Q Burke Mountain Resort, Hotel and Conference Center L.P. Business Plan and Executive Summary


## $B$ (II)

ACCEPTED AND APPROVED FOR PARTICIPATION IN THE VERMONT EB-5 REGIONAL CENTER*
*State Acceptance and Approval does not constitute or imply any State endorsement of the EB5 Project.

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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, 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(s) For Any Reason.

These Statements May Be Also Found In The Sections Of the Q Burke Mountain Resort, Hotel and Conference Center 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 Risks Discussed In "Risk Factors" Within The Offering Memorandum. Prospective Investors Should Carefully Consider All These Risks, In Addition To The Other Information Contained Within The Offering Memorandum Before Deciding Whether To Invest In The Partnership.

Q Burke Mountain Resort, Hotel and Conference Center L.P. is a Vermont Limited Partnership with its principal place of business in East Burke, Vermont (sometimes referred to herein as the "Partnership" or "Limited Partnership"), at the site of the Burke Mountain Resort (sometimes referred to herein as the "Resort", "Burke Mountain", or "Burke Mountain Resort") owned and operated by Q-Burke Mountain Resort, LLC (The "Resort Owner"). The following summary of principal objectives and activities including financial reports and supporting schedules is included in the Offering Memorandum for the benefit of potential investors wishing to invest in the Partnership (the "Offering") and should be read in its entirety. Important Notice: See Offering Memorandum: Risk Factors "Forward Looking Statements".

## The Project - A Brief Overview

Using funds raised in the Offering by the Limited Partnership, constructing and erecting within the Resort (i) the Q Burke Mountain Lodge \& Conference Center 112 Luxury Guest Suites, 8,000 sq. ft. Mixed Use Conference Space, Leisure and Commercial Services, and (ii) a Tennis Complex, Indoor Aquatic Center and expanded Mountain Biking facilities (sometime collectively referred to herein as the "Project"). All improvements will be located within the Burke Mountain Resort, East Burke Vermont, a targeted employment area designated as rural with a current population of less than 20,000 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 by the then Immigration and Naturalization Service. The designation was renewed and the activities extended in March of 2007. A qualifying investment in a commercial enterprise situated within the State of Vermont Regional Center, 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.

Burke Mountain Resort is a Ski and Biking Resort complex established for over 50 years, located in East Burke Vermont and also located within the State of Vermont Regional Center. This Project 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 and Nationality Act (The "ACT") and qualify under the EB-5 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.

In November 2012 VACCD executed a preliminary memorandum of understanding (the "MOU") to authorize this Project as a qualifying investment in a new commercial enterprise situated within Vermont Regional Center. An amended and restated MOU was executed by VACCD and the Limited Partnership in connection with the Project on June 14, 2013, a copy of which is incorporated as an exhibit to the Offering Memorandum.

## Project Summary

The Q Burke Mountain Resort, Hotel and Conference Center EB-5 Project is phase one of the Burke Mountain Resort 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 new hotel building(s) with 112 deluxe rooms and suites, and offering a conference center and outdoor pool, that will be owned by the Partnership and operated by an affiliate of the Resort Owner under a hotel management agreement (the "Hotel Management Agreement", a copy of which is incorporated as an exhibit to the Offering Memorandum). The hotel building will also include commercial and retail services located on lower floor(s) which will be owned by the Resort Owner in a condominium regime.
(2) Under ground leases for one or more parcels of real estate at the Resort from the Resort Owner (a draft ground lease of all the parcels discussed herein is incorporated as an exhibit to the Offering Memorandum), and constructing and erecting an indoor and outdoor tennis complex as well as commercial, retail and other services that will be owned by the Partnership and operated by an affiliate of the Resort Owner under an amenities management agreement (the "Amenities Management Agreement", a copy of which is incorporated as an exhibit to the Offering Memorandum, and together with the Hotel Management Agreement collectively referred to as the "Management Agreements").
(3) Under ground leases for one or more parcels of real estate at the Resort from the Resort Owner, and constructing and erecting an indoor aquatic facility as well as commercial, retail and other services that will be owned by the Partnership and operated by an affiliate of the Resort Owner under the Amenities Management Agreement.
(4) Under ground leases for one or more parcels of real estate at the Resort from the Resort Owner, and constructing and erecting expanded mountain biking facilities including a lift, biking terrain as well as commercial, retail and other services that will be owned by the Partnership and operated by an affiliate of the Resort Owner under the Amenities Management Agreement.

With limited existing lodging inventory the new luxury accommodations will fulfill a substantial need for onsite accommodations and will feature highly desired ski-in and ski-off access. The addition of the Conference Center, mountain biking, tennis complex and indoor Olympic sized aquatic center will not only be major demand generators for business from new markets but will also provide desirable amenities to resort guests staying due to the existing primary generator of skiing.

In addition, the Resort will own and build out multiple ancillary revenue centers that may include: Food and Beverage outlets, Day Spa, Retail Outlet(s), Arcade, Ski Rental and Child Care facilities as well as one residential condominium.

While the Limited Partnership is a newly formed entity, Burke Mountain Resort has been thrilling skiers, mountain bikers and naturalists for over 60 years. The Resort is not only home to some of the East Coast's best skiing, but is also part of the world famous mountain biking trail network named "Kingdom Trails" (www.kingdomtrails.com). With significant existing attractions able to provide a base of business in the winter and summer months, Burke Mountain Resort has had a significant ongoing need for on-site lodging whereas the lack of lodging has kept the resort from the recognition and financial performance that has been achieved by numerous other Vermont ski areas. By creating this hotel and various amenities Q Burke Mountain Resort, Hotel and Conference Center, L.P., will create many new permanent jobs at the Resort, in the greater Northeast Kingdom, within the State of Vermont and within the United States.


SOUTH ELEVATION


NORTH ELEVATION

The Q Burke Mountain Resort, Hotel and Conference Center, L.P. Project will be the first phase of a multi-year master plan development to occur within Burke Mountain, an Alpine and Nordic ski complex
established for over 50 years. The plan is to develop and construct two (2) connected five (5) floor buildings to incorporate 112 new luxury lodging units.

Within the two five story hotel towers and two story central connecting "hub", the Resort Owner will build out the commercial and service space to provide additional guest services, food and beverage outlets, retail outlets and recreational facilities. The Hotel and Commercial Service Unit will comprise a three-unit condominium association. The Limited Partnership will own the Hotel and the Resort Owner will own the Commercial Service Unit.

A stay at Q Burke Mountain Resort, Hotel and Conference Center will be a unique New England Ski Resort experience. Spacious accommodations will include studio, one and two bedroom units. Wellappointed with tasteful alpine décor, the resort will offer some of the finest lodging options in the region.


Figure 2 Unit Concept Imagery

Additional year round revenue generating facilities will be developed using funds raised in the Offering. These facilities will be vital in developing the overall Resort complex thus creating additional room night
demand generation. Planned additional development in this phase includes state of art conference facilities, an indoor and outdoor tennis complex, an indoor Olympic size aquatic and diving training center and an expanded Mountain Biking complex.

The Conference Center will showcase local and regional flavors throughout design, décor and product offerings. Capitalizing on location, desirable resort attractions and world class amenities the conference center will be marketed as a premiere destination for corporate, association and destination based social events.


Figure 4 Sample Conference Room

It is projected that the conference facility will generate new room night demand during times of the year that are currently underutilized which will assist in creating new year round jobs.

Figure 3 Sample Meeting Room

The tennis facilities will include multiple indoor and outdoor courts of which one court will be developed with stadium seating for volume seating. The Tennis Complex will be expertly designed to include various playing surfaces that provide a versatile experience
 for the competitor, student and casual player alike.

Figure 5 - Sample Tennis Complex
The Tennis Complex will be staffed with nationally recognized instructors providing training for all level of play. Capitalizing on the popularity of the sport in Eastern Canada and the New England Region, the
year round complex will serve transient resort guests, attendees to multi-day clinics as well as host competitive tournaments.


Rapidly growing in popularity and taking advantage of an existing customer base who utilizes the nationally recognized "Kingdom Trails", the Mountain Biking complex will deliver year round thrills to resort guests and transient visitors.

Designed to be enjoyable to most ages the expanded Mountain Biking Facilities will include; Earthen Trails \& Jumps, Terrain Park, Pump Tracks, Skills Area, Airbag for Aerials, Bike Rental and Lounge / Party Area.

Figure 6 - Sample Mountain Biking Course

The indoor aquatic center is designed for year round activity and will include a translucent type roofing structure providing for plenty of natural light. The facility will include an Olympic sized pool, spring and platform diving towers as well as a splash $n$ play area for children.

This facility is designed to provide an environment that is enjoyable for transient resort guests and visiting competitive swimmers and divers alike. It is anticipated that throughout the year the facility will be home to swimming and diving competitions as well as offer year round professional instruction.


Figure 7-Competitive Swimming

The Q Burke Mountain Resort, Hotel and Conference Center Project is open to US Investors and Foreign Investors, with each Foreign Investor seeking classification as and "Alien Entrepreneur" under the socalled EB-5 program currently required by law to invest a minimum of $\$ 500,000$ USD to the Project since the Project is located within a Targeted Employment Area. The Project will require investment amounting to $\$ 98$ 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 $\$ 6.7$ Million provided by the resort owner, raising the estimated overall development costs to \$104.7 Million (See Summary of Offering; Project Summary).

While overall planning is as contained within the approved Resort master development plan, planning and completing development applications, permitting review and state and town regulatory applications for the individual Q Burke Mountain Resort, Hotel and Conference Center Project components commenced in 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 the summer of 2013, subject to approval and issuance of the necessary governmental and regulatory permits and fund raising under the Offering. The Resort is projected to commence business operations of certain Project components for the 2014/2015 winter season (subject to no unforeseen permitting or other delays or inclement weather factors, during the exterior structures build phase). It is projected that the remainder of the Project's components will commence operations during the summer of 2015.

It is projected that this would consume most of the cash invested into the Partnership over approximately a 25 month period.

By creating this Q Burke Mountain Resort, Hotel and Conference Center Project, and developing a further portion of the State of Vermont Approved Burke Mountain Resort Master Expansion Plan for the transition of Burke Mountain into an "All Seasons Resort", it is anticipated that the Q Burke Mountain Resort, Hotel and Conference Center L.P. will stimulate economic development and create many new permanent jobs at the Resort, in the greater Burke Mountain region, within the State of Vermont Regional Center and outside the Regional Center.

The table below depicts the total funds into the Project and the use of the funds. Investors are being offered the opportunity to purchase limited partnership interests in the Partnership. The capital contribution of each limited partner to the Partnership 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 the limited partners is $\$ 98$ million. Additionally the Resort Owner will, directly or indirectly through an affiliate, contribute in cash, assets and services a total value of $\$ 6.7$ million and the use of these funds is detailed in the table and related notes detailed below.

| Q BURKE ALL SUITE HOTEL \& CONFERENCE CENTER |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| SOURCE OF FUNDS | See Offering Memorandum Risk Factors: "Forward looking Statements" |  |  |  |
| Total Project Cost |  |  | \$ 104,700,000.00 |  |
|  |  |  | \$98,000,000 |  |
| TOTAL SPONSOR FUNDS |  |  |  | \$6,700,000 |
| * LIMITED PARTNERSHIP INTERESTS; MINIMUM INVESTMENT \$500,000: TOTAL \$98,000,000 |  |  | Investor Funds | Sponsor Funds |
| HOTEL \& CONFERENCE CENTER |  |  | \$48,695,000 | \$3,155,000 |
| TOTAL GROSS ESTIMATED \# SQ. FT TOTAL OF 112 SUITES AND COMMON AREA UNDERGROUND PARKING | Sq.ft | Est. Cost sq ft |  | \$3,155,000 |
|  | 180,000 |  |  |  |
|  | 107,000 | \$294 | \$31,458,000 |  |
|  | 12,000 | \$130 | \$ 1,560,000 |  |
| SHELL COMMERCIAL SPACE COMMERCIAL SPACE BUILD OUT | $61,000$ | $\$ 257$ | \$15,677,000 |  |
| SUB-TOTAL HOTEL BUILD OUT ANCILLARY RESORT ACTIVITY PROJECTS |  |  | \$48,695,000 | \$3,155,000 |
|  |  |  |  |  |
| TENNIS FACILITY AQUATIC CENTER MOUNTAIN BIKE PARK |  |  | $\begin{aligned} & \$ 10,200,000 \\ & \$ 12,350,000 \end{aligned}$ | \$775,000 |
|  |  |  | \$4,400,000 |  |
| SUB-TOTAL PROJECT BUILD COSTS |  |  | \$75,645,000 | \$3,930,000 |
| UTILITIES AND COMMON AREA INFRASTRUCTURE |  |  | \$3,356,000 | \$1,400,000 |
| CONSTRUCTION SUPERVISON 15\% |  |  | \$11,346,750 |  |
| CONTINGENCIES- 5 - $5 \%$HOTEL ARCHITECT \& DESIGN FEES |  |  | \$3,782,250 |  |
|  |  |  | \$1,400,800 |  |
| LAND - |  |  | \$2,470,000 | \$1,370,000 |

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## Burke Mountain Resort

One of two major ski mountains in Vermont's northeast kingdom, Burke Mountain has been providing spectacular Alpine adventures for over 60 years. The Resort is located in the eastern portion of Northern Vermont and within the region appropriately named the "Northeast Kingdom" which is an area frequently recognized (including a mention from the National Geographic Society) as one of the most desirable places to visit in the United States. The Resort is one of the most accessible Vermont ski areas for guests traveling from Boston and is within a three hour drive of several major American cities


Figure 8Amazing Family Friendly Skiing including Boston and Springfield Massachusetts, Hartford, Connecticut and Providence, Rhode Island. To the north the Resort is easily accessed from Montreal and Quebec City, Quebec. Founded in 1953, the Resort has evolved as a winter alpine ski resort. Situated on over 1800 acres, Burke Mountain has a summit elevation of 3,267 feet; Burke Mountain Resort has a vertical drop of 2,011 feet. With 55 ski trails, chutes and glades covering over 265 skiable acres, the Resort is well suited for families with an excellent balance of difficulty between 47\% intermediate, $44 \%$ advanced and $9 \%$ novice.

The mountain is also home to the world famous Burke Mountain Academy, a prestigious preparatory school that has been home to numerous United States Olympic Skiers. Existing trails and facilities, as improved as detailed herein, allow for the potential for a substantial increase in skier visits while providing a comfortable level of utilization realized from lower than average length of lift lines compared to other major ski resorts in the Northeastern United States.

A unique opportunity exists now for the development of multiple elements (lodging, conference center, tennis facility, aquatic center, mountain biking and supporting ancillary areas) that combined create a world class destination resort which will begin to satisfy the immensely underserved segment of destination bound visitation that requires overnight accommodations. It is projected that this development will generate year round visitation, significant economic growth and create new permanent jobs at the Resort and throughout the region.

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## Superior Location

## Convenient Highway Accessibility

Maximizing the business opportunity created through the addition of the Q Burke Mountain Resort, Hotel and Conference Center is possible because of a superior location. Located a few miles from Interstates I-91 and I-93, guests can enjoy the convenience of a trip largely traveled along major interstate highways.

## Changing Travel Patterns

As travel patterns and lifestyles continue to evolve, Burke Mountain Resort stands to gain significant visitation from:

- Leisure Travelers - Our lifestyles have evolved from increasingly hectic schedules to a point where significant travel pattern shifts have taken place. Leisure travel has become shorter in
 duration but occurs more frequent creating a higher demand for drive to destination resorts within a 3 to 5 hour drive radius.
- Youth Sport Destination Demand - It is increasingly common for families to spend signifcant time and resources ensuring that their children are involved in competitive athletic endeavors. This often starts at the elementary school age and continues through the university level. Resorts that invest in competitve level facilities can benefit from hosting tournaments, clinics and camps. Addiitionally, many adults are returning to the sports they enjoyed during their youth and quite often take advantage of world class facilities during lower demand dates througout the year. All of these market segments create additional demand for guest rooms and ancillary revenue centers. Q Burke Mountain Resort, Hotel and Conference Center's location and state of the art facilities can capitalize on the demand in the North Eastern United States as well as Eastern Canada.
- Conference Center Business - Destination based conference business has experienced significant growth. This business unit is comprised of numerous market segments including corporate conferences, group social, and destination weddings among many others. It is projected that Burke Mountain Resort's accessibility will greatly assist the sales teams in achieving significant penetration into the destination based conference center and social banquet markets.


Figure 9- Sample Three Hour Drive Radius

## 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, as applicable, on prime real estate a 112 Suite Burke Mountain Lodge, Conference Center, Tennis Complex, Indoor Aquatic Center, and expanded Mountain Biking facilities to be located adjacent to and around Burke Mountain's Resort property.

The Q Burke Mountain Resort, Hotel and Conference Center will be owned by the L.P. and will be operated as a hotel and vacation rentals by an affiliate of the Resort Owner under the Hotel Management Agreement. The Q Burke Mountain Resort, Hotel and Conference Center will be part of a condominium regime that includes additional condominium units comprised of commercial and service units owned by the Resort Owner and offering a pool and leisure areas as well as commercial retail and other services.

In addition, the Partnership will construct, fit up and furnish various improvements (collectively the "Ancillary Facilities"), on land owned by the Resort Owner at the Resort and ground leased to the Partnership, including a tennis facility, indoor aquatic center and expanded Mountain Biking Facilities, to be managed by an affiliate of the Resort Owner under the Amenities Management Agreement.
Q Burke Mountain Resort, Hotel and Conference Center L.P.- Structure of Operations


## The Financial Transaction

Investment funds of $\$ 98$ million (USD) will be required by the Partnership to complete the Project. The development stage of the Project will take 24-26 months, with the Mountain Resort, Hotel \& Conference Center and Tennis Complex projected to open in December 2014. The Mountain Biking and Indoor Olympic Aquatic Center are scheduled to open early 2015. (see Chart: Summary of Build Phases and Job Creation Points herein). It is projected that the exterior structure of the new hotel building will be complete by December 2013, allowing commercial areas to be occupied and operated by the Resort Owner to commence build out and commence initial operations (subject to no unforeseen delays or inclement weather factors during exterior structure build phase). A report detailing an analysis month by month source and application of investor's funds is available. (See Table: Investor Source and Application of Funds:)

The financial highlights are: Hotel/Indoor Aquatic Center/Tennis Complex/ Biking Operations:

- The Mountain Resort, Hotel and Conference Center projects gross rooms revenues of $\$ 3,895,466$ in its first full year of operation with a projected net operating profit of $\$ 1,947,733$. The rooms division operating profit is significantly higher than the Industry profile ratios based on the Standard Industrial Classification (SIC) code 7011 for Hotels, as there is no cost of debt service or financing costs.
- The Project's gross revenues for first full year of operations is projected to be $\$ 5,416,233$ with a projected net operating profit of $\$ 2,846,050$
- Sales growth is projected at $24.9 \%$ for 2016. This could be possible as the tennis, indoor aquatic center and Mountain Biking attractions fully ramp up and gain traction in the market.

Sales Forecast 2014 Monthly - Partial Year

Combined Total
LOCATION



## General Partner

## General Partner

The General Partner, Q Burke Mountain Resort GP Services, LLC will perform services in connection with the acquisition and development of the Partnership property, on terms to be negotiated by the General Partner, including any agreements needed with the Resort Owner as to the Resort Land. Further services of the General Partner shall include, but not 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, and development 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 either directly or by its designee, oversee construction of the Q Burke Mountain Resort, Hotel and Conference Center and further oversee construction of the Ancillary Facilities. All authority, responsibilities and duties of the General Partner are more fully described in the Limited Partnership Agreement.

## Fees To General Partner and Affiliated Entities

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 or of the Resort Owner, including without limitation services necessary to oversee construction of the buildings and other improvements, operation of the improvements under the Management Agreements, and necessary purchase or ground leases of lands, 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 Offering 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 investors. The General Partner may delegate its duty to supervise the construction of the Project, including but not limited to the construction and build out of the Project, to the Resort Owner or another affiliate for a management fee to be paid by the Partnership in the 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, its affiliates and advisors, and their members, owners, 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 or advisors if any of the General Partner's duties have been contractually delegated to them, pursuant to the Limited Partnership Agreement.

## Anticipated Distribution To Partnership

The net proceeds from the accommodations, conference center, tennis facility, aquatic complex, and mountain biking portions of the Burke Mountain Resort, Hotel \& Conference Center Project will be paid in arrears to the Limited Partnership on a monthly basis. Net proceeds from the aforementioned business units are calculated as revenue on hand after typical operational expenses are paid, and any other funds withheld as deemed necessary by the General Partner. Typical expenses include, but are not limited to, the following: associated employee labor, management fee, utility expenses and supplies and service costs typically required by facilities of this type and replacement reserves. (See Limited Partnership Agreement and the Management Agreements)

## Job Creation And Preservation

It is anticipated that on account of the Partnership's use of the capital raised in the Offering to expand and improve the Resort, different categories of job creation will result, including indirect jobs arising from construction, and direct and indirect jobs arising from expanded operations. The Jobs Generating Impacts report authored by Economic Development Research Group, Inc., (EDR) of Boston, Massachusetts (See attached exhibit) discusses the proposed use of funds in the Project and concludes that 1,950 indirect jobs will be created both within and outside the Vermont Regional Center during the approximately three year-long construction of the Hotel building and Amenities Facilities. During the first two years of operations, EDR claims 434 direct and indirect jobs will be created. Therefore, it is concluded that a total of 2,384 jobs will be created through this Project.

USCIS regulations allow multiple investors in a new commercial enterprise to agree how to allocate job creation among themselves for purposes of credit toward the EB-5 investors' requirement to create ten jobs per investor. Indirect and direct jobs may be created by implementation of this Business Plan. Under the Limited Partnership Agreement, jobs will be allocated to investors in the order in which they are admitted to the United States as conditional residents. If any jobs become unavailable, or if a lower number of jobs than expected is created, the limited number of jobs will be allocated first to the investors in the order in which they immigrated as conditional residents. This generally correlates to the order in which the investors will file their Form I-829 Petitions to Remove Conditions from permanent residence, which filings are due in the 90 day period preceding the second anniversary of their admission to the U.S. as a conditional resident.

It is in each investor's best interest, therefore, to proceed expeditiously with their various petitions and applications, but investors should seek guidance from experienced EB-5 counsel.

## Exit Strategies

The Limited Partnership is anticipating that after all EB-5 investors have had their I-829 petitions adjudicated, with any and all appeals having been decided, or such earlier time as is clearly permissible pursuant to precedent judicial decisions, relevant statutes, regulations, expressions of policy and current practices of United States Citizenship and Immigration Services and other agencies having jurisdiction, the General Partner, at its sole discretion, may review the Partnership accounts to determine whether, when and how to liquidate interests in the Partnership, if at all.

## Each investor is deemed to acknowledge and agree by executing the Consent to the Limited Partnership Agreement and by investing in the Limited Partnership as this investment opportunity is described in the Offering Memorandum and its exhibits, that:

(1) no language in the Offering Memorandum, its exhibits or any other documents described therein constitutes an express, implied or inferred promise or guaranty by the Limited Partnership or its General Partner of redemption of the investor's Limited Partnership interest or the repayment of the equivalent of said investor's investment in the Partnership;
(2) no right is created presently and no right may be asserted for or by an investor to call or demand repayment from the Limited Partnership or its General Partner on account of
investment in the Limited Partnership, either by any language in the Offering Memorandum, its exhibits or any other documents described therein or otherwise,, and no future right to call or demand repayment is expressed or may be implied or inferred from or predicated upon or asserted by an investor on account of an investment in the Limited Partnership or by any language in the Offering Memorandum, its exhibits or any other documents described therein; and,
(3) Investors may experience a capital gain or loss if any exit strategy is pursued by the General Partner. Nothing in the Offering Memorandum, its exhibits or any other documents described therein will be construed as an offer to the investor or an agreement with the investor, made now or to be made in the future, to provide the return of investor capital, in whole or in part, to the investor or the investor's nominee now or at any time in the future.

## Burke Mountain Management Team

Burke Mountain's existing management team will be complimented by new additions to fulfill the needs created by the development of the Mountain Lodge Resort, commercial services, Tennis Complex, Aquatic Center, and expansion of Mountain Biking facilities.

Seasoned hospitality and specialized industry professionals will round out an organizational chart designed to implement the True North Spirit and create an authentic and immersive environment for guests and resort associates.

## A Balanced Scorecard

Burke Mountain's Resort Management Team will work diligently to deliver a balanced scorecard to investors and owners alike. The balanced scorecard is comprised of these primary components:

- Financial Performance - Ensure that achievable goals are translated into budgets that each department lives by and delivers on.
- Guest Satisfaction - Ensure that achievable goals for overall guest satisfaction are established and then monitored through an evaluation process to ensure the brand consistently exceeds expectations.


## Sales and Marketing Strategy

A multi-faceted sales approach will be implemented in advance of the opening of the Mountain Resort, Hotel and Conference Center and supporting venues. Several key elements to the overall sales strategy will include:

- Take advantage of an immediate need for Bed Base and focusing on existing customer data bases and the captive market that currently utilizes the Burke Mountain Resort's winter and summer offerings.
- Market shoulder seasons to the conference and leisure markets who will utilize the new facilities.
- Capitalize on a location largely accessed by major interstate highways and that is within an 8 hour drive of over 100 million North Americans.
- Focus on marketing the message that Q Burke Mountain Resort, Hotel \& Conference Center, and related ancillary facilities are new, modern resort offerings designed for today's environmentally friendly family focused consumer and not a remodeled version of an older or outdated resort.
- Capitalize on the nationally recognized brands "Kingdom Trails" and "Northeast Kingdom" which Burke Mountain Resort is centrally located within.
- Restructuring the existing sales office and adding seasoned industry veterans to fill the newly created market segments needed to sell conference, group, social, association and other target markets.
- Implementing conference and group sales 12 months in advance of Projected opening allowing the facility to ramp up quicker.
- Develop a significant Public Relations campaign to document the development, build interest and increase customer data base size so routine electronic correspondence can be used to increase potential demand.
- Develop a yearly marketing plan that will deliver content and messages to the desired audience at appropriate times that markets existing and new business units.
- Utilize stand alone and co-op opportunities.
- Launch marketing efforts for new business units 12 months in advance to improve ramp - up performance.

