

ANNUAL LETTER TO LIMITED PARTNERS

2014 Annual Letter
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Prepared by:

RITAWAY
INVESTMENT GROUP

Dear Limited Partners:

I am pleased to be writing the first letter to the Limited Partners of the Ritaway Partnership's. The Partnership's have successfully raised another \$1,000,000 since the beginning of 2014. I would like to also let you all know that I have personally placed another \$250,000 of my personal money into the Partnership's. I know that the Ritaway Partnership's will be successful and I hope that the action of my investment will place that ease in your minds. I would also like to let you know that the Partnership's have the opportunity to continue raising capital until December 30th 2015, which gives us almost 11 months from today.

On January 30th, 2015 we closed on a company in Great Falls Montana by the name of NorMont Equipment Co. The total value of the company is \$3,100,000, which we are the stockholders of a 65% stake. The EBITDA in 2014 for NorMont Equipment Co. was \$690,000, or \$909.09 per share. Of these earnings, \$363.64 per share resulted from substantial realized capital gains of the sale of Emulsion oil, which is the product used for asphalt preservation. On top of that the company sells and rents equipment to the state, county, and city shops throughout its territories, which I will list further into the letter. The equipment that we sell is used for pavement maintenance. The average price for the equipment is \$50,000 to \$70,000. We also rent equipment, which usually gets sold after they use it for a period of time. If you where to split up the revenue into categories it would be 3% rental (\$128,815), 55% parts, industrial and supplies (\$2,533,365.62), and 42% New equipment sales (\$1,948,847).

We did a stock purchase instead of an asset purchase since I was able to get us a discount on the purchase price. We used a 2.8 multiple of EBITDA instead of a 3.5 to 4 multiple, which is usually used in an asset sale. I know that there are tax disadvantages to a stock sale compared to an asset sale. That only triggers though if we were to do owner draws. The disadvantage is that we would pay a corporate tax on the company's income. Then we, as limited partners in the Partnership's, would pay tax again on the owner's draw that would be dispersed to the Partnership's. Since we won't be taking owners draw for 5 to 10 years that issue will not arise. My goal is to take the revenue from \$4.6 Million to \$10 to \$15 Million. Once that has been accomplished I will place it on the market and see what kind of feedback we get. By rising the Revenue to that amount, and having our EBITDA at a 15% to 20% of Revenue it will place the company's approximate value at \$8M on a stock sale, and about \$10M on an asset sale.

We where able to do some financing through the seller for the purchase of the NorMont Equipment Company. We will be doing a 10-year note amortized over 20 years with a 4.5% fixed interest rate. The amount of the note will be \$1,900,000. Our Collateral for the note will be the equipment and inventory of the company, which eliminates the need for personal guarantees from the limited partners. We will also be paying them a total of \$200,000 over 4 years, 0% interest.

That will be paid off with an annual payment of \$50,000 until the balance of \$200,000 is fully paid. The total Down payment for the company was \$1,000,000, \$650,000 of which is from our accounts. We also placed a total of \$150,000 in the Companies checking account, which will be used for working capital. Of that \$150,000 placed in the account, for working capital, \$97,500 is out of the Partnerships checking account.

The company currently has one sales individual that brings in \$4 Million a year in revenue. We will be adding 3 additional sales individuals to the team. The company currently sells to Montana, Idaho, Wyoming, and a little bit in North Dakota. We will be stretching our services to include the following: Montana, Idaho, Wyoming, Alberta, Saskatchewan, North Dakota, South Dakota, and Minnesota. By doing this I believe we will hit our revenue goals within 5 years or less.

I hope all of you have had a great first month of the year, and I hope this news will make it even better. I will be working along side management at NorMont Equipment to make sure that our goals are met in a timely matter. If you have any questions at all, please contact me at your convenience.

February 1, 2015

Andrew J. Abernathey

Managing Partner