

MEMORANDUM OF UNDERSTANDING
BETWEEN
STATE OF VERMONT
AGENCY OF COMMERCE AND COMMUNITY DEVELOPMENT
AND
JAY PEAK HOTEL SUITES L.P.
AND
JAY PEAK HOTEL SUITES PHASE II L.P.
AND
JAY PEAK PENTHOUSE SUITES 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" or PENTHOUSE PROJECT).

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 U.S. 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, as such Jay Peak Penthouse Suites L.P. is hereby made a party 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, 2006, and on July 28, 2008 by Jay Peak Hotel Suites Phase II 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, with the consent of Jay Peak Penthouse Suites L.P. an additional party 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) 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 and Penthouse 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 I-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, Phase II and Penthouse 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 and Penthouse projects.
6. 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.
7. 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.
8. 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;

9. This Agreement shall be governed by the laws of the State of Vermont.
10. 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.
11. 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.
12. 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.
13. Notices given hereunder shall be in writing and delivered by courier or by U.S. mail to:

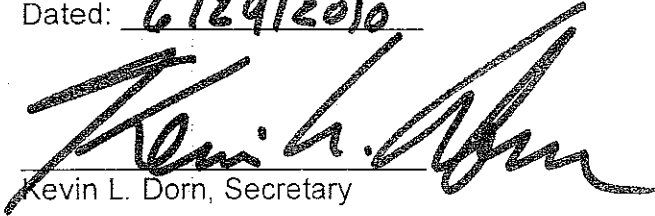
For ACCD:
The ACCD Secretary or ACCD General Counsel
National Life Building, Drawer 20
Montpelier, VT 05620-0501

For JAY PEAK PENTHOUSE SUITES L.P.:
William Stenger, President, Jay Peak GP Services, Inc.
General Partner of Jay Peak Penthouse Suites, 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.

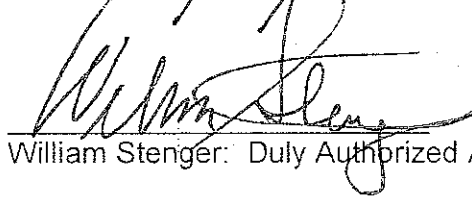
**State of Vermont Agency of Commerce
and Community Development**

Dated: 6/29/2010


Kevin L. Dorn, Secretary

JAY PEAK PENTHOUSE SUITES L.P.

Dated: 7/13/2010


William Stenger: Duly Authorized Agent of Jay Peak GP Services, Inc. General Partner