

**THE HERMITAGE CLUB
PROSPECTIVE PURCHASERSHIP CONDO-HOTEL SITE
RESERVATION AGREEMENT**

RESERVATION DATE: _____

SELECTION NO: _____

The Hermitage Inn Real Estate Holding Company, LLC (the “Company”), d/b/a The Hermitage Club, LLC (the “Club”), is the owner and operator of the of **THE HERMITAGE CLUB** (“The Hermitage Club”), a private membership club in West Dover and Wilmington, VT, that provides members four seasons of private mountain activities, luxury accommodations, and a worry-free safe environment for families of all generations. As part of the development of the Hermitage Club, the Club intends to offer the right to select a CONDO-HOTEL unit within proposed Condominium Hotel #1 located on lands now owned by the Hermitage Inn Real Estate Holding Company LLC (a “Hotel Unit”). The lands upon which the hotel is proposed will be transferred to the Hotel Hermitage at Haystack Mountain LLC. This Hotel is depicted on the Master Plan for the Hermitage Club.

The Company: Hotel Hermitage at Haystack Mountain LLC
PO BOX 2210
West Dover, VT 05356
802.464.7734

Purchaser (PLEASE PRINT ALL INFORMATION):

Full Name	Social Security #
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Street Address	City	County	State	Zip
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Home Phone	Office Phone	FAX#
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Full Name	Social Security #
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Street Address	City	County	State	Zip
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Home Phone	Office Phone	FAX#
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Terms and Conditions of Reservation Agreement

1. THIS RESERVATION AGREEMENT IS NOT AN OFFER FOR SALE OR PURCHASE OF HOTEL UNITS. The Prospective Purchaser and the Company acknowledge and agree that this Reservation Agreement is intended solely to enable the Company to determine if there is sufficient interest among Prospective Purchasers in acquiring a hotel unit in one of the planned condominium hotels to warrant the Company's initiation of the planning, permitting and registration of hotel units in these areas, and to enable Prospective Purchasers to reserve the right to purchase one or more condominium hotel units if and when the condominium hotel units have received all necessary permits and approvals and are made available for sale by the Company. Any contrary provision of this Registration Agreement notwithstanding, the Prospective Purchaser is not obligated to purchase a condominium hotel unit up until the applicable permits have been obtained and the purchase and sale contracts have been executed, and may terminate this Reservation Agreement at any time and for any reason up to when the purchase and sales contracts are signed and recover the Reservation Deposit. The Company may terminate this Reservation Agreement at any time and for any reason, subject to the requirements for Paragraph 9.

2. Hotel Units: The Property is part of the Hermitage Club at Haystack Mountain master development. The condominium hotel units offered for reservation through this reservation agreement are situated on land presently owned by the Hermitage Inn Real Estate Holding Company LLC and which were in part lands of the original Haystack Ski Area development and lands of the original Hermitage Inn. These hotel sites are referred as:

- Hotel #1—located near present snow making facilities

Copies of the Development Plans are maintained in the Hermitage Club Membership Office. The Hotel units reserved in the Reservation Agreement are comprised of one or more condominium hotel units which have not received full permit approval as of this date, but which appear on Master Plan site plans. The Prospective Purchaser and the Company further acknowledge and agree that, unless and until the Company and the Prospective Purchaser enter into a Purchase Agreement for the hotel unit, as hereinafter provided, the Subdivision Plans and the configuration of the Hotel units are subject to modification by and at the sole discretion of the Company.

3. The Reserved Hotel units: The Prospective Purchaser hereby reserves the right to purchase the following Hotel units (the "Reserved Hotel units") in accordance with the terms of this Reservation Agreement.

HOTEL UNIT NO(S).

HOTEL UNIT No: _____ ;

HOTEL UNIT No: _____ ;

4. Reservation Deposits: The Prospective Purchaser has paid a fully refundable First Reservation Deposit of Ten Thousand Dollars (\$10,000.00) for each reserved Hotel Unit, for a total First Reservation Deposit of:

\$_____.

The Reservation Deposit shall be held in a non-interest-bearing Reservation Deposit Escrow Account held by an Escrow Agent for the Hermitage Inn Real Estate Holding Company LLC.

The Prospective Purchaser shall make and pay a Second Reservation Deposit of 25% of the hotel unit purchase price at the time when the Company has received reservations for 65% of the total hotel units within the hotel #1. The Company shall provide written notice to the Prospective Purchaser when it has received reservations for 65% of the hotel units within hotel #1. Said Second Reservation Deposit shall be held by Escrow agent in the same account as the First Reservation Deposit.

The Third Deposit, in an amount of 75% of the hotel unit purchase price, toward the Purchaser's condominium hotel unit shall be paid at the time of the execution of the purchase and sales contract between the Company and the Purchaser.

5. Purchase of Membership: The Company and the Prospective Purchaser acknowledge and agree that, simultaneously with the execution of this Reservation Agreement, Prospective Purchaser has purchased a Membership in the Hermitage Club. While the ability to reserve a Hotel unit was considered to be an added benefit to the Prospective Purchaser, the Prospective Purchaser hereby affirms that the purchase of the Club Membership was independent of, and not contingent upon, the availability of the Hotel Unit. The Prospective Purchaser further acknowledges and agrees that, notwithstanding the termination of this Reservation Agreement in accordance with Paragraph 9, the Prospective Purchaser will continue to be a Member of the Hermitage Club and will continue to enjoy the benefits of and be subject to the requirements of Paragraph 9.3 of this Reservation Agreement.

6. Reservation Date and Selection Number: The Reservation Date and the Selection Number at the top of this Agreement establish the order of priority in which each Prospective Purchaser will have the right to enter into Purchase Agreement for Reserved Hotel units if, as and when the Company satisfies the Contingencies listed in Paragraph 7, below. Selection Numbers shall be assigned only by the Company's Representative who will assign the Selection Numbers in the order that Reservation Agreements are approved by the Company's Representative. The Company reserves the right to solicit and take backup Reservation Agreements from other Prospective Purchasers (a "Backup Reservations") so that the number of

Reservations may exceed the number of Hotel units that the Company may make available to Prospective Purchasers, provided that, if and when Hotel units are available for sale, they will first be made available to Prospective Purchasers with the earliest Selection Numbers. Only when Prospective Purchasers with the earliest Selection Numbers have either elected not to make a Purchase Offer or have not made a Purchase Offer within the Selection Period will the Company entertain Purchase Offers from Prospective Purchasers with the lowest Selection Numbers having the first opportunity to make Purchase Offers for their Reserved Hotel units.

7. Contingencies: The Prospective Purchaser acknowledges that the Company intends to seek Act 250 Permits and Zoning Permits and all other necessary permits and approvals and infrastructure capacity necessary for the development of the Hotel units (collectively, the “Entitlements”). The Company’s obligation to offer a Purchase Agreement to the Prospective Purchaser pursuant to this Reservation Agreement is contingent upon the Company’s determination that the following conditions precedent (“Contingencies”) have been satisfied:

7.1 That the Company has obtained binding commitments for sufficient wastewater disposal, water supply, electric, and other infrastructure necessary for the development, use and occupancy of the Hotel units.

7.2 That the Company has secured all necessary State Permits, Jurisdictional Opinions and/or Entitlements for the hotel lots, roads, and infrastructure;

7.3 That the Company has secured a sufficient number of Reservation Agreements from Prospective Purchasers to satisfy the Company that the development and subdivision of will be commercially and financially viable;

7.4 That the Company has either qualified for exemption of the Hermitage Club (including) from filing a Statement of Record with the U. S. Department of Housing and Urban Development under the Interstate Land Sales Full Disclosure Act (“ILSA”), or, if the Hermitage Inn Real Estate Holding Company LLC is not exempt from filing a Statement of Record, that the Company has filed a Statement of Record that is in compliance with ILSA and has prepared and provided to the Prospective Purchaser an ILSA-compliant Property Report for the Sites.

7.5 That the Company has determined, to its satisfaction, that the offering and sale of the Hotel units is in compliance with all applicable federal, state and local laws and regulations pertaining to the offering and sale of the Hotel units.

If the Company has not determined, to its satisfaction, that the foregoing Contingencies have been satisfied by the Selection Date, the Company may either terminate all Reservation Agreements in accordance with Paragraph 8 or seek an extension of the Selection Date and the Selection Period from the Prospective Purchasers by giving written notice of the proposed extension to the Prospective Purchasers. If Prospective Purchasers holding Reservation Agreements for a majority of the Hotel units then under Reservation Agreements agree to extend

the Selection Date, then the Selection Date shall be extended. If not, all Reservation Agreements shall terminate in accordance with Paragraph 10.

8. Selection Date: It is the Company's intention to use its best efforts to satisfy the Contingencies and make the Reserved Hotel units available to be offered for sale to the Prospective Purchasers who have signed Reservation Agreements by _____, 2015 (the "Selection Date"). If the Contingencies have not been satisfied by the Selection Date, unless a majority of the Prospective Purchasers who have signed Reservation Agreements agree to extend the Selection Date, all Reservation Agreements shall terminate and the Reservation Deposits shall be returned to the Prospective Purchasers

9. Purchase of Reserved Hotel units: Upon satisfaction of the Contingencies as provided in Paragraph 7 of this Reservation Agreement, and unless this reservation agreement has been terminated by the Prospective Purchaser in accordance with Paragraph 10 of this Reservation Agreement or by the Company in accordance with Paragraph 10.3 of this Reservation Agreement:

9.1 The Company shall deliver to the Prospective Purchaser a Property Report for the Hotel Unit and a Contract for Sale and Purchase of the Hotel Unit (a "Purchase and Sale Agreement") in the form attached to this Reservation Agreement as Schedule ____, signed by the Company offering the Hotel Unit for sale to the Prospective Purchaser in accordance with the terms of this Reservation Agreement.

9.2 In order to purchase the Hotel Unit, the Prospective Purchaser shall, within fifteen (15) business days following delivery of a Property Report and Purchase and Sale Agreement from the Company, either sign and deliver the Purchase and Sale Agreement and return it to the Company with the Third Deposit (equal to 75% of the hotel unit price) or send the Company a Termination of Reservation in the form attached to this Reservation Agreement as Schedule B. **TIME IS OF THE ESSENCE OF THIS PROVISION.** Delivery of the Purchase Agreement to the Prospective Purchaser shall be deemed to have occurred on the third business day following the postmark date of mailing of the Purchase Agreement (the "Delivery Date") to the Prospective Purchaser at the above mailing address (or such other mailing address as the Prospective Purchaser has provided in writing to the Company). If the Company has not received a signed Purchase Agreement by 5:00 PM on the 15th day following the Delivery Date (the "Acceptance Date"), unless otherwise agreed in writing by the Company, the Prospective Purchaser shall be deemed to have terminated the Reservation Agreement and the Reservation Deposit shall be returned to the Prospective Purchaser upon written confirmation of the termination by the Prospective Purchaser.

9.3 The Company shall establish an escrow account (the "Development Escrow") with a secure, bonded depository institution to hold and disburse Development Deposits (as hereinafter defined) as trustee and agent for the Prospective Purchasers who enter into Purchase Agreements (each a "Hotel Unit Purchaser").

9.4 A closing shall occur, and the Company shall convey the Hotel units to the Hotel Unit Purchasers not later than the Selection Date. At Closing, the Hotel Unit Purchaser will pay to the Company, by bank check, wire transfer or equivalent acceptable to the Company, the balance of the purchase price for the condominium hotel unit.

9.5 Development Deposits, including the deposit made pursuant to the Purchase and Sales Contract shall be held in the Development Escrow and applied by the Development Escrow Agent as follows:

9.5.1 To reimburse the Company for its costs and expenses incurred in procuring the Entitlements;

9.5.2 To reimburse the Company for the costs of construction of the roads, water lines, sewer lines, electric utilities, and other infrastructure required for the development, as well as for the construction of the hotel units and the use and occupancy of the Hotel units (the "Infrastructure Costs"). Disbursements from the Development Escrow shall be paid upon application of the Company and the Company's providing to the Development Escrow Agent engineer/architect certificates as to the completion of the particular sections of the construction of the infrastructure and hotel structure pursuant to a progress schedule approved by the architect, construction manager and lender.

9.6 Purchase Offers for Reserved Hotel units will be entertained by the Company in order of Selection Numbers, so that the Prospective Purchasers with lower Selection Numbers shall have the first right to purchase Reserved Hotel units. Once a Purchase Offer has been accepted and signed by the Company, it shall constitute a binding Purchase Agreement for the Reserved Hotel units identified in the Purchase Agreement.

9.7 Hotel units for which a Purchase Agreement has not been entered into as of the end of the Selection Period shall be made available to the Prospective Purchasers who hold backup Reservation Agreements ("Backup Purchasers"). At the close of the Selection Period the Company shall mail a list of available Hotel units to the Backup Purchasers and the Backup Purchasers shall have an additional fourteen (14) business days from the end of the Selection Period (the "Extension Period") within which to make a Purchase Offer in accordance with Paragraph 7.2. Purchase Offers received during the Extension Period will be accepted by the Company with Backup Purchasers holding the lowest Selection Numbers having the first right to purchase. The ability of Prospective Purchasers to purchase Hotel units shall end at 5:00 PM on the 14th business day following the last day of the Selection Period. Any remaining outstanding Reservation Agreements shall automatically terminate, and the Reservation Deposit shall be returned to the Prospective Purchaser.

9.8 Upon termination of the Extension Period the Company may thereafter sell the Hotel Unit to any existing or future Hermitage Club Members.

10. Termination:

10.1 The Prospective Purchaser may terminate this Reservation Agreement at any time and for any reason up until a purchase and sales contract is executed for the hotel unit between the Company and the Purchaser. If this Reservation Agreement is terminated by the Prospective Purchaser prior to the Prospective Purchaser entering into a Purchase Agreement for the Reserved Hotel units, the Company shall, not later than ten (10) business days following the notice of termination, return the Reservation Deposit. Upon such termination and payment to the Prospective Purchaser, the Company and the Prospective Purchaser shall be released from all further obligations hereunder.

10.2 If the Prospective Purchaser does not, for any reason, make a Purchase Offer for each Reserved Hotel Unit during the Selection Period this Reservation Agreement shall automatically terminate at the end of the Reservation Period for those Hotel units for which the Prospective Purchaser has not made a Purchase Offer. In such event, the Reservation Deposit shall be applied against the Purchase Price for the Hotel units for which the Prospective Purchaser has made a Purchase Offer, and the Company and the Prospective Purchaser shall be released from all further obligations hereunder with respect to the Hotel units for which the Prospective Purchaser has not made a Purchase Offer.

10.3 If this Reservation Agreement is terminated by the Company for any reason, including a termination pursuant to Paragraph 8, the Company shall, not later than ten (10) business days following the notice of termination, return the Reservation Deposit to the Prospective Purchaser. Upon such termination and payment to the Prospective Purchaser, the Company and the Prospective Purchaser shall be released from all further obligations hereunder.

11. No Assignment: This Reservation Agreement is personal to the Prospective Purchaser and shall not be assigned by the Prospective Purchaser. Any attempted assignment of this Reservation Agreement by Prospective Purchasers shall, at the Company's sole election, render this Reservation Agreement null and void. If this Reservation Agreement becomes null and void because of an unauthorized assignment by the Prospective Purchaser, the Company shall return the Reservation Deposit to the Prospective Purchaser whereupon the Prospective Purchaser and the Company shall have no further rights or obligations under this Reservation Agreement.

12. Notices: All notices or other communications to be given pursuant to this Reservation Agreement shall be in writing and sent by regular first class mail or private courier (such as UPS or FEDEX) addressed to the Company and the Purchaser at the addresses listed at the beginning of this Reservation Agreement or at such other address as may be designated in a written notice

sent in accordance with this Paragraph. Notices shall be deemed to have been given on the third business day following the date of mailing or pickup by the private courier.

DISCLAIMER

THE PROSPECTIVE PURCHASER ACKNOWLEDGES THAT THE COMPANY'S PLAN FOR DEVELOPMENT AND SALE OF THE HOTEL UNITS IS IN ITS CONCEPTUAL PHASE AND THAT THE COMPANY HAS NOT MADE A DECISION TO PROCEED WITH DEVELOPMENT OF THESE HOTEL UNITS, COMPLETED FINAL DESIGN OF THE UNITS, OR APPLIED FOR OR OBTAINED NECESSARY PERMITS OR APPROVALS (THE "PERMITS AND APPROVALS") THEREFOR. THE COMPANY HAS NOT YET FINALIZED THE AVAILABILITY OF WASTEWATER DISPOSAL, WATER SUPPLY OR OTHER UTILITIES FOR THE UNITS. THE COMPANY AND THE PROSPECTIVE PURCHASER ACKNOWLEDGE AND AGREE THAT THIS RESERVATION AGREEMENT IS A NON-BINDING AGREEMENT THAT WILL BE USED BY THE COMPANY TO GAUGE MARKET FEASIBILITY FOR THE DEVELOPMENT AND SUBDIVISION OF THROUGH WHICH POTENTIAL PROSPECTIVE PURCHASERS CAN EXPRESS AN INTEREST TO BUY A HOTEL UNIT AT SOME TIME IN THE FUTURE, IF, AS AND WHEN THE CONTINGENCIES HAVE BEEN SATISFIED. THE RESERVATION DEPOSIT WILL BE PLACED IN ESCROW WITH AN INDEPENDENT INSTITUTION HAVING TRUST POWERS AND IS REFUNDABLE IN FULL AT ANY TIME AT THE PROSPECTIVE PURCHASER'S OPTION. THIS RESERVATION AGREEMENT IS NOT A BINDING OBLIGATION TO PURCHASE A RESERVED HOTEL UNIT, NOR IS IT A BINDING OBLIGATION OF THE COMPANY TO DEVELOP OR SELL HOTEL UNITS; THE PROSPECTIVE PURCHASER AND THE COMPANY MUST ENTER INTO A PURCHASE AGREEMENT FOR THE RESERVED HOTEL UNITS TO CREATE A BINDING OBLIGATION.

RESERVATION AGREEMENT
SIGNATURE PAGE

FOR HOTEL UNITS _____, _____, AND _____

Prospective Purchaser Date

Prospective Purchaser Date

Hotel Hermitage at Haystack Mountain LLC

By: _____
Its Duly Authorized Agent

Date