-Loehr, an EB-5 expert who teaches immigration law at Cornell University: the business gets capital, residents get jobs and the investor gets a green card.

The program hasn't always been a hit. In the 1990s, what was then the Immigration and

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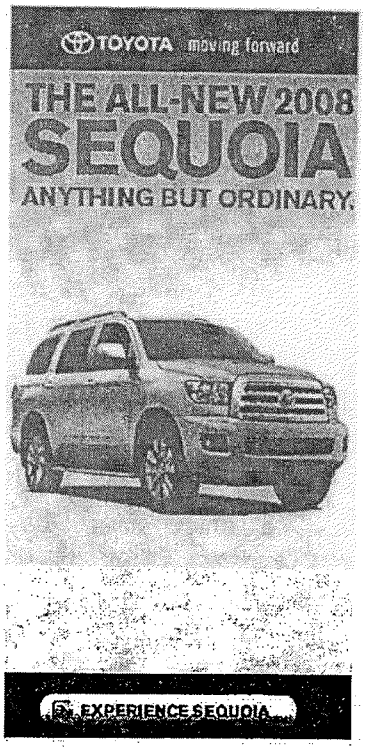

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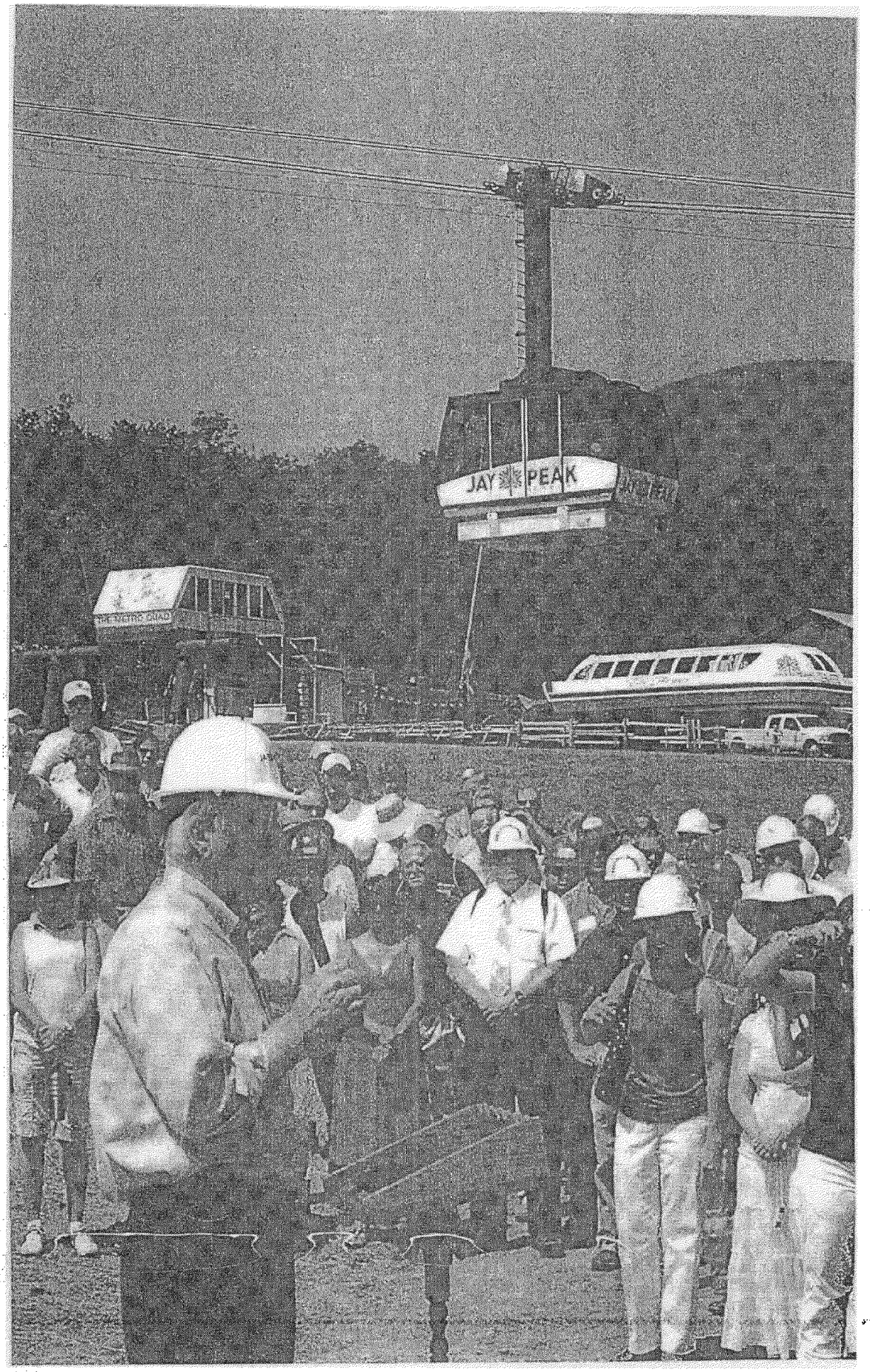
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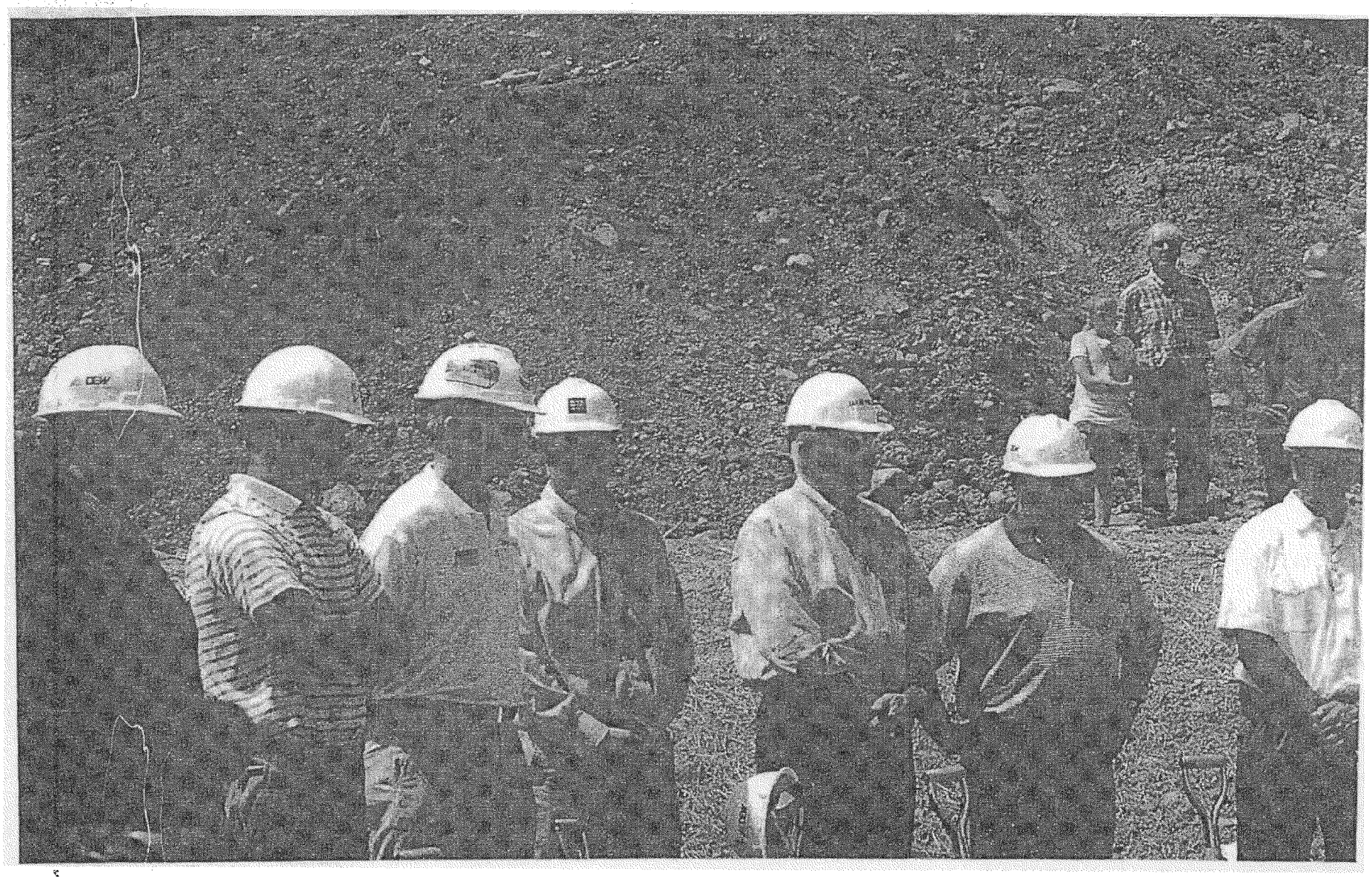

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130 Suites (studios, 1-3 bedrooms) • 30k sq. ft Waterpark and Arcade (opening Winter 2012)
3 Restaurants • Conference Center • Ski-in/Ski-out Access

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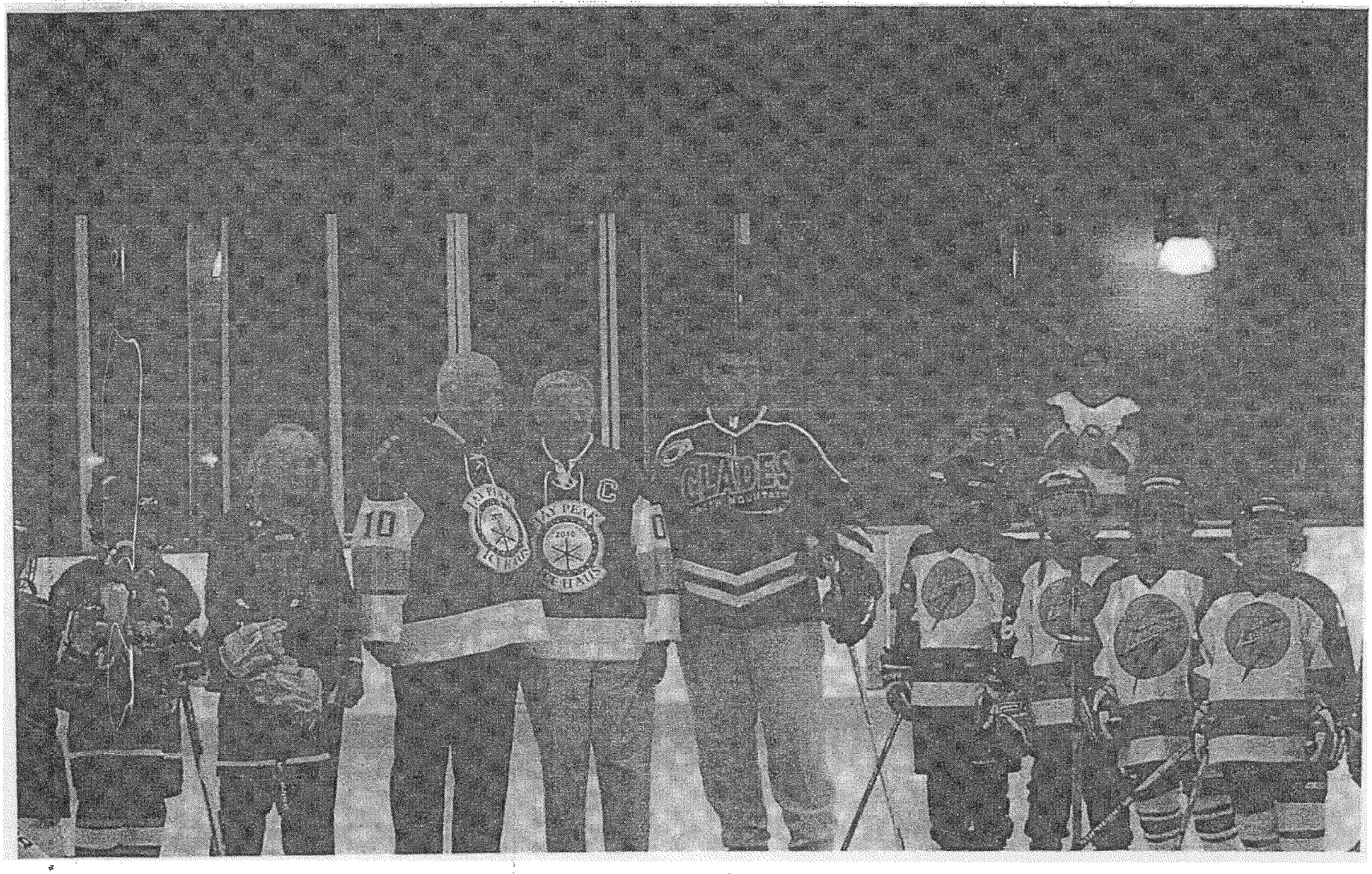
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RSG INC.
RESOURCE SYSTEMS GROUP, INC.

VERMONT

Opportunities for VT Vacation Providers

Christine Werneke

Summer 2010

EXHIBIT V

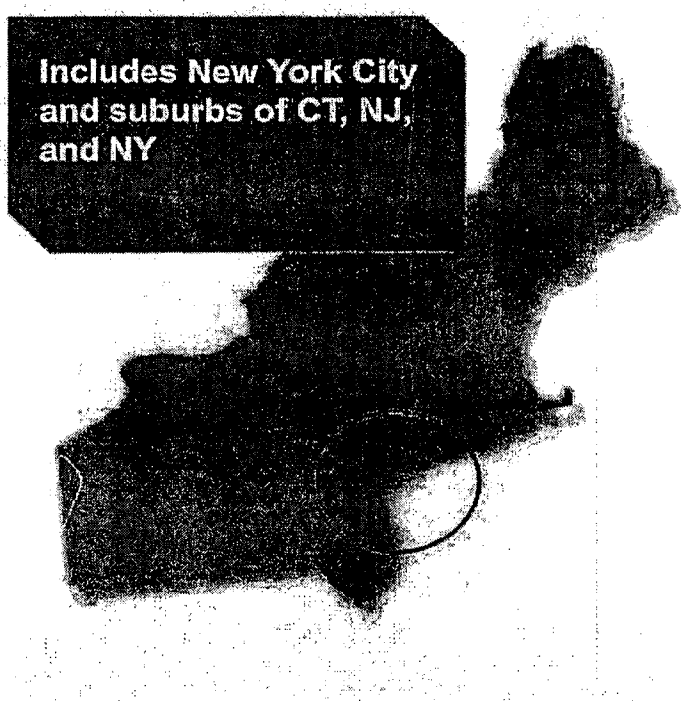
Opportunities for Vermont Vacation Providers

- Focus on the more "important" vacation attributes
- Emphasize Vermont's unique attributes within the competitive set
- Incorporate images that are relevant to Vermont
- Incorporate messaging that is relevant to Vermont
- Convert one season vacationers to multi-season vacationers
- Target people who haven't vacationed in Vermont
- Tailor brand / marketing to particular geographic markets

RSG INC.

NYC Metro: Looking for a luxury escape

NYC Metro



- Doesn't view "free" in "you're free to come as you are", "sun-drenched dock", " savoring sweet strawberries", "fun" "reading" or "reconnect" as relevant or not relevant to VT

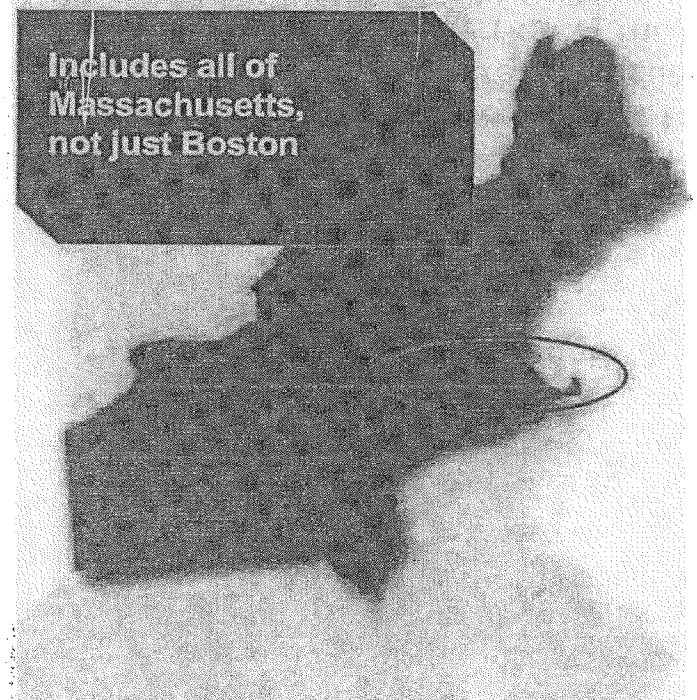
Looking for luxury escape

- More likely to want to be seen as "extravagant" (compared with MA & VT), "elegant" (compared with VT), and "conservative" (compared with MA)
- More likely have a household income >$100K (compared with VT & Canada metro)
- More likely to spend $1,000+ at their destination (compared with MA)
- More likely to vacation for 1 to 2 weeks (compared with MA & VT)
- More likely to stay in a house/condo (compared with Canada metro & VT)
- Less likely to be married (compared with VT)
- Top 5 vacation destinations excluding VT: Mid-Atlantic shore, Adirondacks, Poconos, other destinations, West Coast
- Views image of snowmobile & bridge as most relevant winter image
- Doesn't view image of church as very relevant
- Views "Not crowded" is a top 5 important attribute while overall winter vacationers do not
- Doesn't differentiate much across competitive set but views VT to lead "hearty and healthy"

RSG Inc.

MA: Looking for practical, outdoor weekend trips

Massachusetts



- Clearly views "reconnect" as not relevant to VT
- Doesn't view "heavy" in "heavy wool blankets", "hearty stew", "sun-drenched dock", "spirit" or "unassuming" as relevant or not relevant to VT

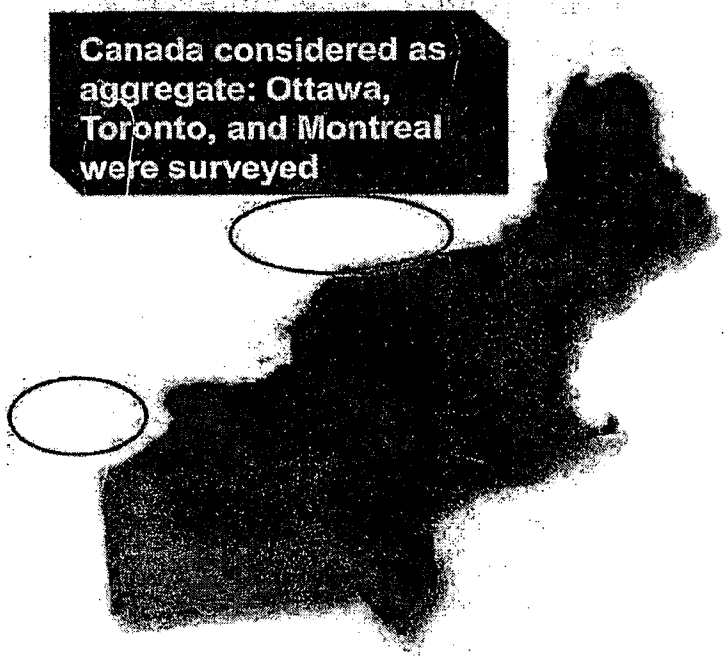
Looking for practical, outdoor weekend vacations

- More likely to want to be seen as "thrifty" (compared with NYC & Canada metro) and "adventurous" (compared with NYC metro)
- More likely to participate in outdoor activities
- More likely to take 2-night vacations
- More likely to stay in a house/condo (compared with Canada metro & VT)
- More likely have a household income >$100K (compared with VT)
- Less likely to spend $1,000+ at their destination (compared with NYC & Canada metro)
- Top 5 vacation destinations excluding VT: NH, ME, Cape Cod & the Islands, RI, other destinations
- Views "Not crowded" and "easy to get to" as more important compared to other vacationers
- Views VT to co-own "unspoiled landscape" and lead "environmentally-minded"
- Views the image of the farmers' market as the most relevant summer image
- Views image of snowmobile & bridge as more relevant than Canada and VT vacationers

RSG INC.

Canada: Looking for luxury in Canada and NE

Canada Metro



- The word "adventure" is more polarizing
- "Sun-drenched docks" is relevant for Canadian but not for other regions
- Doesn't view "heavy wool blankets", "free" in "you're free to come as you are", "fresh tracks", "Nor'easters", "counting stars" or "reconnect" as relevant or not relevant

Looking for luxury vacations in Canada or Northeastern US

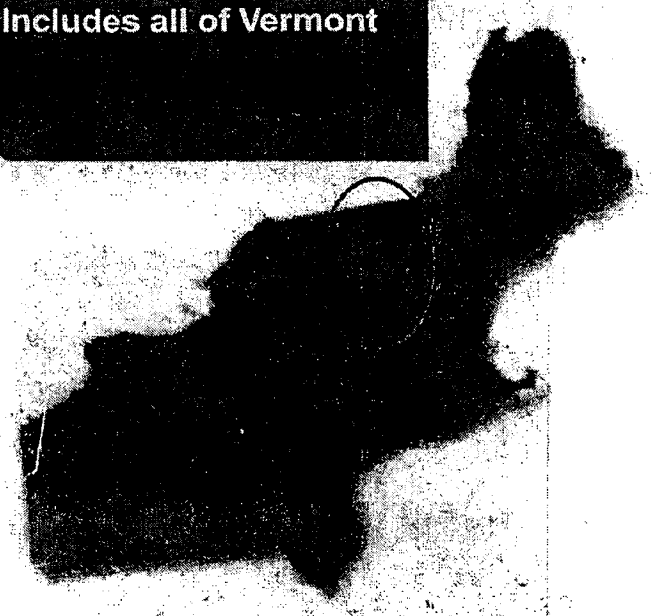
- More likely to want to be seen as "people-oriented", "extravagant" (compared with MA & VT) and "rebellious" (compared with MA & NYC metro)
- More likely to take 1-2 week vacations
- More likely to spend $1,000+ at their destination (compared with MA & VT)
- More likely to spend $1,000+ travelling to their destination
- More likely to shop and do cultural activities (compared with MA & VT) on their vacations
- Views "Natural" is a top 5 important attribute while overall winter vacationers do not
- More likely to stay at a hotel (compared with MA & VT)
- Top 6 vacation destinations excluding VT: eastern Canada, western Canada, other destinations, NH, ME, Adirondacks
- More likely to have not noticed ads for Vermont
- "Warm friendly people" is as important as "good value"
- Views VT to lead / co-own "warm, friendly people" with E. Canada

RSG INC.

VT: Looking to relax and be seen as outdoorsy

Vermont

Includes all of Vermont



- Doesn't view "savoring sweet strawberries", "sun-drenched dock", "outdoor adventure", "reconnect", "unassuming" or "unpretentious" as relevant or not relevant to VT

Looking to relax and be seen as outdoorsy

- More likely to want to be seen as "outdoorsy" and "natural" and "thrifty" (compared with NYC & Canada metro)
- More likely to "relax" on their winter vacation
- More likely to have a household income <$50K and not have graduate degree
- More likely to be married and /or female
- More likely to take a day trip or 1-night vacation
- Top 5 vacation destinations excluding VT: ME, NH, Adirondacks, other destinations, RI
- Views VT as much more differentiated than out-of-state vacationers
- Views the images of the covered bridges as more relevant to VT
- Views images of the field with cows and church as clearly more relevant
- Doesn't view the word "upscale" as polarizing

EXHIBIT W

OMB No. 1615-0026; Exp. 01/31/2012

Department of Homeland Security
U.S. Citizenship and Immigration Services

Form I-526, Immigrant Petition by Alien Entrepreneur

Do Not Write in This Block - For USCIS Use Only (Except G-28 Block Below)		
Classification	Action Block	Fee Receipt
Priority Date		To be completed by Attorney or Representative, if any ☐ G-28 is attached Attorney's State License No.
Remarks:		

START HERE - Type or print in black ink.

Part 1. Information About You

Family Name | Given Name | Middle Name

In care of Street Number and Name:

Address: | Apt. Number

City | State or Province | Country | Zip/Postal Code

Date of Birth (mm/dd/yyyy) | Country of Birth | Social Security # (if any) | A # (if any)

If you are in the United States, provide the following information: Date of Arrival (mm/dd/yyyy) | I-94 #

Current Nonimmigrant Status | Date Current Status Expires (mm/dd/yyyy) | Daytime Phone # with Area Code

Part 2. Application Type *(Check one)*

a. ☒ This petition is based on an investment in a commercial enterprise in a targeted employment area for which the required amount of capital invested has been adjusted downward.

b. ☐ This petition is based on an investment in a commercial enterprise in an area for which the required amount of capital invested has been adjusted upward.

c. ☐ This petition is based on an investment in a commercial enterprise that is not in either a targeted area or in an upward adjustment area.

Part 3. Information About Your Investment

Name of commercial enterprise in which funds are invested: Jay Peak Hotel Suites Stateside L.P.

Street Address: 4850 VT Route 242, Jay, VT 05859-9621

Phone # with Area Code: +1 (802) 327-2222

Business organized as (corporation, partnership, etc.): Limited Partnership

Kind of business (e.g. furniture manufacturer): Resort Development

Date established (mm/dd/yyyy): 11/18/2011

IRS Tax #: 30-0703826

RECEIVED: _____ RESUBMITTED: _____ RELOCATED: SENT _____ REC'D _____

Part 3. Information About Your Investment *(Continued)*

Date of your initial investment (mm/dd/yyyy)	See Addendum	Amount of your initial investment	$
Your total capital investment in the enterprise to date	$	Percentage of the enterprise you own	

If you are not the sole investor in the new commercial enterprise, list on separate paper the names of all other parties (natural and non-natural) who hold a percentage share of ownership of the new enterprise and indicate whether any of these parties is seeking classification as an alien entrepreneur. Include the name, percentage of ownership, and whether or not the person is seeking classification under section 203(b)(5). NOTE: A "natural" party would be an individual person, and a "non-natural" party would be an entity such as a corporation, consortium, investment group, partnership, etc.

If you indicated in Part 2 that the enterprise is in a targeted employment area or in an upward adjustment area, name the county and State: County Orleans State Vermont

Part 4. Additional Information About the Enterprise

Type of Enterprise (check one):

- ☒ New commercial enterprise resulting from the creation of a new business.
- ☐ New commercial enterprise resulting from the purchase of an existing business.
- ☐ New commercial enterprise resulting from a capital investment in an existing business.

Composition of the Petitioner's Investment:

Total amount in U.S. bank account	$
Total value of all assets purchased for use in the enterprise	$
Total value of all property transferred from abroad to the new enterprise	$
Total of all debt financing	$
Total stock purchases	$
Other (explain on separate paper)	$
Total	$

Income:

When you made the investment	Gross	$	Net	$
Now	Gross	$	Net	$

Net worth:

When you made investment	Gross	$	Now	$

Part 5. Employment Creation Information

Number of full-time employees in the enterprise in U.S. (excluding you, your spouse, sons, and daughters)

When you made your initial investment? _____ Now _____ Difference _____

How many of these new jobs were created by your investment? _____ How many additional new jobs will be created by your additional investment? _____

What is your position, office, or title with the new commercial enterprise?

Limited Partner

Briefly describe your duties, activities, and responsibilities.

Policy & other business issues to the extent permitted by the VT Uniform LPA

What is your salary? $ _____ What is the cost of your benefits? $ _____

Part 6. Processing Information

Check One:

☐ The person named in **Part 1** is now in the United States, and an application to adjust status to permanent resident will be filed if this petition is approved.

☐ If the petition is approved and the person named in **Part 1** wishes to apply for an immigrant visa abroad, complete the following for that person:

Country of nationality: _____

Country of current residence or, if now in the United States, last permanent residence abroad: _____

If you provided a United States address in **Part 1**, print the person's foreign address:

_____

If the person's native alphabet is other than Roman letters, write the foreign address in the native alphabet:

_____

Are you in deportation or removal proceedings? ☐ Yes (Explain on separate paper) ☐ No

Have you ever worked in the United States without permission? ☐ Yes (Explain on separate paper) ☐ No

Part 7. Signature *Read the information on penalties in the instructions before completing this section.*

I certify, under penalty of perjury under the laws of the United States of America, that this petition and the evidence submitted with it is all true and correct. I authorize the release of any information from my records that U.S. Citizenship and Immigration Services needs to determine eligibility for the benefit I am seeking.

Signature _____ Date _____

NOTE: *If you do not completely fill out this form or fail to the submit the required documents listed in the instructions, you may not be found eligible for the immigration benefit you are seeking and this petition may be denied.*

Part 8. Signature of Person Preparing Form, If Other Than Above (Sign below)

I declare that I prepared this application at the request of the above person, and it is based on all information of which I have knowledge.

Signature _____ Print Your Name _____ Date _____

Firm Name _____ Daytime phone # with area code _____

Address _____

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