



Agency of Commerce and Community Development

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August 21, 2014

Ariel Quiros, Chairman ✓
Q-Burke Resort, LLC
223 Sherburne Lodge Road
East Burke, VT 05832

Bill Stenger
President & CEO
Jay Peak Resort
Route 242
Jay, VT 05859

William Kelly
111 N.E. 1st Street, 4th Floor
Miami, FL 33132

Re: AnC BIO VT and Q-Burke

Dear Gentlemen:

I am writing to provide you an update on our efforts to ensure the AnC BIO VT and Q-Burke EB5 offerings are fully compliant with all securities laws and regulations.

I had an opportunity late Tuesday this week to speak with David Feldman, your securities attorney from Richardson Patel in New York. You had sought to connect him with me regarding your completion of the requirements spelled out in my July 9, 2014 letter that summarized securities issues related to AnC BIO VT and Q-Burke discussed in our June 27th meeting with Pat Moulton and Brent Raymond here at ACCD.

At the outset, I want to express our profound disappointment in learning from Attorney Feldman that he has not yet begun working to prepare a revised offering for the AnC Bio VT EB5 project. When I spoke to Attorney Feldman he expressed very little knowledge of the AnC BIO VT EB5 project and its offering materials. Indeed, he was not familiar with ACCD's threshold concerns that led to our June 27th meeting and my follow up letter. In light of the significant expense attorney Feldman foresaw in literally starting from scratch, he suggested I ask the attorneys who worked on the original offering materials -- Carroll and Scribner -- if they would respond to ACCD's securities law concerns. After consulting both Ed Carroll and Mark Scribner yesterday morning I learned that they also were not current on matters related to AnC BIO VT.



Bill Stenger, Bill Kelly, Ariel Quiros
August 21, 2014

Although I did not discuss with Attorney Feldman whether or not he had provided legal services related to ACCD's similar requirements regarding Q-Burke's offering materials and compliance with securities laws, we have not received the required securities compliance opinion ACCD required by August 18, 2014 in order for you to continue marketing and offering EB5 investments in Q-Burke. As a result, we can only conclude that you have made little or no progress toward completing the obligations we described in my July 9th letter.

When we met on June 27th, we agreed that the marketing and offering of investments in AnC BIO Vermont would be suspended immediately for 30 days or until August 1, 2014 to allow for the marketing and offering materials to be thoroughly reviewed and approved by experienced securities attorneys familiar with private offerings similar in scale and complexity to AnC BIO Vermont. Moreover, we conditioned the resumption of marketing and offering of investments as follows:

We will be waiting to receive a written opinion from counsel for AnC BIO Vermont that the private offering is in compliance in all respects with securities laws and regulations. Once AnC BIO has submitted an amended offering to ACCD, obtained signatures from every investor acknowledging receipt of the updated offering, and certified in writing to ACCD that it has fully implemented the advice of counsel to assure the project's compliance with all applicable state and federal securities laws and regulations, ACCD will then authorize AnC BIO Vermont to resume marketing and offering its EBS project to investors.

You expressed the requisite willingness to respond fully to ACCD's requirements and agreed to the time frame.

In addition, Q-Burke was addressed similarly in my July 9th letter. We conditioned the continued marketing and offering of EB5 investments in Q-Burke on your submission to ACCD by August 18, 2014 of either a written opinion of an experienced securities attorney that the offering materials complied with all securities laws and regulations, or an updated set of offering materials incorporating all changes advised by securities counsel, including evidence that all investors signed receipt of the updated offering, and providing your certification that Q-Burke has fully implemented the advice of securities counsel to assure the EB5 project's compliance with all applicable state and federal securities laws and regulations.

Through the AnC BIO VT Memorandum of Understanding executed October 5, 2012 and submitted to USCIS, ACCD and you, as General Partner of AnC BIO VT, LLC, have represented that AnC BIO VT will assist ACCD with oversight and compliance of the AnC BIO VT project with legal and regulatory requirements, including not only immigration laws and regulations, but also all applicable state and federal securities laws and regulations. While Attorney Feldman appears to be an acceptable securities attorney to assist you in responding to the requirements described in my July 9th letter, we are troubled by the seven-week delay in even beginning to do the work ACCD has required.

Therefore, as of today's date, based on the lack of any substantive action toward making a response to our requirements, we must provide you notice that the above-described non-

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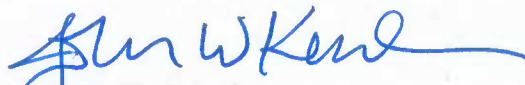
responsiveness has frustrated, if not prevented, ACCD from fulfilling its obligations as a Regional Center. Failure to respond to the ACCD inquiry and instructions outlined in my July 9th letter is a material breach of the terms of our MOU. The gravity of the non-responsiveness is that ACCD cannot presently represent to USCIS or any potential investor that the AnC BIO VT offering is in compliance with all securities laws and regulations. AnC BIO VT's inaction to cure the inadequacies of its offering leaves ACCD with no other reasonable option than to warn that the MOU may be cancelled if AnC BIO VT fails to cure the material breach for more than fourteen (14) days after receipt of this communication.

Similarly regarding Q-Burke, you have failed to respond to ACCD's requirements by not providing by August 18, 2014 the securities opinion or updated offering materials and other required submissions as described in my July 9th letter. Q-Burke's inaction with respect to a vital inquiry by the ACCD Regional Center is a material breach that frustrates ACCD's ability to fulfill its Regional Center obligations. Therefore, your inaction to respond to a vital inquiry by ACCD concerning securities law compliance by Q-Burke's offering materials leaves ACCD with no other reasonable option than to warn that the MOU may be cancelled if Q-Burke fails to cure the material breach for more than fourteen (14) days after receipt of this communication.

We fully understand the significance of providing you notice that ACCD may be compelled to cancel the MOUs for AnC BIO VT and Q-Burke. In equal measure, we fully understand the high degree of risk associated with the Vermont Regional Center maintaining approval of EB5 projects for which its oversight has been so severely compromised.

We look forward to a prompt, meaningful and encouraging response from you on action plans for AnC BIO VT and Q-Burke to cure their respective pending defaults concerning the obligations specifically articulated in my July 9th letter and as further grounded in the MOUs.

Sincerely,


John W. Kessler
General Counsel

cc: Patricia Moulton
Brent Raymond
David Feldman
Ed Carroll
Mark Scribner