July 14, 2014



Bill Stenger President & CEO



I'm reaching out to you in efforts to give more significant background and content regarding our Phase I exit plan and its history, rational and objective, now and going forward. Numerous comments have been sent to me and my staff, certain legal counsels and certain state officials. In these comments have been numerous legitimate questions and concerns which I will address in this memorandum. There have also been allegations about business practices that are frankly wildly inaccurate and just plain wrong. I will address these as well.

There has been reference made by many to the State of Vermont Regional Center and the role it plays in Vermont EB-5 programs. I'd like to state what their role is.

The State of Vermont does indeed play an important role. They review and approve the business plan of each project before we start; paying close attention to the job creation matrix that is so vital in the removal of conditions stage of an investor's involvement. The state routinely visits the resort during construction and operation to review and monitor the implementation of the business plan and progress of the construction against the project schedule. We submit project data to the state quarterly to validate the degree to which construction and job creation are indeed keeping pace within our plans. Validating job creation is the most important thing to most every investor. Having the conditional green card made permanent is typically the thing every investor considers most important, and reaching job creation requirements is vital to this process. Jay Peak with the State of Vermont's help has been 100% successful in job creation success and 829 authorizations for all Jay Peak EB-5 projects where I-829 removal of conditions are due.

The State of Vermont does not conduct financial statement audits on our EB-5 projects and frankly that is an expense we don't request the partners pay for. At Jay Peak we have three CPA's on our staff directly involved with the EB5 financial reporting and they adhere to Generally Accepted Accounting Principles at all times. Their licenses are at risk if they don't respect appropriate accounting principles.

I would like to address some other items.

The economies of the project have largely been positive. The hotel was completed, albeit a bit late due to weather and permit delays, but opened December 2009 and has been well received since. Income from operations has increased each year and dividends have been about 2% each of the past three years. Jay Peak pays for all variable expenses of operating the hotel (payroll of staff, housekeeping, sales and marketing, front desk materials, reservation service fees) through a management agreement which was agreed to by every investor and provides the management company 50% of revenue regardless of whether Jay Peak's costs are covered or not. The Limited Partnership is responsible for fixed expenses (insurance, utilities, taxes, repairs & maintenance). The proceeds available after these types of costs are distributed to the Limited Partners. You have received income statements showing the calculation of the distributions. This is done at minimum

quarterly. The last statement reported as of August 31, 2013 is attached and included each month of operation for reference.

In 2013 several partners expressed to me their desire to have an exit strategy initiated that would begin to pay back the investment and that would assure them that as much of their investment as the market would support would ultimately be repaid. A hard truth is that since 2008-2009's banking collapse and the subsequent real estate collapse, the second home real estate market in New England, and really throughout the United States, fell to unprecedented lows and has not yet recovered.

This reality has limited our options for an exit plan. Real estate sales are as of today not existent to the level required to exit all partners anywhere near their original investment. At some point, second home markets may rebound, but all experts we consulted with don't see a return to pre- 2008 levels for some time, but we are monitoring this constantly.

What I did hear from investors was that they would like me to find an exit strategy that would (1) start paying them back immediately, (2) that would ultimately guarantee as close to 100% return of the original investment as possible, and (3) that would allow for acceleration of the repayments to investors as the market recovers. As General Partner for the limited partners, I turned to my company, Jay Peak, and inquired whether there was a way that Jay Peak could step up to the plate for the investors and get them what they were asking for.

A program was structured to have the investors paid \$307,017 (17,500,000/57 suites = 307,017) for each of the 57 hotel suites over time (\$500,000 to each investor), plus a small amount of interest while they waited for repayments as the market recovered. In order for Jay Peak to be interested in buying out all of the investors at this price point at this time in the marketplace, there needed to be a cash flow program with a balloon to guarantee the final payment. However, as I have stated we would revisit the marketplace annually in attempts to accelerate the buyout. This \$307,017 per unit sale price would not be available to investors in this marketplace under any other circumstances. If you feel that this transaction is one-sided or generous to Jay Peak, you should understand that Jay Peak has agreed to pay over \$18,000,000 to the limited partners over the next 5 years for an asset that will pay Jay Peak approximately \$2.5 Million over that same 5 year period. (This was determined by taking the 2-3% return that Jay Peak will now receive annually instead of the investors.)

Any other buyer would have looked at this in a much more objective, less attractive way. This represents more than 50 years for return of investment to the buyer and with no management rights.

No one could have predicted the financial trauma of 2008-2009. And although I'm sure that you are quite happy to be receiving 100% of your investment back, without any sales commissions being paid, in a marketplace that is down as much as 50%, I know this schedule is not what you might have hoped for but I have done the best I could in these trying market conditions. Each partner expects, a return of their investment, as swiftly as possible and wants the repayment plan for the same to be guaranteed. As stated, market conditions and operating business levels just don't allow Jay Peak to pay 100% of the \$500,000 right away. We have evaluated the requests from several of you that a 9 year redemption plan is longer than desired and too great a burden! As such I have asked that Jay Peak's CFO revisit the financials and the offer, and demanded that the CFO make every attempt to find a way to shorten the payoff to you while still maintaining Jay Peak's financial ability to make the offer. Although I am advised that anything in excess of the original financial plan is not feasible to Jay Peak, I have convinced them to accelerate the balloon to occur at the end of 5 years rather than 9. Jay Peak has agreed to offer an amended payment plan to each investor as follows:

2014-\$21,500*

2015-\$21,500

2016-\$21,500

2017-\$21,500 2018-\$434,311.39

* Paid January 31, 2014

Furthermore, as stated before I will re-evaluate this plan at the end of each fiscal year to determine if the payment can be further accelerated. If operational outcomes allow or Real Estate markets improve I will enhance the plan. But at present, given market conditions, this is the best Jay Peak can do at this time.

In the interim you are free to use the promissory note with your private lenders to maximize the liquidity you can gain between now and 2018 with a private institution of your choosing.

The Promissory note has been rewritten to reflect this enhanced repayment schedule. It will also omit any reference to waiving legal rights. This revised note is attached.

Jay Peak has instructed me that any further enhancement or requests for amendment of this offer would not be financially sustainable by them and upon such would move to retract the offer and the redemption agreement. I do not believe this will be in the best interests of the investors as it may require them to wait years to achieve a marketplace where the units will be sold with expense commissions and without management rights. The offer by Jay Peak at this time is very generous in this marketplace and is why I moved in this direction on your behalf.

What authority did I have as General Partner to dissolve this limited partnership and proceed as we did?

Attached are two portions of the offering documents which everyone has had from the beginning of this project. These documents form the basis of all operational activities and the guidelines for going forward activities. After all I-829's were approved, which has been accomplished, clear authority rests with the GP to sell the hotel if it allows for the structured setup to repay the limited partners. My objective was and is, to **guarantee** a repayment of the full investment of \$500,000.

I wish to sincerely apologize for the delay in getting you the documents on the Hotel transaction last August. The delay, however unintentional, was my fault and I apologize for it. We were simply very busy with a host of things and I should have been in contact with you at the time of the transition and not 4+ months later. Even though your approval was not required, common courtesy dictated that communication take place at the time of the transition. This has created mistrust and I regret this very much.

There have also been some general references to Jay Peak and me personally as to our business conduct. Some of the verbiage used in recent communication about financial conduct, which I won't dignify by repeating, are ridiculous and without a single bit of justification.

Here are some important facts.

All investors funds were properly invested in the Tram Haus Lodge 100% of all \$17.5 Million US Dollars. Please note your 829 filing for a detailed expenditure summary.

A beautiful 57 suite Hotel was constructed and the size and scope of the property exceeds the offering document requirements. Any excess cost for the enhanced quality and scope of the Hotel was paid 100% by Jay Peak. Many partners have been here to see the property and know it to be everything and more than was promised.

We produce very honest and adequate quarterly reports for each partner throughout all of our projects. It is a very big job with 564 limited partners in 6 projects, but our accounting team does a thorough and exceptional job. We are in the process of expanding the EB-5 accounting team.

To Summarize, all investors received green cards, had conditions removed, many are now citizens, have begun receiving principle payback and the full payback is guaranteed by promissory notes of Jay Peak Resort with assets far in excess of the value of these notes. This is

the best form of guarantee Jay Peak can provide, and may be pledged by you as collateral if you so choose.

The simple truth is that we all wish market conditions could justify a 100% payback today! Because this is not available we could wait until market conditions better allow, or begin paying back

the partners now.

I chose at the behest of many of you to begin repayment. It was not required that I do anything, but to delay is just pushing repayment off to a future time. Perhaps the easy thing to do, but that does not address the needs many of you advocated for, a guaranteed repayment plan starting in 2013.

I hope these comments and clarifications are helpful. I look forward to seeing this buyback plan completed successfully for all. If you have any questions I will do my best to answer them.

General Partner

Jay Peak Phase I L.P.

PROMISSORY NOTE

Jay Vermont, U.S.A

U.S.\$500,000.00

Date: July 14, 2013

Amount; Interest Rate

FOR VALUE RECEIVED, more specifically the deferred payment of amounts due to whose address is

(herein the "Holder") under a redemption agreement (see attached "Exhibit A") dated August 31, 2013 by and between Jay Peak Management Inc. and Jay Peak Hotel Suites Phase I L.P. limited partners (herein the "Redemption Agreement"), such redemption amount being Five Hundred Thousand U.S. Dollars (US\$500,000.00) and the undersigned Jay Peak Management Inc., whose address is 830 Jay Peak Road, Jay Vermont 05959 (herein the "Maker") promises to pay to the order of the Holder or its designee, the principal sum of Five Hundred Thousand U.S. Dollars (US\$500,000.00), and interest on the principal sum from the date hereof at the rate of 1% per annum.

Payment Schedule

Four equal installments in the amount of Twenty One Thousand and Five Hundred U.S. Dollars (US\$21,500.00) for Principal and Interest shall be due and payable on January 31st of each year for four (4) consecutive years beginning with January 31, 2014. A final payment of \$434,311.39 will be made to the Holder by the Maker for the balance of the deferred payment and any accrued interest on January 31, 2018.

Default

If any of the following events shall occur, the outstanding principal balance of this note together with accrued interest thereon shall, without presentment, demand or notice by the Holder, be due and payable: (i) any amount owing under this note is not paid when due and not corrected within thirty (30) days from the due date; (ii) a default under any other provision of this note; (iii) a breach of any representation or warranty under this note; (iv) the liquidation, dissolution, death or incompetence of the undersigned; (v) any petition of bankruptcy, or (vi) insolvency or similar law against the undersigned and such petition not being dismissed within a period of thirty (30) days of the filing.

Default Interest

The outstanding balance of any amount owing under this note which is not paid when due shall bear interest at the rate of five percent (5%) per annum above the rate that would otherwise be in effect under this note calculated on a 360 day year. So long as the failure of payment continues, the interest so calculated and remaining unpaid shall be compounded on a daily basis.

Usury Clause

Notwithstanding any other provision of this note, interest under this note shall not exceed the maximum rate permitted by law; and if any amount is paid under this note as interest in excess of such maximum rate, then the amount so paid will not constitute interest but will constitute a prepayment on account of the principal amount of this note. If at any time the interest rate under this note would, but for the provision of the preceding sentence, exceed the maximum rate permitted by law, then the outstanding principal balance of this note shall, on demand by the holder of this note, become and be due and payable.

Where to Make Payments

All payments of principal and interest shall be made in lawful currency of the United States of America, in immediately available funds, to the Holder at the address on file with Jay Peak Management, Inc. or at such place as the holder of the Note shall designate in writing.

Expenses

The undersigned agrees to pay on demand all expenses of collecting and enforcing this note, including, without limitation, expenses and attorneys' fees, court costs and the cost of appellate proceedings.

Governing Law

This note and the obligations of the undersigned shall be governed by and construed in accordance with the law of the State of Vermont, U.S.A. For purposes of any proceeding involving this note or any of the obligations of the undersigned, the undersigned hereby submits to the non-exclusive jurisdiction of the courts of the State of Vermont and of the United States having jurisdiction in Orleans County, Vermont, and agrees not to raise and waives any objection to or defense based upon the venue of any such court or based upon forum non conveniens. The undersigned agrees not to bring any action or other proceeding with respect to this note or with respect to any of its obligations in any other court unless such courts of the State of Vermont and of the United States determine that they do not have jurisdiction in the matter.

Waiver of Presentment, Etc.

The undersigned waives presentment for payment, demand, protest and notice of protest and of non-payment.

Delay; Waiver

The failure or delay by the holder of this note in exercising any of its rights hereunder in any instance shall not constitute a waiver thereof in that or any other instance. The holder of this note may not waive any of its rights except by an instrument in writing signed by the holder.

Prepayment

The undersigned may prepay all or any portion of the principal of this note at any time and from time to time without premium or penalty. Any such prepayment shall be applied against the principal due under this note and shall be accompanied by payment of accrued interest on the amount prepaid to the date of prepayment.

Amendment

This note may not be amended without the written approval of the Maker and the Holder.

This Promissory note replaces and renders null and void, the promissory note issued by Jay Peak Management Inc dated August 31, 2013, executed by William J Stenger.

This Promissory note includes terms that are much more favorable to the holder than the original note.

Please sign below indicating your acceptance of the terms of this note as replacement of the original note, and return a copy to William Stenger Jay Peak Resort, 830 Jay Peak Road, Jay, VT 05859.

Dated	
Signature of Partner	
Executed this 14 th day of July, 2014 at Jay Vermont	
	MAKER. JAY PEAK MANAGEMENT, INC.

Ву:

Minne: Whiam Stenge

STATE OF VERMONT

to wit:

COUNTY OF ORLEANS

I HEREBY CERTIFY, that on this 14th day of July, 2014, personally appeared William Stenger who is (or satisfactorily proven to be) the person who executed the foregoing, and acknowledged that the same is their act and deed.

WITNESS, my hand and Notarial Seal.

Notary Public

Removal Of Conditions Not Guaranteed

In the history of the EB-5 program, INS (now CIS) 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 cannot be any assurance that CIS 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 CIS that the Project is operating within its business plan, that it has created the requisite jobs at the time required by CIS or that any other requirements for the removal of conditions have been met.

Exit Strategies

months to construct, before the hotel may commence operations. Beginning in the fourth quarter of 2011, or earlier once all conditions have been removed under the FR-5 Program for all smallers. earlier once all conditions have been removed under the EB-5 Program for all qualified investors who have invested into the Partnership, the General Partner shall review market conditions to determine if it is appropriate to market the Hotel and, if so, to decide upon a plan of disposition of the Hotel (which may, but need not, include the sale of fractional interests, subdivision of the Hotel into separate condominiums or other common interest ownership units, and sale, or redemption by the Partnership, of Limited Partner Interests), to be managed and conducted exclusively by the General Partner or its designee on terms to be determined by General Partner in its sole discretion. The General Partner or its designee shall have exclusive rights of sale, in the event the hotel condominium units are placed on the market.

> The time of the sale of the suites to the market will be determined by the General Partner and its parent company or affiliates, which will account for, among other factors, the market conditions at the time and the business status of the Hotel Suites' operations. The General Partner will not engage in any sales contrary to the purposes of the investment in the Hotel Suites set forth herein or within the Limited Partnership Agreement.

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 NOT MORE THAN 35 INDIVIDUALS, NONE OF WHOM MAY BE RESIDENTS IN THE UNITED STATES OF AMERICA AT THE TIME OF THE OFFER AND PURCHASE UNLESS LAWFULLY IN THE UNITED STATES WITH A VALID VISA; ALL MUST HAVE ATTAINED THE AGE OF 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 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 DECEMBER 22, 2006. THE DATE OF THE FIRST OFFER]. ANY RESALE MUST BE MADE PURSUANT TO REGULATION S OR REGUALTION D AS IS APPLICABLE AFTER REGISTRATION OF THE LIMITED PARTNERSHIP INTERESTS PURSUANT TO THE SECURITIES ACT OF 1933 (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 S OR REGULATION D, UNLESS THE TRANSFER IS MADE AFTER REGISTRATION UNDER THE SECURITIES ACT OF 1933 OR IS OTHERWISE EXEMPT FROM REGISTRATION. THESE RESTRICTIONS MAY RENDER IT DIFFICULT OR INADVISABLE 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 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 OWNER OR OWNERS OF THE LIMITED PARTNERSHIP'S GENERAL PARTNERSHIP INTERESTS 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, AMONGST OTHER THINGS, ITS ABILITY TO EARN A SUFFICIENT INCOME IN EACH YEAR, THE LIMITED PARTNERSHIP'S EXPENSES, AND THE GENERAL PARTNER'S DETERMINATION WHETHER OR TO WHAT EXTENT DISTRIBUTIONS SHOULD BE MADE.

JAY PEAK MANAGEMENT, INC. OR ITS DESIGNEE WILL PROVIDE THE MANAGEMENT FOR THE HOTEL AND RELATED AMENITIES. IF JAY PEAK MANAGEMENT INC. OR ITS AFFILIATE ELECTS TO CEASE BEING THE GENERAL PARTNER, IT MAY BE DIFFICULT TO FIND A REPLACEMENT.

DEPENDANCE ON KEY PERSONNEL. THE LIMITED PARTNERSHIP WILL RELY ON THE ACTIVE PARTICIPATION OF WILLIAM STENGER, AN OFFICER OF THE GENERAL PARTNER JAY PEAK MANAGEMENT INC. MR. STENGER HAS BEEN INVOLVED IN THE JAY PEAK EB-5 EXPANSION PROJECT FOR MANY YEARS. THE LOSS OF MR STENGER'S SERVICES COULD CREATE A SIGNIFICANT ADVERSE EFFECT ON THE LIMITED PARTNERSHIP.

been delivered to the General Partner the Consent of the General Partner and for recordation on the books of the Partnership. 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. Without limiting the foregoing, no assignment of an Interest of a Limited Partner shall be made to anyone other than an individual who is eligible as a Qualified Investor to seek lawful permanent residence pursuant to the EB-5 Program.

- (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:
 - 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 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 his 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 Hotel.

Notwithstanding anything herein to the contrary, beginning in the fourth quarter of 2011, or earlier once all conditions have been removed under the EB-5 Program for all Qualified Investors who have invested into the Partnership, the General Partner shall review market conditions to determine if it is appropriate to market the Hotel and, if so, to decide upon a plan of disposition of the Hotel (which may, but need not, include the sale of fractional interests, subdivision of the Hotel into separate condominiums or other common interest





ownership units, and sale, or redemption by the Partnership, of Limited Partner Interests), to be managed and conducted exclusively by the General Partner or its designee on terms to be determined by General Partner in its sole discretion. Without limiting the foregoing, said terms will include brokerage fees payable to General Partner or its designee of eight percent (8%) if whole units are sold, or if the Hotel is sold in its entirety as an operating business, and fifteen percent (15%) if fractional interests are sold. The Consent of the Limited Partner to the disposition shall only be required if the Hotel is sold in its entirety as an operating business.

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. While maintaining overall control hereunder, the General Partner shall, however, delegate its duty to operate the Hotel to an Affiliate for compensation to be paid by the Partnership in an amount equal to fifty percent (50%) of the gross income of the Hotel, from which the Affiliate will pay all of the day to day operating, management and marketing costs of the Hotel, and ensure adequate staffing levels. In addition, 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 Operator or another Affiliate for a fee to be paid by the Partnership in an amount equal to fifteen percent (15%) of the overall cost of the Project, excluding the cost of the Land acquisition. Further, the General Partner shall delegate its duty to market the Hotel to an Affiliate on the terms and fees as defined in Section 10.03 herein. 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;

Jay Peak Hotel Suites, LP Investor Income Statement

Ended
Month]
rthe
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		F	For the Month Ended	-					
	January 31, 2013.	February 28,2013	March 31, 2013	April 30, 2013	May 31, 2013	June 30, 2013	July 31, 2013	August 31,2013	Cumulative
<u>Sales</u> Tram Haus Lodge - Lodging Revenue	248,937	322,698	403.819	135.390	30 112	\$0.03	77 613	510 301	110000
Total Revenue	248,937	322,698	403,819	135,390	39,112	50,035	72.513	125.813	1398 317
<u>Cost of Sales</u> Tram Haus Lodge - Hotel Agent Fee	124,469	161,349	201,909	67,695	19,556	25.018	36.256	\$00 C9	600 158
Total Cost of Sales	124,469	161,349	201,909	67,695	19,556	25,018	36,256	62,906	851,669
Operating Expenses									
Tram Haus Lodge - Accounting Services	2,767	2,768	2,767	2,768	3,761	3,761	3.761	3.761	26 114
Tram Haus Lodge - Electricity (a)	7,140	6,431	7,223	6,002	5,192	5,550	6,355	6,168	50,061
Tram Haus Lodge - Propane	12,847	10,081	8,909	7,597	4,484	4,768	565,1	1,494	51,775
Tram Haus Lodge - Cable TV	812	812	812	811	1,709	1,710	1,709	1,709	10,084
Iram Haus Lodge - Repairs and Maintenance	6,649	7,784	4,036	6,227	5,979	2,694	3,299	1,815	38,483
Tram Haus Lodge - Licenses & Permits	,	•	•	246		•	20	•	296
Iram Haus Lodge - Property Taxes		8,992	8,991	8,991	8,992	8,991	8,467	8,467	70,882
Tram Haus Lodge - Waste Water Treatment Facility Usage (b)		1,582	550	905	621	559	653	826	7,114
Tram Haus Lodge - Insurance (c)	2,154	2,154	2,154	2,001	2,001	2,001	2,001	2,001	16,467
Tram Haus Lodge - Reserve for Replacement (d)	6,223	8,067	10,096	3,385	978	1,251	1,813	3,145	34,958
Tram Haus Lodge - State Tax Expense	•	•	•	250	1	•	1,233	. •	1,483
Tran Haus Lodge - Rubbish Removal (c)	1,399	1,163	2,248	26,284	589	404	562	572	33,221
tiam traus Louge - Protessional Fees	•	£		-	1	•		13,500	13,500
Total Operating Expenses	50,400	49,834	47,786	65,467	34,306	31,689	31,498	43,458	354,438
Operating Income (Loss)	74,068	111,515	154,124	2,228	(14,750)	(6,672)	4,759	19,449	344,721
Other Income / (Expense)									
Tram Haus Lodge - Interest Income	4	13	14	14	19	36	37	37	184
Tran Haus Lodge - Bank Service Charges	(36)	(63)	(476)	(202)	(14)	(14)	(34)	(133)	(972)
And the state of t	(121)	(266)	(193)	49	(858)	(595)	711	(767)	(1,770)
Total Other Income / (Expense)	(143)	(316)	(655)	(139)	(553)	(573)	714	(893)	(2,558)
Net Income (Loss) Before Depreciation Expense	73,925	111,199	153,469	2,089	(15,303)	(7,245)	5,473	18,556	342,163
Cash Distributions to Limited Partners	(75,324)	(112,362)	(155,715)	•	9		, 	3	(343,401)
Balance after Cash Distributions to Limited Partners	(1,399)	(1,163)	(2,246)	2,089	(15,303)	(7,245)	5,473	18,556	(1,238)

Investor Income Statement Jay Peak Hotel Suites, LP

For the Month Ended

	Cumulative		\$343,401	35	89,811	
	August 31,2013 C				1	
	July 31, 2013					
	June 30, 2013					
	May 31, 2013					
	April 30, 2013					
	March 31, 2013	\$155,715	35	\$4,449		
	February 28,2013	\$112,362	35	\$3,210		
	January 31, 2013	\$75,324	35	\$2,152		
	ount per Investor.	Cash Distributions to Limited Partners	22	oer Limited Partner		
	Calculation of Amount per Investor.	Cash Distributions	Number of Investors	Cash Distribution per Limited Partner	Notes	

Minor differences may occur between the net payment amount as calculated on this income statement and the actual amount of the distribution payment due to rounding.

The net amount per Limited Partner does not include the impact of any wire transfer fees if that was the payment method selected.

2013 Depreciation Expense is not included in this schedule.

(a) Charge is based upon actual metered electrical usage of the Tram Haus Lodge lodging units only.

(b) Charge is based upon actual usage of the Troy/Jay wastewater treatment facility.

(e) Monthly premium for General Liability, Property, Commercial Umbrella and Excess Liability Insurance

(d) Charge is calculated as 2.5% of gross sales as defined in the Private Offering Memorandum (Year 4).

(e) During 2013 we discovered that prior years rubbish removal was not charged (allocated) erroneously to the Partnership. We have made these corrections prospectively,

Most Successful YEAR
TO DATE ???? AT
Than HAUS LODGE
I will LOOK UP MENIOUS
YEARS TOWATT.