

DECLARATION OF SAINT-SAUVEUR VALLEY RESORTS INC.

Pursuant to 28 U.S.C. Section 1746, the undersigned states as follows:

1. Our names are Louis Philippe Hebert and Louis Dufour. We are both over twenty-one years of age and have personal knowledge of the matters set forth herein. We are resident at 350 Saint Denis, Saint-Sauveur, Quebec, Canada where we are making this declaration.

2. Louis Philippe Hebert is the President of Saint-Sauveur Valley Resorts Inc. (formerly Mont Saint-Sauveur International Inc. and herein "MSSI"), a company headquartered in Quebec, Canada and he is making this declaration in that capacity. He has worked for MSSI since 1998. Louis Dufour is the Chairman and Chief Executive Officer of MSSI and he is making this declaration in that capacity. He has worked for MSSI since 1972. MSSI formerly owned the shares of Jay Peak, Inc. a Vermont corporation ("Jay Peak"), including certain property known as the Jay Peak Resort, a ski and golf resort complex located in Jay, Vermont.

3. In or about December 2006, Jay Peak began a \$17.5 million offering of limited partnership interests in Jay Peak Hotel Suites, LP ("Phase I") in order to construct a new hotel within the Jay Peak Resort. The Phase I offering was in connection with the U.S. Citizenship and Immigration Services' ("USCIS") EB-5 Visa Program. The minimum investment for each limited partnership interest was \$500,000.

4. From January 27, 2008 though to June 2008, MSSI and Q Resorts, Inc. ("Q Resorts"), through its president and owner, Ariel Quiros, negotiated and finalized an agreement ("Stock Transfer Agreement") whereby MSSI transferred the real estate and other assets of the Jay Peak Resort (including a ski resort, tram, and hotel) to Jay Peak immediately followed by the transfer of all the issued and outstanding shares of capital stock of Jay Peak to Q Resorts for a



purchase price of \$23.5 million, comprised of \$15 million in cash plus \$8.5 million in assumed liabilities of MSSSI. A copy of the Stock Transfer Agreement between MSSSI and Q Resorts is attached as Exhibit A.

5. In or about March 2008, Jay Peak considered a new \$75 million offering of limited partnership interests in Jay Peak Hotel Suites II LP ("Phase II") in order to construct, among other things, a golf clubhouse, ice arena, bowling center, and indoor waterpark. Like Phase I, the Phase II offering was in connection with USCIS's EB-5 Visa Program. However, due to the impending sale with Q Resorts, Phase II was put on hold. On June 23, 2008, the date of the sale, the limited partnership for Phase II was not legally registered in the state of Vermont and no subscription agreements for investments in Phase II were signed or accepted. The Stock Transfer Agreement at Section 8.7, last paragraph stated:

From the date hereof to the Closing Date, it is understood and agreed that no investors will be accepted, no investments will be deposited nor other binding agreements signed by Transferor or the Company or its subsidiaries with respect to Phase II of the EB-5 Project.

6. In our capacities as Chairman, President and CEO of MSSSI, we were both directly involved in the negotiations of the Stock Transfer Agreement, including reviewing the closing schedule for the purchase of Jay Peak by Q Resorts ("closing schedule"). A copy of the closing schedule is attached as Exhibit B.

7. By June 2008, Jay Peak had already raised money from Phase I EB-5 investors. The Phase I investor funds were kept in a separate Phase I bank accounts at People's United Bank, NA. At the request of Ariel Quiros, new Phase I brokerage accounts were opened at Raymond James and Associates, Inc. In anticipation of the closing, Jay Peak Management Inc., the general partner of Phase I limited partnership, transferred the Phase I investor funds from the accounts held at People's Bank to the new Phase I Raymond James brokerage accounts.

Raymond James and Q Resorts confirmed to MSSSI that the Phase I investor funds were not used by Quiros and/or Q Resorts to purchase Jay Peak.

8. As the closing schedule shows, as of June 2008, the purchase price for Jay Peak was \$23.5 million with an adjustment at closing of \$2,211,065, resulting in a final purchase price of approximately \$25.7 million.

9. Based upon our respective knowledge and belief, Q Resorts made payments totaling \$20.5 million towards the purchase price. These payments were received in a trust account held by Spiegel Sohmer Inc. at TD Canada Trust Bank. The payments totaling \$20.5 million were then disbursed by Spiegel Sohmer to MSSSI and various creditors. Spiegel Sohmer Inc. is a law firm based in Montreal, Canada and represented MSSSI in these transactions.

10. A balance sheet for Phase I dated January 27, 2008, included in Schedule 2.2 of Exhibit A, shows, in part, a "Minority Interest" balance of \$7,150,000. This figure reflects the total amount invested by the Phase I investors that had been approved by USCIS as of January 2008. Attached as Exhibit C is a copy of a spreadsheet entitled "Minority Interest Schedule," which list the Phase I investors and their amounts invested as of January 2008. In the context of the Stock Transfer Agreement, the term "Minority Interest" does not reflect any credit that MSSSI owed to Jay Peak or Q Resorts from Phase I or Phase II, or that Phase I or Phase II owed to Jay Peak or Q Resorts in connection with the purchase of Jay Peak. In fact, none of the amounts listed on the Phase I balance sheet as of January 27, 2008 represent any credits MSSSI owed to Jay Peak or Q Resorts, or that Phase I or Phase II owed to Jay Peak or Q Resorts.

11. A balance sheet for Jay Peak dated January 27, 2008, also included in Schedule 2.2 of Exhibit A, further shows, in part, a "Due to Affiliates" balance of \$6,170,332. This amount reflects internal charges between MSSSI and its own affiliates and such amount was not

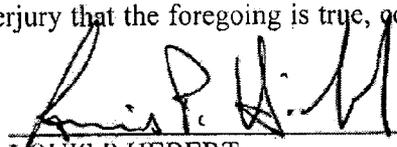
any kind of credit that MSSSI owed to Jay Peak or Q Resorts or that Phase I or Phase II owed to Jay Peak or Q Resorts. A copy of a spreadsheet listing the various intercompany amounts that comprise the "Due to Affiliates" balance of \$6,170,332 is attached as Exhibit D.

12. MSSSI and Q Resorts had agreed that MSSSI would continue to run Jay Peak from the effective date of the acquisition (January 27, 2008) until the closing date of the transaction (June 23, 2008), but that any profits received during this period ("the interim period") would be credited to Q Resorts. Jay Peak earned profits totaling \$301,000 during the interim period.

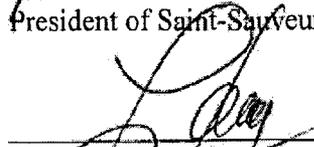
13. At closing, the \$301,000 amount representing profits owed to Q Resorts was offset against a \$2,512,065 amount owed to MSSSI for payments MSSSI advanced to Jay Peak's operations during the interim period, resulting in a net adjustment of \$2,211,065 owed by Q Resorts to MSSSI. On June 23, 2008, besides this credit of \$301,000, there were no additional credits of any kind owed by MSSSI to Jay Peak or Q Resorts, or owed by Phase I or Phase II to Jay Peak or Q Resorts.

14. This declaration is based on information that we have gathered in good faith or information that was presented to us and which we both believe truthful in our respective capacities as officers of MSSSI.

We each declare under penalty of perjury that the foregoing is true, correct, and made in good faith.



LOUIS P HEBERT
President of Saint-Sauveur Valley Resorts Inc.



LOUIS DUFOUR
Chairman and CEO of Saint-Sauveur Valley
Resorts Inc.

Executed on this 20th day of May, 2015

EXHIBIT A

STOCK TRANSFER AGREEMENT

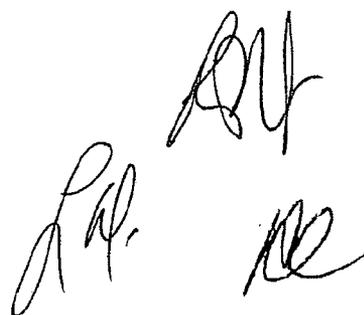
by and among

LES STATIONS DE LA VALLÉE DE SAINT SAUVEUR INC.

And

ORESORTS INC.

June 13, 2008

Handwritten signatures in black ink, including a large signature on the left and two smaller ones on the right.

STOCK TRANSFER AGREEMENT

THIS STOCK TRANSFER AGREEMENT (together with the Schedules and Exhibits hereto, the "Agreement"), dated as of June 13, 2008 (the "Execution Date"), is entered into by and among QResorts, Inc. (the "Transferee") represented by Ariel Quiros, and Les Stations de la Vallée de Saint-Sauveur Inc. (the "Transferor"), collectively, the "Parties".

RECITALS

Transferor desires to sell, and Transferee desires to acquire, all of the issued and outstanding shares of capital stock of Jay Peak Inc. (the "Shares"), a Vermont corporation (the "Company"), for the consideration and on the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants contained herein, the parties hereby agree as follows:

AGREEMENT

ARTICLE 1 CERTAIN DEFINITION

1.1 Certain Definitions. As used in this Agreement, unless the context requires otherwise, the following terms shall have the meanings indicated:

(a) "Company" means the Company and its Subsidiaries, collectively, with any representation, warranty, covenant, or agreement being made by the "Company" in this Agreement with respect to its assets, capitalization, operations, or otherwise being also made by each and every Subsidiary of the Company to the extent of such Subsidiary's own assets, capitalization, operations etc.

(b) "Affiliate" of any specified Person means any other Person, existing or future, directly or indirectly through one or more intermediaries, Controlling, Controlled by or under common Control with the specified Person.

(c) "Approvals" means franchises, licenses, permits, certificates of occupancy and other approvals issued, granted or required by governmental or regulatory bodies to operate the Resort.



(d) "Breach" means a breach of a representation, warranty, covenant, obligation, or other provision of this Agreement or the Warranty Deed and Bill of Sale, and any document delivered by either Party at the Closing, and will be deemed to have occurred if there is or has been any material inaccuracy in or breach of, or any failure to perform or comply with, such representation, warranty, covenant, obligation, or other provision.

(e) "Business" means the operations, assets and liabilities of the Company and its Affiliates as they relate to the Resort.

(f) "Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the State of Vermont are authorized or required by law or executive order to close.

(g) "Closing" means the simultaneous final exchange of stock, consideration, and each and every document and agreement required to be exchanged as a condition precedent to the transfer of legal and equitable title to the capital stock of the Company.

(h) "Closing Date" means the date on which the Closing actually occurs.

(i) "Closing Date Balance Sheet" means the consolidated balance sheet of the Company, to be prepared as at the Closing Date, in accordance with Section 2.3 below.

(j) "Code" means the Internal Revenue Code of 1986, as amended.

(k) "Company Intellectual Property" means all Intellectual Property owned by the Company related to or used in connection with the Business, including, without limitation, those Marks listed on Schedule 3.21.

(l) "Company Technology" means all Technology owned by the Company related to or used in connection with the Business, other than any technology owned or used by Transferor or any of its Subsidiaries other than the Company which is used jointly by the Company and the Transferor or any of its other Subsidiaries.

(m) "Consent" means any approval, consent, ratification, waiver, or other authorization (including any Governmental Authorization).

(n) "Contract" means any written or oral loan or credit agreement, note, bond, mortgage, indenture, deed of trust, license agreement, franchise, contract, commitment, agreement, Lease (including any Personal Property Lease and Real Property Lease), instrument, or guarantee (including any amendments, modifications, extensions or replacements thereof).

(o) "Control" means the power to direct or cause the direction, directly or indirectly, of the management and policies of the Company, whether through the ownership of securities, by contract or otherwise.

(p) "Deposit" means the non-refundable deposit of \$350,000 previously paid by Transferee to Transferor plus the non refundable interest payment for the period of the Proration Date through the Closing Date.

(q) "EB-5 Project" means the EB-5 Visa investment for foreign investors described in the Private Offering Memoranda issued by Jay Peak Hotel Suites L.P. dated December 22, 2006 ("Phase I") and by Jay Peak Hotel Suites Phase II, L.P. (to be created) dated March 2008 ("Phase II"), pursuant to which Jay Peak Hotel Suites L.P. and Jay Peak Hotel Suites Phase II, L.P. created for the purpose of attracting foreign investors, sought and continues to seek foreign investment to acquire land from Transferor and / or Jay Peak Inc to develop and construct a new hotel at the Resort, and all obligations, contracts, undertakings and liabilities of the Company, Transferor, Jay Peak Hotel Suites L.P. or its general partner, Jay Peak Management Inc., and Jay Peak Hotel Suites Phase II, L.P. arising from, in connection with or pursuant thereto.

(r) "Employee" means all individuals (including common law employees, independent contractors and individual consultants), as of the date hereof, who are employed or engaged by the Company or its Affiliates in connection with the Business, together with individuals who are hired in respect of the Business after the date hereof.

(s) "Encumbrance" means any charge, claim, community property interest, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

(t) "Environmental Law" means any Legal Requirement as now or previously in effect in any way relating to the protection of human health and safety, the environment or natural resources, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. App. § 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. § 136 et seq.), and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), as each has been or may be amended and the regulations promulgated pursuant thereto.

(u) "Environmental Permit" means any Permit required by Environmental Laws for the operation of the Business.

(v) "Financial Statements" means the audited combined balance sheets and statements of earnings and statements of cash flow of the US division of the Transferor and the Company relating to the Business as of and for the fiscal years ended April 30, 2005, April 30, 2006, and April 30, 2007 as audited by Mudgett Jennett & Krogh Wisner, P.C.



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(w) "Former Employee" means all individuals (including common law employees, independent contractors and individual consultants) who were employed or engaged by the Company in connection with the Business but who are no longer so employed or engaged on the date hereof.

(x) "GAAP" means United States generally accepted accounting principles in effect at the time in question.

(y) "Governmental Agency" means any government or governmental or regulatory body thereof, or political subdivision thereof, whether foreign, federal, state, or local, or any agency, instrumentality or authority thereof, or any court or arbitrator (public or private).

(z) "Governmental Authorization" means any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Agency or pursuant to any Legal Requirement.

(aa) "Hazardous Material" means any substance, material or waste that is regulated, classified, or otherwise characterized under or pursuant to any Environmental Law as "hazardous," "toxic," "pollutant," "contaminant," "radioactive," or words of similar meaning or effect, including petroleum and its by-products, asbestos, polychlorinated biphenyls, radon, mold or other fungi and urea formaldehyde insulation.

(bb) "Indebtedness" of the Company means, without duplication, (i) the principal, accreted value, accrued and unpaid interest, prepayment and redemption premiums or penalties (if any), unpaid fees or expenses and other monetary obligations in respect of (A) indebtedness of the Company for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which the Company is responsible or liable; (ii) all obligations of the Company issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Company and all obligations of the Company under any title retention agreement (but excluding trade accounts payable and other accrued current liabilities arising in the Ordinary Course of Business other than the current liability portion of any indebtedness for borrowed money); (iii) all obligations of the Company under leases required to be capitalized in accordance with GAAP; (iv) all obligations of the Company for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction; and (v) the liquidation value, accrued and unpaid dividends and prepayment or redemption premiums and penalties (if any), unpaid fees or expense and other monetary obligations in respect of any and all redeemable preferred stock of any shareholder.

(cc) "Intellectual Property" means all right, title and interest in or relating to intellectual property, whether protected, created or arising under the laws of the United States or any other jurisdiction, including: (i) all patents and applications therefor, including all continuations, divisionals, and continuations-in-part thereof and patents



issuing thereon, along with all reissues, reexaminations and extensions thereof (collectively, "Patents"); (ii) all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, corporate names, trade styles, logos and other source or business identifiers and general intangibles of a like nature, together with the goodwill associated with any of the foregoing, along with all applications, registrations, renewals and extensions thereof (collectively, "Marks"); (iii) all Internet domain names other than those related to Transferor's or its Subsidiaries' businesses and activities other than the Resort, or those used jointly with the Resort or the Business; (iv) all copyrights and all mask work, database and design rights, whether or not registered or published, all registrations and recordations thereof and all applications in connection therewith, along with all reversions, extensions and renewals thereof (collectively, "Copyrights"); (v) trade secrets related exclusively to the Resort or the Business ("Trade Secrets"); (vi) all other intellectual property rights arising from or relating to Technology, and (vii) all Contracts granting any right relating to or under the foregoing.

(dd) "Intellectual Property Licenses" means (i) any grant by the Company to another Person of any right relating to or under the Company Intellectual Property, other than those granted to Transferor to carry out the Business which shall be terminated on Closing subject to the Management Services Contract; and (ii) any grant by another Person to the Company of any right relating to or under any third Person's Intellectual Property.

(ee) "Interim Period" means the period commencing on the Proration Date and terminating on the Closing Date.

(ff) "Judgment" means any judgment, ruling, writ, decree, injunction, order, arbitral award or decree of a Governmental Agency.

(gg) "Knowledge of the Transferors" (and any similar phrases as they relate to the Transferors) means the knowledge, after due inquiry, of Louis Dufour and Louis Hébert, as well as the knowledge of William Stenger, President of Jay Peak, Inc., if and only to the extent that the knowledge of William Stenger was communicated to Louis Dufour or Louis Hébert, evidenced by a writing or other demonstrable supportive data, prior to the execution of this Agreement. An individual will be deemed to have knowledge of a particular fact or other matter if:

(i) such individual is actually aware of such fact or other matter; or

(ii) a prudent individual could reasonably be expected to discover or otherwise become aware of such fact, or other matter in the course of conducting a reasonably comprehensive, but not exhaustive, investigation concerning the existence of such fact or other matter.

(hh) "Legal Requirement" means any federal, state, local, municipal, foreign, international, multinational, or other administrative order, constitution, law, ordinance, principle of common law, regulation, statute, or treaty.

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(ii) "Lease" means any lease, sublease, license, or similar occupancy or possessive right in real or personal property.

(jj) "Liability" means any debt, loss, damage, adverse claim, fines, penalties, liability or obligation (whether direct or indirect, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise), and including all costs and expenses relating thereto including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation).

(kk) "Lien" means any lien, encumbrance, pledge, mortgage, deed of trust, security interest, claim, lease, charge, option, right of first refusal, easement, servitude, proxy, voting trust or agreement, transfer restriction under any shareholder or similar agreement, encumbrance or any other restriction or limitation whatsoever.

(ll) "Litigation" means any actions, suits or proceedings (legal or arbitral, civil, criminal or administrative) or governmental proceedings or investigations.

(mm) "Material" means having a material or significant impact on the Business, the operations, liabilities or financial condition of the Company and if the word "material" is used with respect to a quantifiable matter, it shall mean the sum of \$50,000 or greater.

(nn) "Ordinary Course of Business" means an action taken by a Person will be deemed to have been taken in the "Ordinary Course of Business" only if:

(i) such action is consistent with the past practices of the Company, Transferor, or any Affiliate which, prior to the Closing Date, carried on all or any portion of the Business, and is taken in the ordinary course of the normal day-to-day operations of the Company, Transferor, or such Affiliate; and

(ii) such action is not required to be authorized by the board of directors of the Company (or by any Person or group of Persons exercising similar authority) and is not required to be specifically authorized by the parent company (if any) of the Company.

(oo) "Organizational Documents" mean (a) the articles or certificate of incorporation and the bylaws of a corporation; (b) the partnership agreement and any statement of partnership of a general partnership; (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (d) any charter or similar document adopted or filed in connection with the creation, formation, or organization of a company; and (e) any amendment to any of the foregoing.

(pp) "Permits" means any approvals, authorizations, consents, licenses, permits or certificates of a Governmental Agency.

(qq) "Permitted Liens" means (i) statutory Liens for taxes, assessments and similar charges that are not yet due and payable or are being contested in good faith by



appropriate proceedings, provided an appropriate reserve has been established therefor in the Financial Statements in accordance with GAAP; (ii) mechanic's, materialman's, carrier's, and repairer's Liens arising or incurred in the Ordinary Course of Business that are not material to the business, operations, and financial condition of the Assets so encumbered and that are not resulting from a breach, default or violation by the Company of any Contract or Legal Requirement; (iii) applicable zoning regulations and ordinances and building, health and other applicable Legal Requirements by any Governmental Agency, provided that such Legal Requirements have not been violated; (iv) easements, rights-of-way, restrictions and other similar encumbrances affecting the Real Property which, in the aggregate, are not substantial in amount and which do not in any case materially interfere with the Ordinary Course of Business on the Real Property or Real Property Lease affected thereby; and (v) liens to secure Indebtedness.

(rr) "Person" means an individual, a corporation, a limited liability company, a partnership, an unincorporated association, a joint venture, a Governmental Agency or another entity.

(ss) "Proration Date" means the effective date for the accounting of income earned and expenses paid and accrued, and all other related credits and debits related in any manner whatsoever to the Business and Company, and the aforesaid items shall be prorated as of January 27, 2008 at the Closing.

(tt) "Proration Date Balance Sheet" means the internally-prepared balance sheets of the Business as at January 27, 2008, prepared as if all of the assets and liabilities of the Business were then owned by the Company and its Subsidiaries.

(uu) "Related Documents" means all other agreements, documents and instruments described in or contemplated by this Agreement that are to be executed and delivered in connection with the transactions contemplated hereby.

(vv) "Release" means any release, spill, emission, leaking, pumping, pouring, injection, deposit, dumping, emptying, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, or into or out of any property.

(ww) "Resort" means the ski, snowboard, golf resort known as Jay Peak Ski Resort in Vermont.

(xx) "Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

(yy) "Software" means any and all (i) computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code; (ii) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise; (iii) descriptions, flow-charts and other work product used to design, plan, organize and develop any of the foregoing, screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons; and (iv) all documentation, including user manuals and other training documentation related to any of the foregoing.



(zz) "Subsidiary" means any entity (i) more than 50% of whose outstanding shares or securities representing the right to vote for the election of directors or other managing authority of such entity are owned or Controlled, directly or indirectly, by another entity.

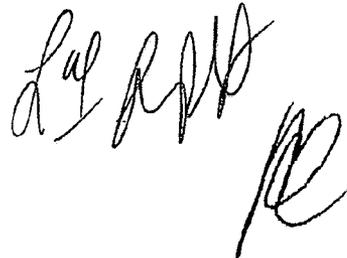
(aaa) "Tax" or "Taxes" means (i) any and all federal, state, local or foreign taxes, charges, fees, imposts, levies or other assessments, including all net income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property and estimated taxes, customs duties, fees, assessments and charges of any kind whatsoever; (ii) all interest, penalties, fines, additions to tax or additional amounts imposed by any Taxing Authority in connection with any item described in clause (i); and (iii) any liability in respect of any items described in clauses (i) and/or (ii) payable by reason of Contract, assumption, transferee liability, operation of law, Treasury Regulation section 1.1502-6(a) (or any predecessor or successor thereof or any analogous or similar provision under law) or otherwise.

(bbb) "Taxing Authority" means the IRS and any other Governmental Agency responsible for the administration of any tax.

(ccc) "Tax Returns" means any return, report or statement required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated Tax, and including, where permitted or required, combined, consolidated or unitary returns for any group of entities that includes Transferor, any of the Subsidiaries, or any of their Affiliates.

(eee) "Technology" means, collectively, all Software, information, appropriate network servers, designs, formulae, algorithms, procedures, methods, techniques, ideas, know-how, research and development, technical data, programs, subroutines, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship and other similar materials, and all recordings, graphs, drawings, reports, analyses, and other writings, and other tangible embodiments of the foregoing, in any form whether or not specifically listed herein, and all related technology, that are used in, incorporated in, embodied in, displayed by or relate to, or are used in connection with the foregoing.

(ddd) "WARN Act" means the Worker Adjustment and Retraining Notification Act of 1988, as amended, and the rules and regulations promulgated hereunder.

Handwritten signature and initials in black ink, appearing to be 'Lal RMB' and a large 'R' below it.

ARTICLE 2 TRANSFER OF SHARES AND TRANSFER PRICE

2.1 Transfer of Shares. Subject to the terms and conditions of this Agreement, at the Closing, Transferor will transfer the Shares to Transferee, and Transferee will acquire the Shares from Transferor.

2.2 Payment at the Closing.

(a) The aggregate transfer price for the Shares (the "Transfer Price") shall be calculated as follows:

(i) \$15,000,000 (the "Base Transfer Price"); and

(ii) plus or minus an adjustment (see Section 2.3) ("Adjustment Amount") based on the difference between the total equity of the Company and its Subsidiaries, on a consolidated basis, on the Proration Date, determined as if the Asset Transfer described in Section 5.1 had then occurred, the whole as reflected on the Proration Date Balance Sheet annexed hereto as Schedule 2.2, and the total equity of the Company and its Subsidiaries, on a consolidated basis, on the Closing Date, the whole as will be reflected on the Closing Date Balance Sheet; and

(iii) the repayment or assumption of long term debt of the Transferor or of the Company in a maximum amount of \$8,500,000 plus any obligations pertaining to the tram as set out in Section 5.2;

(b) Payments by the Transferee. At the Closing the Transferee shall pay the Base Transfer Price, plus interest on the Base Transfer Price at a rate of five percent (5%) per annum, calculated from the Proration Date to the Closing Date (the "Interest Amount"), by wire transfer of funds to Transferor. On Closing, the Deposit (consisting of \$350,000 plus an estimated Interest Amount of \$400,684, calculated on the assumption that the Closing will occur on August 15, 2008) shall be credited to the Transferee and deducted from the Base Transfer Price and the Interest Amount payable on the Closing Date. In the event that the Closing occurs prior to August 15, 2008, Transferee shall receive a prorated credit of the Interest Amount calculated from the Closing date through August 15, 2008.

2.3 Adjustment. It is the intention of the parties that notwithstanding that the transfer of the Shares will occur on the Closing Date, all financial aspects of the transaction are to be calculated and determined as if the sale of the Shares had actually taken place on the Proration Date. As such, the final Transfer Price shall be calculated on the basis that all income earned in the Ordinary Course of the Business during the Interim Period should belong to, and all expenses and liabilities incurred in the Ordinary Course of the Business during the Interim Period should be the responsibility of the Transferee. Within forty-five (45) days of the Closing Date, the parties shall prepare and agree on the Closing Date Balance Sheet of the Company, using the same policies and methodology reflected on, and on a basis consistent with the Proration Date Balance Sheet. Notwithstanding the generality of the foregoing, a management



fee of \$35,000 per month shall be reflected as a liability of the Company in favour of Transferor for all services provided by Transferor to the Business during the Interim Period.

Any increase in the total equity of the Company reflected on the Closing Date Balance Sheet as compared to the total equity of the Business reflected on the Proration Date Balance Sheet shall decrease the Transfer Price, dollar for dollar, and any decrease in the total equity of the Company reflected on the Closing Date Balance Sheet as compared to the total equity of the Business reflected on the Proration Date Balance Sheet shall increase the Transfer Price, dollar for dollar. In the event of an increase in the Transfer Price, Transferee shall pay the Adjustment Amount to Transferor on the date which is three (3) business days following finalization of the Closing Date Balance Sheet and in the event of a decrease in the Transfer Price, Transferor shall pay the Adjustment Amount to the Transferee on the date which is three (3) business days following finalization of the Closing Date Balance Sheet, but the Interest Amount shall not be adjusted in either event. In the event that the parties are unable to agree upon the Closing Date Balance Sheet within such forty-five (45) day period, then either Transferor or Transferee shall be entitled to submit the matter to arbitration, which arbitration shall be conducted by a mutually agreeable public accounting firm that is capable of opining on the accounting dispute, pursuant to the rules of the American Arbitration Association, under its Commercial Arbitration Rules. Transferor and Transferee further agree that they will faithfully observe this agreement and the rules, that they will abide by and perform any award rendered by the arbitrator(s), and that a judgment of any court having jurisdiction may be entered on the award. The determination of the arbitrator(s) shall be final and binding upon the parties hereto and, if the matter is determined by arbitration, the Adjustment Amount shall be paid on the third (3rd) business day following such determination.

2.4 Conveyances and Assumptions; Consent of Third Parties. From the date hereof to the Closing, Transferor shall, and shall cause its Affiliates to, execute, acknowledge and deliver all such conveyances, notices, assumptions, releases and acquittances and such other instruments, and shall take such actions, as may be necessary or appropriate to transfer and assign fully to the Company, all of the properties, rights, titles, interests, estates, remedies, powers and privileges intended to be owned by the Company as of and from the Closing related to the Resort and the Business as contemplated by this Agreement and the Related Documents.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE TRANSFEROR

The Transferor and the Company, jointly and severally represent, warrant, and covenant to the Transferee as set forth in this Article 3, and Transferor Disclosure Schedule ("Transferor Disclosure Schedule") attached as "Exhibit A" the following:

3.1 Organization and Qualification; Subsidiaries. The Company is a corporation duly formed, validly existing and in good standing under its jurisdiction of organization and has all requisite power and authority to own, lease and operate its properties and carry on its business as presently owned and conducted and as currently proposed to be conducted. The Company is duly qualified or authorized to do business and is in good standing under the laws of each jurisdiction in which it owns or leases real property and each other jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification or authorization. The Transferors have delivered to the Transferee true, complete and correct



copies of the Company's Organizational Documents as in effect on the date hereof. The Company has the Subsidiaries listed on Transferor Disclosure Schedule 3.1.

3.2 Binding Obligation. The Transferor has all requisite authority, power and legal capacity to execute and deliver this Agreement and each of the Related Documents, to be executed by it in connection herewith, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement and such Related Documents have been or will be duly and validly authorized by all required corporate or equityholder action on the part of Transferor and no other corporate or equity holder proceedings are necessary to authorize this Agreement or the Related Documents.

3.3 No Default or Conflicts. The execution and delivery by the Transferor of this Agreement and the Related Documents, the consummation of the transactions contemplated hereby and thereby, and the performance by Transferor of its obligations hereunder and thereunder does not and will not conflict with, or result in any violation or breach of, or conflict with or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or the loss of a material benefit under, or give rise to any obligation of the Company to make any payment under, or to the increased, additional, accelerated or guaranteed rights or entitlements of the Company or any Person under, or result in the creation of any Liens upon any of the properties or assets of the Company under any provision of (i) the articles of incorporation and by-laws or comparable organizational documents of the Company; (ii) except as set forth in Transfer Disclosure Schedule 3.3, any Contract or Permit to which the Company is a party or by which any of the properties or assets of the Company are bound; (iii) any Judgment applicable to the Company or by which any of the properties or assets of the Company are bound; or (iv) any applicable Legal Requirement.

3.4 No Governmental Authorization or Consent Required. Unless otherwise set forth in the Transferor Disclosure Schedule 3.4, no consent, waiver, permit, authorization or approval or other action by, and no notice to or filing with, any Person or Governmental Agency is or will be required to be obtained or made by (i) the Company or any Transferor in connection with the due execution and delivery by such Transferor of this Agreement or the Related Documents to which such Transferor is a party, the consummation by such Transferor of the transactions contemplated hereby and thereby or the taking by such Transferor of any other action contemplated hereby or thereby, or (ii) any Transferor in connection with the continuing validity and effectiveness immediately following the Closing of any material Contract or Permit of the Company.

3.5 Capitalization. The authorized equity securities of the Company consist of 4500 shares of common stock, par value \$2,100.00 per share, of which 2083 shares are issued and outstanding and constitute the Shares. Transferor is and will be on the Closing Date the record and beneficial owners and holders of the Shares, free and clear of all Encumbrances. Transferor owns all of the Shares. With the exception of the Shares (which are owned by Transferor), all of the outstanding equity securities and other securities of the Company are owned of record and beneficially by the Company, free and clear of all Encumbrances. No legend or other reference to any purported Encumbrance appears upon any certificate representing equity securities of the Company. All of the outstanding equity securities of the Company have been duly authorized and validly issued and are fully paid and non-assessable. There are no Contracts relating to the

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issuance, sale, or transfer of any equity securities or other securities of the Company. None of the outstanding equity securities or other securities of the Company was issued in violation of the Securities Act or any other Legal Requirement. Other than as described in Transferor Disclosure Schedule 3.1, the Company does not own, or has any Contract to acquire, any equity securities or other securities of any Person (other than Company) or any direct or indirect equity or ownership interest in any other business.

3.6 Financial Statements.

(a) Each of the Financial Statements has been delivered to Transferee, is complete and correct in all material respects, has been prepared in accordance with GAAP and fairly presents, in all material respects, the financial position of the Business, the results of its operations and cash flows for the periods indicated. The Financial Statements have been accurately derived from the books and records of the Company and or its Affiliates.

(b) The Company makes and keeps books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of their assets. The Company maintains systems of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; and (ii) transactions are recorded as necessary to permit the preparation of financial statements in conformity with GAAP and to maintain accountability for assets

3.7 Material Adverse Effect. Unless otherwise set forth in the Transferor Disclosure Schedule 3.7, since the most recent Financial Statement provided to Transferee, there has not been any material adverse change in the business, operations, properties, prospects, assets, or condition of the Company, and to the knowledge of Transferor, no event has occurred or circumstance exists that may result in such a material adverse change other than issues affecting the industry generally such as warm rainy weather.

3.8 Brokers. No broker, finder or similar intermediary has acted, directly or indirectly, for or on behalf of any of the Transferors in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is or will be entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement, arrangement or understanding with the Transferors or any action taken by any such Person.

3.9 Books and Records. The books of account, minute books, stock record books, and other records of the Company, all of which have been made available to Transferee, are complete and correct in all material respects and have been maintained in accordance with sound business practices and the requirements of Section 13(b)(2) of the Securities Exchange Act of 1934, as amended (regardless of whether or not the Company is subject to that Section), including the maintenance of an adequate system of internal controls. The minute book of the Company contains reasonably accurate and complete records of all meetings held of the stockholders, the Boards of Directors, and committees of the Boards of Directors of the Company, and no significant meeting of any such stockholders, Board of Directors, or committee



has been held for which minutes have not been prepared and are not contained in such minute book. At the Closing, all of those books and records will be in the possession of the Company.

3.10 Compliance with Legal Requirements.

(a) Unless otherwise set forth in the Transferor Disclosure Schedule 3.10(a), the Company is in compliance in all material respects with all Legal Requirements applicable to its operations or assets or the Business, save and except for any non-compliance which would not have a material adverse effect on the Company or the Business. Each Real Property is in compliance in all material respects with all Legal Requirements applicable thereto. The Company has not received any written or other notice of or been charged with the violation of any Legal Requirements. To the Knowledge of the Transferor, neither the Company, the Transferor, nor the Real Property is under investigation with respect to the violation, in any material respect, of any Legal Requirements relating to the Business and Transferor is unaware of any facts or circumstances which could form the basis for any such violation.

(b) Schedule 3.10(b) of the Transferor Disclosure Schedule, contains a list of all Permits which are required for the operation of the Business as presently conducted and including without limitation environmental permits and licenses for the sale of alcoholic beverages ("Company Permits"), other than those the failure of which to possess is immaterial. The Company currently has all Permits, and the Company Permits constitute all Permits, which are required for the operation of the Business and the ownership or operation of the Real Property other than those the failure of which to possess is immaterial. Neither the Company, Transferor, nor the Real Property is in default or violation, and no event has occurred which, with notice or the lapse of time or both, would constitute a default or violation, in any material respect of any term, condition or provision of any Company Permit and there are no facts or circumstances which could form the basis for any such default or violation. There is no Litigation pending or, to the Knowledge of the Transferor, threatened, relating to the suspension, revocation or modification of any of the Company Permits. None of the Company Permits will be impaired or in any way affected by the consummation of the transactions contemplated by this Agreement although notification or transfer applications may be required as set forth in Schedule 3.10(c).

3.11 Litigation. Except as disclosed in Schedule 3.11 of the Transferor Disclosure Schedule, there is no Litigation pending or, to the Knowledge of the Transferor, threatened against the Company or its properties or assets (or, to the Knowledge of the Transferors, pending or threatened against any officers or directors of the Company) or to which the Company is otherwise a party; nor is the Transferor aware of any reasonable basis for any such Litigation. Except as set forth on Schedule 3.11 of the Transferor Disclosure Schedule, neither the Transferor nor the Company has received written notice that the Company is subject to any material order, Judgment, injunction or decree of any Governmental Agency. There is no Litigation pending or, to the Knowledge of the Transferor, threatened against the Company or to which the Company is otherwise a party relating to this Agreement or any Related Document or the transactions contemplated hereby or thereby.



3.12 Approvals. The Company has in effect all material Approvals necessary for the operation of the Resort as of the date hereof (including, without limitation, for this purpose any Approvals necessary for EB-5 Project Phase I and current construction activity in progress on any Real Property. Except as set forth on Schedule 3.12 of the Transferor Disclosure Schedule, neither the Transferors nor the Company has received written notice of any default under any such Approval.

3.13 Labor Matters. Except as set forth on Schedule 3.13 of the Transferor Disclosure Schedule, the Company is in compliance in all material respects with all Legal Requirements relating to the employment of labor, including all such Legal Requirements relating to wages, hours, and employment.

3.14 Employee Benefit Plans. Schedule 3.14 of the Transferor Disclosure Schedule contains a true and complete list of each "employee benefit plan" (within the meaning of Section 3(3) of ERISA), and all other employee benefit arrangements or payroll practices, including stock purchase, stock option or other stock-related rights .

3.15 Assets. Schedule 3.15 of the Transferor Disclosure Schedule is a complete and accurate list of the principal, material assets owned and held by the Company on the Closing date. The Company holds or will hold title to all of the assets, tangible personal property, contracts, real and personal property leases, and intellectual property necessary to conduct the Business as it is being conducted as of the date of this Agreement. The assets will be owned by the Company subject only to the encumbrances and liens disclosed to the Transferee prior to the Closing.

3.16 Owned and Leased Real Property. Schedule 3.16(a) of the Transferor Disclosure Schedule is a complete and accurate list of all real property owned by the Company or which will be owned by the Company on the Closing Date (the "Owned Real Property"). Schedule 3.16(b) of the Transferor Disclosure Schedule is a complete and accurate list of all real property leased by the Company or which will be leased by the Company on the Closing Date (the "Leased Real Property").

3.17 Real Property.

(a) The Leased Real Property and the Owned Real Property (collectively the "Real Property") constitute all of the real property that the Company owns, uses or occupies (or will own, use or occupy on the Closing Date) for use in the Resort or otherwise relating to the Business.

(b) The Company owns or will, on the Closing Date, own good and marketable fee title to the Owned Real Property and good and valid leasehold interests in the Leased Real Property, subject only to Permitted Liens and Liens set forth on Schedule 3.17(b) of the Transferor Disclosure Schedule to be provided to the Transferee on or before the Closing Date. The foregoing representation shall not be construed in any event to relate to the fee interest in any Leased Real Property.

(c) Neither the Company nor the Transferors have received written notice regarding any of the following in respect of the Real Property (except for matters

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previously resolved): (i) any dispute from any contiguous property owners concerning contiguous boundary lines, or (ii) any claims of others to rights over, under, across or through any of the Owned Real Property or Leased Real Property by virtue of use or prescription.

(d) Schedule 3.17(d) of the Transferor Disclosure Schedule sets forth, as of the date hereof, a complete and accurate list of all leases, subleases, licenses and other agreements (collectively, the "Space Leases") granting to any Person (including another company) any right to the possession, use, occupancy or enjoyment of the Real Property or any portion thereof. Each Space Lease is valid, binding and in full force and effect, and neither the Company nor, to the Knowledge of the Transferor, any other party to such Space Lease is in material breach thereof or default thereunder.

(e) To the Knowledge of the Transferor, the Owned Real Property and the Leased Real Property and their present uses, do not violate or conflict in any material respect with any applicable zoning or building restrictions, or any covenants, conditions or restrictions applicable to the Owned Real Property or Leased Real Property, as applicable. No written notice has been received by the Company or any of the Transferors that the Owned Real Property is not in compliance with all applicable federal, state and local Legal Requirements, the violation of which would have a material adverse effect. The Company has all certificates of occupancy, Permits and other Approvals of any Governmental Agency necessary or useful for the current ownership, use and operation of the Real Property, and the Company and the Subsidiaries have fully complied with all material conditions of the Permits and Approvals applicable to them. To the knowledge of the Transferor, no default or violation, or event that with the lapse of time or giving of notice or both would become a default or violation, has occurred in the due observance of any Permit or Approval.

Other than as set forth in Transferor Disclosure Schedule 3.17(e), the Company does not own, hold, is obligated under or is a party to, any option, right of first refusal or other contractual right to purchase, acquire, sell, assign or dispose of any real estate (including the Real Property) or any portion thereof or interest therein.

3.18 Tax Matters.

(a) Unless otherwise set forth in the Transferor Disclosure Schedule 3.18, all material Tax Returns required to be filed by or with respect to the Company on or before the date hereof have been properly prepared and timely filed and all amounts shown thereon to be due have been timely paid. All such Tax Returns were correct and complete in all material respects.

(b) With respect to all material federal, state and local Tax Returns of the Company, no audit is in progress and no extension of time (other than automatic extensions of time) is in force with respect to any date on which any Tax Return was or is to be filed and no waiver or agreement is in force for the extension of time for the assessment or payment of any Tax.



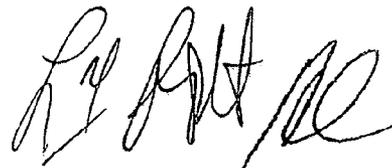
(c) To the Knowledge of the Transferor, there are no material Liens for Taxes upon the assets or properties of the Company, except for statutory Liens for current Taxes not yet due and except for Taxes, if any, as are being contested in good faith.

3.19 No Undisclosed Liabilities. Unless otherwise set forth in the Transferor Disclosure Schedule 3.19, the Company has no Indebtedness or Liabilities other than those (i) that arise out of or relate to the Business and have been disclosed to the Transferee, (ii) specifically reflected in, fully reserved against or otherwise described in the Proration Date Balance Sheet or the notes thereto, (iii) incurred in the Ordinary Course of Business since April 30, 2007, or (iv) that are immaterial to the Company.

3.20 Title and Sufficiency. Unless otherwise set forth in the Transferor Disclosure Schedule 3.20, the Company owns and has good title to each of its assets, free and clear of all Liens other than Permitted Liens. The Company's assets constitute all of the assets used in or held for use in the Business and other than as set forth in the Transferor Disclosure Schedule 3.20, are necessary or sufficient for the Company to conduct the Business from and after the Closing Date without interruption and in the Ordinary Course of Business. No Affiliate of any Transferor or the Company or Transferor owns, uses or has any interest in any asset used or held for use in the Business other than those assets to be transferred to the Company immediately prior to the Closing Date pursuant to the Bill of Sale and Warranty Deed.

3.21 Intellectual Property. Schedule 3.21 of the Transferor Disclosure Schedule, sets forth an accurate and complete list of all Patents, registered Marks, URLs, specifically including, but not limited to www.jaypeakresort.com, and Intellectual Property Licenses, which may or may not be used in the operation of the Company, pending applications for registration of Marks, unregistered Marks, registered Copyrights, and pending applications for registration of Copyrights included in the Company Intellectual Property. Schedule 3.21 lists (i) the jurisdictions in which each such item of Intellectual Property has been issued, registered, otherwise arises or in which any such application for such issuance and registration has been filed and (ii) the registration or application date, as applicable.

Except with respect to licenses of commercial off-the-shelf Software available on reasonable terms for a license fee of no more than \$2,500.00, and except pursuant to the Intellectual Property Licenses listed in Schedule 3.21 the Company is not required, obligated, or under any liability whatsoever, to make any payments by way of royalties, fees or otherwise to any owner, licensor of, or other claimant to, any Intellectual Property, or any other Person, with respect to the use thereof or in connection with the conduct of the Business as currently conducted. Notwithstanding the generality of the foregoing, Transferor currently holds the rights to 30 point-of-sale licenses for the Business which do not include any online sales. These licenses allow the Company to vend products at various ticket sales-points, rental, repair, demo and food/beverage outlets but do not include the ability to make any online sales and do not include an e-commerce license for ticket sales. It is agreed that these licenses shall be transferred to the Company at no cost to the Company (nor at any cost to the Transferor) provided that all annual maintenance fees and royalties shall be assumed by and paid by the Company after Closing.



3.22 Material Contracts. Schedule 3.22 of the Transferor Disclosure Schedule sets forth, all of the Contracts to which the Company or Transferor is a party or by which it or its assets or properties are bound, in each case which relate in any manner to the Business and involve a total commitment or obligation of the Company in excess of \$25,000 (collectively, the "Material Contracts"); Schedule 3.22 also sets forth any Contract with respect to which the services or goods rendered or supplied by the vendor or contractor relate to services and goods rendered or delivered to both the Company and another party, including but not limited to services and goods rendered or delivered to both the Company and to Mont Saint Sauveur International, Inc. ("MSSI") and/or to Affiliates or Subsidiaries of MSSI (each a "Shared Contract" and collectively the "Shared Contracts"). Each such Shared Contract shall be identified on the Schedule by the notation "Shared Contract."

Each of the Material Contracts is in full force and effect and is the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms and, upon consummation of the transactions contemplated by this Agreement, shall continue in full force and effect without penalty or other adverse consequence. The Company is not in default under any Material Contract, nor, to the Knowledge of the Transferor, is any other party to any Material Contract in breach of or default thereunder, and no event has occurred that with the lapse of time or the giving of notice or both would constitute a breach or default by the Company, or any other party thereunder. No party to any of the Material Contracts has exercised any termination rights with respect thereto, and no such party has given notice of any significant dispute with respect to any Material Contract. The Transferor has delivered to Transferee true, correct and complete copies of all of the Material Contracts, together with all amendments, modifications or supplements thereto.

3.23 Environmental Matters. Unless otherwise set forth in the Transferor Disclosure Schedule 3.23:

(a) the operations of the Company, with respect to the Business, is and has been in compliance in all material respects with all applicable Environmental Laws, save and except for non-compliance which could not have a material adverse effect on the Company or the Business, which compliance includes obtaining, maintaining in good standing and complying with all Environmental Permits necessary to operate the Business and own and/or lease the Real Property and no action or proceeding is pending or, to the Knowledge of the Transferor, threatened to revoke, modify or terminate any such Environmental Permit, and, to the Knowledge of the Transferor, no facts, circumstances or conditions currently exist that could adversely affect such continued compliance with Environmental Laws and Environmental Permits or require currently unbudgeted material capital expenditures, fines, or penalties to achieve or maintain such continued compliance with Environmental Laws and Environmental Permits;

(b) with respect to the Business, to the Knowledge of the Transferor, the Company is not the subject of any outstanding written order or Contract with any Governmental Agency or Person respecting (i) Environmental Laws, (ii) Remedial Action or (iii) any Release or threatened Release of a Hazardous Material other than the Environmental Protection Agency ("EPA") review of the golf course drainage and

construction which includes the Vermont State settlement and Federal review of the EPA fines and Governmental Authority dealing with streams and wetlands;

(c) no claim has been made or is pending or to the Knowledge of the Transferor, threatened against the Company, alleging, with respect to the Business, that the Company, may be in violation of any Environmental Law or any Environmental Permit or may have any liability under any Environmental Law.

3.24 Insurance. Unless otherwise set forth in the Transferor Disclosure Schedule 3.24, The Company has insurance policies in full force and effect for such amounts as are sufficient for all Legal Requirements under all agreements to which the Company is a party or by which it is bound. Set forth in Schedule 3.24 is a list of all insurance policies and all fidelity bonds held by or applicable to the Company or the Business setting forth, in respect of each such policy, the policy name, policy number, carrier, term, type and amount of coverage and annual premium, whether the policies may be terminated upon consummation of the transactions contemplated hereby and if and to what extent events being notified to the insurer after the Closing Date are generally excluded from the scope of the respective policy. Excluding insurance policies that have expired and been replaced in the Ordinary Course of Business, no insurance policy has been cancelled within the last two (2) years and, to the Knowledge of the Transferor, no threat has been made to cancel any insurance policy of the Company during such period. Transferor has notified all applicable insurance carriers regarding the proposed change of ownership of Company.

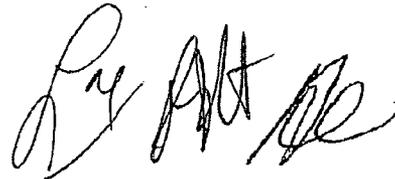
3.25 Inventories. The inventories of the Company set forth in the Balance Sheet were valued at the lower of cost (on a FIFO/LIFO basis) or market value and were properly stated therein in accordance with GAAP consistently applied.

3.26 Accounts and Notes Receivable and Payable. Unless otherwise set forth in the Transferor Disclosure Schedule 3.26, there are no accounts and notes receivable of the Company relating to the Business that have not arisen from bona fide transactions in the Ordinary Course of Business consistent with past practice and payable on ordinary trade terms.

3.27 Related Party Transactions. Unless otherwise set forth in the Transferor Disclosure Schedule 3.27 no related Person (i) owes any amount to the Company nor does the Company owe any amount to, or has the Company committed to make any loan or extend or guarantee credit to or for the benefit of, any Related Person, (ii) is involved in any business arrangement or other relationship with the Company (whether written or oral), (iii) owns any property or right, tangible or intangible, that is used by the Company, (iv) has any claim or cause of action against the Company or (v) owns any direct or indirect interest of any kind in, or controls or is a director, officer, employee or partner of, or consultant to, or lender to or borrower from or has the right to participate in the profits of, any Person which is a competitor, supplier, customer, landlord, tenant, creditor or debtor of the Company.

3.28 Certain Ski-related Representations.

(a) The report from the 2006/07 and 2007/08 ski seasons, set forth on Schedule 3.28(a), properly reflects the amounts for such period which relate to the



obligations, commitments, agreements or arrangements of the Business, to provide free, fixed-rate, or reduced-rate ski tickets or passes, club memberships, goods, materials, accommodations or services of any nature whatsoever to any person or party.

(b) Schedule 3.28(b) sets forth a list of all holders of ski passes, golf passes and similar rights and privileges for use of Resort facilities or accommodations that have a duration of greater than one year.

3.29 Tram and Ski Lifts.

(a) Except as set forth on Schedule 3.29(a) of the Transferor Disclosure Schedule, the Company has not had, in the past five (5) ski seasons up to the date hereof, (i) any material passenger incidents (excluding any such incidents involving personal injury or death) and (ii) to the Knowledge of the Transferor, any such incidents involving personal injury or death, in each case, that required reporting to any Governmental Agency (the "Tramway Authorities") or under any other applicable Legal Requirements.

(b) Except as set forth on Schedule 3.29(b) of the Transferor Disclosure Schedule, as of the date hereof, each tram and ski lift operated by the Company complies in all material respects with Legal Requirements of the Tramway Authorities.

3.30 Full Disclosure. No representation or warranty of the Transferor contained in this Agreement or set forth in the Transferor Disclosure Schedule contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading, it being acknowledged by the Transferee that the Transferee has completed a full due diligence review of the Resort and the Business, is satisfied therewith and has declared that it is unaware of any matter which would cause any of the representation or warranties of the Transferor to be inaccurate or untrue.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE TRANSFEEE

The Transferee represents and warrants to Transferor as follows:

4.1 Organization of the Transferee. Transferee is a corporation duly formed, validly existing and in good standing under the laws of the State of Delaware, and has all requisite power and authority to carry on its business as presently owned or conducted and as currently proposed to be conducted.

4.2 Power and Authority. Transferee has the requisite authority and power to execute and deliver this Agreement and the Related Documents and to perform the transactions contemplated hereby. All action on the part of the Transferee necessary to approve or to authorize the execution and delivery of this Agreement and the Related Documents and the performance by the Transferee of the transactions contemplated hereby and thereby has been or, with respect to the Related Documents, will be duly taken. This Agreement has been duly executed and delivered by the Transferee and constitutes the legal, valid and binding obligation of the Transferee, enforceable against the Transferee in accordance with its terms.



4.3 No Conflicts. Except as may be required neither the execution nor delivery by the Transferee of this Agreement and the Related Documents nor the performance by the Transferee of the transactions contemplated hereby and thereby, shall:

(a) conflict with or result in a breach of any provision of the By Laws or Shareholders Agreement of Transferee;

(b) violate any existing applicable Legal Requirement by which Transferee or any of its properties is bound, which violation would reasonably be expected to have a material adverse effect on the ability of such Transferee to pay the Transfer Price, in each case on the terms and subject to the conditions set forth herein; or

(c) require any consent, approval, authorization or other order or action of, or notice to, or declaration, filing or registration with, any entity or Person other than any such consent, approval, authorization, order, action, notice, declaration, filing or registration the absence of which would not reasonably be expected to have a material adverse effect on the ability of such Transferee to pay the Transfer Price, in each case on the terms and subject to the conditions set forth herein.

4.4 Litigation. There is no Litigation pending or, to the knowledge of the Transferee, threatened against Transferee or any of its properties or assets which seeks to restrain, enjoin or prevent the consummation of this Agreement or any of the transactions contemplated hereby.

4.5 Brokers. No broker, finder or similar intermediary has acted for or on behalf of Transferee or its Affiliates in connection with this Agreement or the transactions contemplated hereby, and no broker, finder, agent or similar intermediary is entitled to any broker's, finder's or similar fee or other commission in connection therewith based on any agreement, arrangement or understanding with Transferee or its Affiliates or any action taken by Transferee or its Affiliates.

4.6 Availability of Funds. The Transferee has, or will have on or prior to Closing, cash available or borrowing facilities or unconditional, binding funding commitments, in each case that are sufficient to enable them to consummate the transactions contemplated by this Agreement and the Related Documents.

ARTICLE 5 PRE-CLOSING TRANSACTIONS

5.1 Transfer of Assets. Immediately prior to Closing, Transferor and its Affiliates shall transfer to the Company, in the most tax-efficient manner possible, all assets relating to the Resort and the Business, other than (i) condominium unit Number VC 417, (ii) any assets owned by Transferor and any of its Affiliates other than the Company which are jointly used by the Company and the Transferor or any such Affiliate in the operation of their respective businesses (such as point-of-sale software for on-line reservations and sales, accounting software, computer files and databases) (the "Asset Transfer"). The assets so transferred to the Company will be transferred, pursuant to the Warranty Deed and Bill of Sale, at their book value, payable, in part, by the assumption by the Company of all accounts payable and current liabilities relating to the Resort and the Business as at the date of the Asset Transfer. The balance of the purchase price will either be paid in cash or by the issuance to Transferor of additional Common shares in the



capital stock of the Company, which additional shares will form part of the Shares to be transferred to Transferee on the Closing Date pursuant hereto.

5.2 Long Term Debt. At the Closing the Transferor will pay off, to the complete exoneration of the Transferee and the Company, Five Million Seven Hundred Thousand Dollars (\$5,700,000) of long term debt of the Company being held by Canadian lenders. The Company or the Transferee shall repay to Transferor approximately \$5.2M plus interest calculated at the rate of 5% percent per annum calculated from the Closing to the date of repayment which shall be due on August 15, 2008 and the Company and Transferee shall issue a promissory note reflecting same as described in Section 6.2(e) which debt shall be secured on the assets and shares of the Company which security shall include a Mortgage on the Owned Real Property ranking only behind the Town of Jay in a maximum amount of \$620,000. At the Closing the Company or Transferee shall assume, to the complete exoneration of Transferor and its Affiliates, or cause to be repaid, long-term debt of Transferor relating to the Resort and the Business, in a total principal amount of Three Million Three Hundred Thousand dollars (\$3,300,000). Any such repayment will be fully funded by Transferee or any such assumption will be arranged by Transferee, who shall provide such guarantees as may be required by Transferor. In addition, the Company or Transferee shall also assume, to the complete exoneration of Transferor and its Affiliates, the long-term debt in an amount of approximately \$2,000,000.00 being incurred by Transferor in order to replace the tram supporting cables at the Resort in June of 2008. Any penalties, early repayment fees or the like incurred by Transferor in connection with the assumption or repayment of any long term debt (including the tram financing) hereunder shall be the sole responsibility of Transferor.

5.3 Employees. In connection with the Asset Transfer, the Company will also offer employment to all of the employees of Transferor and any of its Affiliates currently employed by Transferor or any of its Affiliates in connection with the Resort and the Business (other than senior management who render services to Transferor and all of Transferor's Affiliates), on the same terms and conditions as those which they currently enjoy as employees of Transferor or any of its Affiliates. All employment-related obligations pertaining to such employees will be assumed by the Company upon the Asset Transfer.

5.4 Contracts. All Contracts of or pertaining to the Business and the EB-5 Project will likewise be transferred to and assumed by the Company upon the Asset Transfer, other than Contracts relating specifically to long-term debt, which shall be dealt with in accordance with Section 5.2 above and other than those Contracts relating to Technology or Software which is jointly used by the Company and Transferor such as Siriusware point of sale software, website services and Accpac accounting software.

ARTICLE 6 CLOSING

6.1 Transferor's Closing Deliveries. At Closing, Transferor will deliver, or cause to be delivered, the following:

- (a) Certificates representing all of the Shares, duly endorsed (or accompanied by duly executed stock powers), for transfer to Transferee;



(b) Corporate Resolution, authorizing the terms of this Agreement and defining which individuals are authorized to act on behalf of Transferor;

(c) a resignation addressed to the Company executed by directors or officers of the Company that shall include a general release of any and all claims by them against the Company, except for any claims disclosed pursuant to this Agreement.

(d) an affidavit executed by Transferor representing and warranting to Transferee that Transferor's representations and warranties in this Agreement qualified as to materiality were accurate in all respects as of the date of this Agreement and are accurate in all respects as of the Closing Date as if made on the Closing Date other than as set forth therein, and that Transferor's representations and warranties in this Agreement not so qualified were accurate in all material respects as of the date of this Agreement and are accurate in all material respects as of the Closing Date as if made on the Closing Date other than as set forth therein;

(e) a duly executed Deed of Sale reflecting the transfer of the Owned Real Property from Transferor to the Company duly registered in the State of Vermont Land Registry which shall reflect the Company as owner of same (the "Warranty Deed") along with an Owners Title Commitment to be paid by the Company setting forth that the Company is the owner of the Real Property;

(f) Copies of all consents, waivers and approvals referred to in Section 3.12;

(g) Evidence of Assignment of all Material Contracts to the Company;

(h) Evidence that the long term debt of the Company held by Canadian lenders has been satisfied.

(i) a duly executed Agreement of sale (i.e. Bill of Sale) between Transferor and the Company reflecting the completed Asset Transfer setting forth all assets owned by the Company;

(j) such other documents as Transferee may reasonably request.(ie evidence that Transferor has satisfied all tax requirements of Transferor and of Company related to the transactions contemplated by this Agreement).

6.2 Transferee's Closing Deliveries. At Closing, Transferee will deliver the following:

(a) the Base Transfer Price payable by wire transfer to an account specified by Transferor;

(b) an affidavit executed by Transferee representing and warranting to Transferor that each of Transferee's representations and warranties in this Agreement was accurate in all respects as of the date of this Agreement and is accurate in all respects as of the Closing Date as if made on the Closing Date;



(c) Evidence of assumption or repayment of US long-term debt in the amount of approximately \$3,300,000;

(d) Evidence of assumption or repayment of any financing concerning the Tram, if necessary;

(e) An instrument, note, and/or acknowledgement by Transferee in favor of Transferor of the obligation to reimburse Transferor for payment of the long term debt of Company on or before August 15, 2008 in an amount not to exceed \$5,200,000.00 (plus the amount of the tram financing, if concluded prior to Closing) representing a portion of the long term debt of Transferor related to the Business, provided that Transferor provides proof of payment and satisfaction of such liability as referenced in Section 5.2.

(f) Evidence of security on the assets and shares of the Company to secure repayment of promissory note described in (e) above which security shall include a mortgage on the Owned Real Property.

(g) an unconditional release of Transferor from any and all obligations pertaining to the EB-5 Project, executed by such persons and in such form as counsel to Transferor approves, acting reasonably;

(h) a corporate resolution authorizing the terms of this Agreement and defining which individuals are authorized to act on behalf of Transferee;

(i) such other documents as Transferor may reasonably request.

6.3 Closing Date. Subject to the satisfaction or waiver of the conditions set forth in Articles 6 and 7 hereof, the Closing is scheduled to be held at 10:00 a.m. on June 20, 2008, at the law offices of the parties respective attorneys. Copies of all documents shall be exchanged between the parties at the Closing via electronic mail or facimile, and the Base Transfer Price, subject to mutually agreed adjustments, shall be sent to Transferor's designated bank account via wire transfer upon the complete execution and exchange of the the Closing Documents. The parties will cause the applicable original Closing Deliveries to be forwarded the next business day to the Transferor and Transferee's respective attorneys.

ARTICLE 7 CONDITIONS TO CLOSING

7.1 Conditions to Obligations of Transferee to Close. The obligations of the Transferee to be performed at the Closing shall be subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions:

(a) Representations and Warranties; Compliance with Covenants. The representations and warranties of the Transferor contained herein qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all respects, as of the date of this Agreement and on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date (except for

those representations and warranties that are expressly limited by their terms to an earlier date, which representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of such earlier date). The Transferor shall have performed and complied in all material respects with all covenants and agreements required hereby to be performed or complied with by them on or prior to the Closing Date and Transferee shall have received copies of such resolutions and other documents evidencing the performance thereof as Transferee may reasonably request. Transferor shall have delivered to the Transferee an affidavit, dated the date of the Closing and signed by an officer of Transferor, to the foregoing effect.

(b) No Material Adverse Effect. Since the date hereof, there has occurred no change, effect, condition, event or circumstance which has had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the transaction.

(c) No Injunction. No Judgment has been rendered in any Litigation which has the effect of enjoining the consummation of the transactions contemplated by this Agreement and no Litigation shall have been instituted or threatened or claim or demand made against the Transferor, the Company or the Transferee seeking to restrain or prohibit, or to obtain substantial damages with respect to, the consummation of the transactions contemplated hereby.

(d) Transferor's Closing Deliveries. The Transferor shall have delivered all of the Transferor's closing deliveries to the Closing listed in Section 6.1.

(e) Environmental Permits. Transferor shall have obtained the issuance, reissuance or transfer of all Permits (including Environmental Permits), if applicable, required under Environmental Laws for the Company to conduct the operations of Business as of the Closing Date, and the Transferor shall have satisfied all property transfer requirements arising under any Legal Requirement, including Environmental Laws;

(f) Other Company Permits. Transferor shall have obtained the issuance, reissuance or transfer of all other Company Permits necessary for Company to conduct the operations of Business as of the Closing Date;

(g) Approvals. Transferor shall have obtained consents, waivers and approvals from the Chittenden Bank and Town of Jay in a form satisfactory to Transferee.

(h) Termination of Related Party Agreements. The Transferor shall have terminated, or caused to be terminated (and delivered evidence thereof satisfactory to Transferee), any Contracts relating to the Business between Related Persons and the Company except as otherwise agreed.

(i) Required Company Agreements. Coincident with the Closing the Company shall have entered into the following agreements: (i) Management Services



Agreement referred to in Section 8.9, (ii) General Release from its officers and directors referred to in Section 6.1(c) (iii) all other agreements necessary to transfer all of the Company stock to Transferee and permit the Company to immediately conduct the Business.

(j) No Claim Regarding Stock Ownership or Sale Proceeds. Transferor verify and affirm that there are no threatened, anticipated, or actual claims by any Person or entity asserting that they are the holder or the beneficial owner of, or have the right to acquire or to obtain beneficial ownership of, any stock of, or any other voting, equity, or ownership interest in, any of the Company, or is entitled to all or any portion of the Transfer Price payable for the Shares.

7.2 Conditions to Obligations of the Transferor to Consummate the Transaction. The obligations of the Transferor to be performed at the Closing shall be subject to the satisfaction or waiver, at or prior to the Closing, of the following conditions:

(a) Representations and Warranties; Compliance with Covenants. The representations and warranties of the Transferee contained herein qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of the date of this Agreement and on and as of the Closing Date with the same force and effect as though made on and as of the Closing Date (except for those representations and warranties that are expressly limited by their terms to an earlier date, which representations and warranties qualified as to materiality shall be true and correct, and those not so qualified shall be true and correct in all material respects, as of such earlier date). The Transferee shall have performed and complied in all material respects with all covenants and agreements required hereby to be performed or complied with by them on or prior to the Closing Date and Transferor shall have received copies of such resolutions and other documents evidencing the performance thereof as Transferor may reasonably request. Transferee shall have delivered to the Transferor an affidavit, dated the date of the Closing and signed by an officer of Transferee, to the foregoing effect.

(b) No Injunction. No Judgment shall have been rendered in any Litigation which has the effect of enjoining the consummation of the transactions contemplated by this Agreement.

(c) Transferee's Closing Deliveries. Transferee has delivered the Transferee's closing deliveries to the Closing listed in Section 6.2.

ARTICLE 8 COVENANTS

8.1 Regulatory Filings, etc. As soon as practicable after the date hereof (and in any event no later than fifteen (15) Business Days after the date hereof), the Transferor and/or the Company hereto shall make or cause to be made all filings with the appropriate Governmental Agencies of the information and documents (a) required of each and make application for all required Approvals thereunder with respect to the transactions contemplated by this Agreement. The parties hereto shall keep each other apprised of the status of any communications with, and



inquiries or requests for information from, such Governmental Agencies, in each case, relating to the transactions contemplated hereby. The Parties hereto shall each use their respective commercially reasonable best efforts to comply as expeditiously as possible in good faith with all lawful requests of the Governmental Agencies for additional information and documents pursuant to such Legal Requirements and to secure the aforesaid approval prior to the Closing Date.

8.2 Injunctions. If any court having jurisdiction over any of the Parties hereto issues or otherwise promulgates any restraining order, injunction, decree or similar order which prohibits or otherwise restricts the consummation of any of the transactions contemplated hereby or by any Related Document, the Parties hereto shall use their respective commercially reasonable efforts in good faith to have such restraining order, injunction, decree or similar order dissolved or otherwise eliminated as promptly as possible and to pursue the underlying Litigation diligently and in good faith. Notwithstanding anything to the contrary contained in this Agreement, nothing contained in this Section 8.2 shall limit the respective rights of the parties to terminate this Agreement in accordance with the terms of Article 10.

8.3 Access to Information. Between the date of this Agreement and the Closing Date, the Transferor shall, and shall cause the Company and its Affiliates to, upon reasonable request by the Transferee, provide the Transferee and its officers, directors, employees, counsel, accountants and other representatives and advisors (collectively, the "Representatives") access, during normal business hours on reasonable notice (and at such other times as Transferee reasonably requests) and under reasonable circumstances, to any and all premises (including all real property and the buildings, structures, fixtures, appurtenances and improvements located thereon), properties, Contracts, commitments, books and records and other information relating to the Business; provided, however, that Transferee acknowledges having already completed its due diligence review of the books and operations of the Business and is currently fully satisfied therewith and provided further that such access shall not unreasonably interfere with the operations of the Company or its Affiliates.

8.4 Conduct of Business Pending the Closing. In each case except as expressly provided by this Agreement, or consented to or approved in writing by the Transferee, from the date hereof until the Closing, the Transferor shall conduct the Business in the Ordinary Course of Business and in accordance with its past policies and procedures. Any decision to be made by Transferor with respect to the Business that may be considered to be outside the Ordinary Course of Business shall require prior notification to and the approval of the Transferee. From the date hereof until the earlier of Closing or June 20, 2008 and except as otherwise provided in this Agreement, the Sellers shall:

(a) not cause the Company to take any action with respect to, or make any material change in its accounting or Tax policies or procedures, except as may be required by changes in generally accepted accounting principles upon the advice of its independent accountants or as required by the United States Securities and Exchange Commission or any securities exchange;

(b) not cause the Company to make, change or revoke any material Tax election or settle or compromise any material Tax claim or liability or enter into a



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settlement or compromise, or change (or make a request to any taxing authority to change) any material aspect of its method of accounting for Tax purposes, or (b) prepare or file any Tax Return (or any amendment thereof) unless such Tax Return shall have been prepared in a manner consistent with past practice and Sellers shall have provided Buyer a copy thereof (together with supporting papers) at least three Business Days prior to the due date thereof for Buyer to review and approve (such approval not to be unreasonably withheld or delayed);

(c) not cause the Company to take any action or fail to take any action which would constitute a material breach or default under the Organizational Documents of the Company;

(d) use commercially reasonable efforts to cause the Company to (A) preserve the present business operations, organization (including officers and Employees) and goodwill of the Company and (B) preserve the present relationships with Persons having business dealings with the Company (including customers and suppliers);

(e) cause the Company to maintain (A) all of the assets and properties of, or used by, the Company relating to or in connection with the Business in their current condition, ordinary wear and tear excepted, and (B) insurance upon all of such assets and properties of the Company in such amounts and of such kinds comparable to that in effect on the date of this Agreement;

(f) cause the Company to (A) maintain the books, accounts and records of the Company in the Ordinary Course of Business, (B) continue to collect accounts receivable and pay accounts payable utilizing normal procedures and without discounting or accelerating payment of such accounts, and (C) comply with all contractual and other obligations of the Company;

(g) cause the Company to comply in all material respects with all applicable Legal Requirements;

(h) not cause the Company to (A) increase the salary or other compensation of any director or Employee of the Company except for normal year-end increases in the Ordinary Course of Business, (B) grant any unusual or extraordinary bonus, benefit or other direct or indirect compensation to any Employee or director, (C) increase the coverage or benefits available under any (or create any new) severance pay, termination pay, vacation pay, company awards, salary continuation for disability, sick leave, deferred compensation, bonus or other incentive compensation, insurance, pension or other employee benefit plan or arrangement made to, for, or with any of the directors, officers, Employees, agents or representatives of the Company or otherwise modify or amend or terminate any such plan or arrangement or (D) enter into any employment, deferred compensation, severance, special pay, consulting, non-competition or similar agreement or arrangement with any directors or officers of the Company (or amend any such agreement) to which the Company is a party;



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(i) not cause the Company to create, incur, assume, guarantee, endorse or otherwise become liable or responsible with respect to (whether directly, contingently or otherwise) any Indebtedness; (a) except in the Ordinary Course of Business, pay, repay, discharge, purchase, repurchase or satisfy any Indebtedness issued or guaranteed by the Company; (b) modify the terms of any Indebtedness or other Liability; or (c) make any loans, advances of capital contributions to, or investments in, any other Person;

(j) not cause the Company to subject to any Lien or otherwise pledge, assign or encumber or, except for Permitted Liens, not permit, allow or suffer to be encumbered, any of the properties or assets (whether tangible or intangible) of the Company;

(k) not cause the Company to acquire any material properties or assets or sell, assign, license, transfer, convey, lease or otherwise dispose of any of the Assets (except for fair consideration in the Ordinary Course of Business) of the Company, other than in the Ordinary Course of Business;

(l) not cause the Company to enter into or agree to enter into any merger or consolidation with, any corporation or other entity, and not engage in any new business or invest in, make a loan, advance or capital contribution to, or otherwise acquire the securities of any other Person;

(m) not cause the Company to cancel or compromise any debt or claim or waive or release any material right of the Company except in the Ordinary Course of Business;

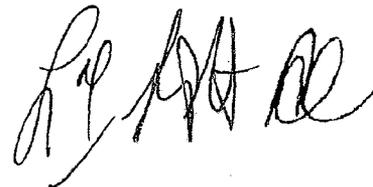
(n) not cause the Company to enter into any commitment for capital expenditures in excess of \$50,000 for any individual commitment and \$100,000 for all commitments in the aggregate;

(o) not cause the Company to enter into, modify or terminate any labor or collective bargaining agreement or, through negotiation or otherwise, make any commitment or incur any liability to any labor organization with respect to any Employee;

(p) not cause the Company to introduce any material change with respect to the operation of the Business, including any material change in the types, nature, composition or quality of products or services, or, other than in the Ordinary Course of Business;

(q) not cause the Company to enter into any transaction or enter into, modify or renew any Contract which by reason of its size or otherwise is not in the Ordinary Course of Business;

(r) not cause the Company to terminate, amend, restate, supplement or waive any rights under any (A) Material Contract, Real Property Lease, Personal Property



Lease or Intellectual Property License, other than in the Ordinary Course of Business or (B) Approval or Permit;

(s) not cause the Company to enter into any Material Contract except contracts entered into in the Ordinary Course of Business;

(t) not cause the Company to enter into any employment agreements except in the Ordinary Course of Business;

(u) not cause the Company to enter into any material agreement with any Governmental Agency;

(v) not cause the Company to enter into any consulting agreement or sponsorship agreement requiring the payment of \$2,500 or more or having a term of one year or more;

(w) not cause the Company to settle or compromise any pending or threatened Litigation or any claim or claims for, or that would result in a loss of revenue of, an amount that could, individually or in the aggregate, reasonably be expected to be greater than \$50,000;

(x) not cause the Company to change or modify its credit, collection or payment policies, procedures or practices, including acceleration of collections or receivables (whether or not past due) or fail to pay or delay payment of payables or other liabilities;

(y) not cause the Company to grant or issue any ski passes, golf memberships, or other coupons or vouchers for use of the facilities or accommodations related to the Business with a expiration date greater than the 2008/2009 ski season;

(z) not cause the Company to take any action or omit to take any action for the purpose of directly or indirectly preventing, materially delaying or materially impeding the consummation of the transactions contemplated by this Agreement; and

(aa) not cause the Company to agree to do anything (A) prohibited by this Section 8.4, (B) which would make any of the representations and warranties of Sellers in this Agreement or any of the Related Documents untrue or incorrect in any material respect or could result in any of the conditions to the Closing not being satisfied or (C) that would be reasonably expected to have a Material Adverse Effect.

If the Closing has not occurred on June 20, 2008, then the detailed restrictions set forth above shall cease and the Transferor shall again be free to operate the Business in the Ordinary Course of Business subject only to prior consent of Transferee for decisions outside the Ordinary Course of Business.

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8.5 Commercially Reasonable Efforts; Further Assurances.

(a) Upon the terms and subject to the conditions hereof (including without limitation, Sections 7.1, and 7.2), the Transferor and the Transferee each agree to use their respective commercially reasonable efforts in good faith to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to ensure that the conditions set forth in Article 7 are satisfied and to consummate and make effective the transactions contemplated by this Agreement and the Related Documents insofar as such matters are within their respective control.

(b) Except as otherwise expressly provided for in this Agreement, the parties hereto shall provide such information and cooperate fully with each other in making such applications, filings and other submissions which may be required or reasonably necessary in order to obtain all approvals, consents, authorizations, releases and waivers as may be required under this Agreement and the Related Documents as conditions to the parties' Closing obligations.

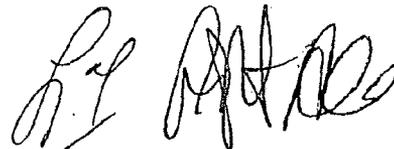
(c) Except as otherwise expressly provided for in this Agreement, the parties hereto shall promptly take all actions necessary to make each filing, including any supplemental filing, which either of them may be required to make with any Governmental Agency as a condition to or consequence of the consummation of the transactions contemplated by this Agreement or any Related Document.

(d) On or prior to the Closing the parties hereto shall execute and deliver to each other each of the Related Documents to which they are a party.

(e) The Transferor shall, to the extent permitted by applicable Legal Requirement, use their reasonable best efforts to assist and cooperate with the Transferee in making such arrangements as would permit the continued sales of alcoholic beverages by the Company at the Resort following the Closing including assisting with transfer applications.

(f) Following the Closing, Transferee shall be required to engage an IT professional to effectively extract all data relating to the Business from Transferor's computer system. Transferee acknowledges that Transferor does not possess any employee with the expertise required and that same must be done by Transferee's professional and at its sole cost and expense, provided that Transferor shall provide reasonable access to such system. The Transferor shall co-operate to assist in the transfer of all data and all right, title and interest to such data that relates to or is used in connection with the Business and is maintained in electronic format by Transferor, including, without limitation, marketing data and customer lists from Transferor to Transferee or the Company.

8.6 Use of Names. Following the Closing and except as permitted by the Management Services Contract, the Transferor shall, and shall cause all Affiliates to, cease to use any written materials, logo formats, designs, including labels, packing materials, letterhead,



advertising materials and forms, which include the words and trade names contained on Schedule 8.6.

8.7 EB-5 Indemnity. It is understood and agreed by Transferee, that as of and from Closing, the Company and, to the extent necessary, Transferee, shall assume all responsibility for the EB-5 Project, the whole to the complete exoneration of Transferor. Transferee hereby agrees to hold harmless and indemnify Transferor, its shareholders, directors, officers, Affiliates, agents and representatives, from any and all obligations of any nature whatsoever, however and whenever arising, in connection with or pursuant to the EB-5 Project or any aspect thereof or any and all matters related to the EB-5 Project including, without limitation, the withdrawal of Transferor from any participation in the EB-5 Project on the Closing Date. In addition, it has been agreed that the sole obligations of Transferor in connection with the EB-5 Project during the Interim Period, will consist of:

(a) Spending \$75,000 to the cost of architectural drawings, promotions and legal fees for the furtherance of Phase II of the EB-5 Project;

(b) Not accepting any new investment into the EB-5 Project nor signing any other agreements pertaining thereto without the prior written consent of Transferee; and

(c) Transferring to the Company, as part of the Asset Transfer, with good marketable title thereto, the real estate at the Resort described as the "Land" in the Offering Memorandum dated December 22, 2006. It is agreed that it shall be the obligation of the Transferee or the Company to transfer this piece of land to Jay Peak Hotel Suites, LP subsequent to the Closing and it shall hold harmless and indemnify Transferor in this regard.

From the date hereof to the Closing Date, it is understood and agreed that no investors will be accepted, no investments will be deposited nor other binding agreements signed by Transferor or the Company or its subsidiaries with respect to Phase II of the EB-5 Project.

8.8 Confidentiality; Publicity.

(a) From and after the date hereof, neither Transferor, Transferee nor the Company shall, and each such party shall cause its Affiliates and their respective officers, and directors not to, directly or indirectly, disclose, reveal, divulge or communicate to any Person or use or otherwise exploit for its own benefit or for the benefit of anyone any Confidential Information (as defined below). The parties and their respective officers, directors and Affiliates shall not have any obligation to keep confidential any Confidential Information if and to the extent disclosure thereof is specifically required by law; provided, however, that in the event disclosure is required by applicable Legal Requirement, the disclosing party shall, to the extent reasonably possible, provide the other with prompt notice of such requirement prior to making any disclosure so that the other party may seek an appropriate protective order. For purposes of this Section 8.8(a), "Confidential Information" means any information with respect to the business of each party, including methods of operation, customers,



customer lists, products, prices, sale price and terms of this Agreement, fees, costs, technology, inventions, Trade Secrets, know-how, software, marketing methods, plans, personnel, suppliers, competitors, markets or other specialized information or proprietary matters. Confidential Information does not include, and there shall be no obligation hereunder with respect to, information that (i) is generally available to the public on the date of this Agreement or (ii) becomes generally available to the public other than as a result of a disclosure not otherwise permissible thereunder. The covenants and undertakings contained in this Section 8.8 (a) relate to matters which are of a special, unique and extraordinary character and a violation of any of the terms of this Section 8.8(a) will cause irreparable injury to a party, the amount of which will be impossible to estimate or determine and which cannot be adequately compensated. Accordingly, the remedy at law for any breach of this Section 8.8(a) will be inadequate. Therefore, the injured party will be entitled to an injunction, restraining order or other equitable relief from any court of competent jurisdiction in the event of any breach of this Section 8.8(a) without the necessity of proving actual damages or posting any bond whatsoever. The rights and remedies provided by this Section 8.8(a) are cumulative and in addition to any other rights and remedies which Transferee may have hereunder or at law or in equity.

(b) Neither Transferor nor Transferee shall issue any press release or public announcement concerning this Agreement or the transactions contemplated hereby without obtaining the prior written approval of the other party hereto, which approval will not be unreasonably withheld or delayed, unless, in the sole judgment of Transferee or Transferor, as applicable, disclosure is otherwise required by applicable Legal Requirement or by the applicable rules of any stock exchange on which Transferee or Transferor lists securities, provided that, to the extent required by applicable Legal Requirement, the party intending to make such release shall use its commercially reasonable efforts consistent with such applicable Legal Requirement to consult with the other party with respect to the timing and content thereof. Each of Transferee and Transferor agree that the terms of this Agreement shall not be disclosed or otherwise made available to the public and that copies of this Agreement shall not be publicly filed or otherwise made available to the public, except where such disclosure, availability or filing is required by applicable Legal Requirement and only to the extent required by such Legal Requirement. In the event that such disclosure, availability or filing is required by applicable Legal Requirement, each of Transferee and Transferor (as applicable) agree to use its commercially reasonable efforts to obtain "confidential treatment" of this Agreement with the SEC (or the equivalent treatment by any other Governmental Agency) and to redact such terms of this Agreement the other party shall request.

8.9 Transition. Pursuant to the Management Services Contract to be agreed by the parties, for a period not to exceed three (3) months following the Closing Date, Transferor shall cooperate in good faith to effect an orderly transition in the operation of the Business by providing the goods (if any) and services specified in the Management Services Contract.

8.10 Access to Records After the Closing. The Transferor recognizes that subsequent to the Closing it may have information and documents which relate to the Business and to which

A handwritten signature in black ink, appearing to be 'L. J. ...', is written over the bottom right portion of the page.

Transferee may need access subsequent to the Closing, and vice versa. The Transferor and the Transferee shall each provide the other and their respective Representatives access, during normal business hours on reasonable notice (and at such other times as the party seeking same reasonably requests) and under reasonable circumstances, to all such information and documents, and to furnish copies thereof, which such other party reasonably requests and relating to the Business. The Transferor agree that prior to the destruction or disposition of any such books or records pertaining to the Transferor that relate in any manner to the Business at any time within three (3) years after the Closing Date (or, in any matter involving Taxes, within ten (10) years after the Closing Date), the Transferor shall provide not less than thirty (30) calendar days prior written notice to Transferee of any such proposed destruction or disposal. If Transferee desires to obtain any such documents, it may do so by notifying the Transferor in writing at any time prior to the scheduled date for such destruction or disposal. Such notice must specify the documents which the Transferee wishes to obtain. The Transferor shall then promptly arrange for the delivery of such documents. All out-of-pocket costs associated with the delivery of the requested documents shall be paid by the Transferee. Notwithstanding any provision of this Agreement or the Related Documents to the contrary, in no event shall the Transferor or their Affiliates be required to provide the Transferee with access to or copies of the Transferor's, or their Affiliates' Tax Returns to the extent such Tax Returns do not relate the Business. For a period of three (3) years shall forward to Transferee, within three (3) business days of receipt of the same, any documents, writing, or electronic transmissions of any nature whatsoever, outside of the documents referred to above, relating to the Company that Transferor receives from any Person or entity subsequent to Closing.

8.11 Non-Solicitation. For a period from the date hereof to the second anniversary of the Closing Date, the Transferor shall not and shall cause their respective directors, officers, employees and Affiliates not to: (i) cause, solicit, induce or encourage any Employees of Transferor or the Subsidiaries to leave such employment or hire, employ or otherwise engage any such individual; or (ii) cause, induce or encourage any material actual client, customer, supplier or licensor of the Business (including any existing or former customer of Transferor or the Subsidiaries and any Person that becomes a client or customer of the Business after the Closing) or any other Person who has a material business relationship with the Business, to terminate any such relationship.

8.12 Notification of Certain Matters. Transferors shall give notice to Transferee and Transferee shall give notice to Transferor, as promptly as reasonably practicable upon becoming aware of (a) any fact, change, condition, circumstance, event, occurrence or non-occurrence that has caused or is reasonably likely to cause any representation or warranty in this Agreement made by it to be untrue or inaccurate in any respect at any time after the date hereof and prior to the Closing, (b) any material failure on its part to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it hereunder or (c) the institution of or the threat of institution of any Litigation against the Transferors or the Company related to this Agreement or the transactions contemplated hereby; provided that the delivery of any notice pursuant to this Section 8.12 shall not limit or otherwise affect the remedies available hereunder to the party receiving such notice, or the representations or warranties of, or the conditions to the obligations of, the parties hereto.



8.13 Compliance with Legal Requirements. The Transferor shall provide the Transferee with prompt written notice upon (a) the Transferors obtaining Knowledge of the commencement of any investigation or review by any Government Authority with respect to the Company, the Transferor or the transfer of the Shares, or (b) receipt of any notice or communication of any noncompliance with any applicable Legal Requirements in any material respect.

8.14 Updating of the Schedules. Prior to Closing, the Transferor shall be obligated to update all of the Schedules promptly to correct any material inaccuracy in any such Schedule (other than to reflect actions or omissions which do not constitute a violation of the covenants contained in this Agreement occurring after the date of this Agreement and that would not reasonably be expected to have a material adverse effect).

ARTICLE 9 SURVIVAL AND INDEMNIFICATION

9.1 Survival of Representations and Warranties. The representations and warranties of the parties contained in this Agreement, any certificate delivered pursuant hereto or any Related Document shall survive the Closing through and including the first anniversary of the Closing Date; provided, however, that the representations and warranties (a) of Transferor set forth in Sections 3.1, (organization and qualification), 3.2 (binding obligation), 3.8 (brokers), 3.15 (title to assets), 3.17(a) (real estate), and 3.17(b) (real estate) shall survive the Closing indefinitely, (b) of Transferor set forth in Sections 3.14 (employee benefit plans), and 3.18 (tax matters) shall survive the Closing until thirty (30) days following the expiration of the applicable statute of limitations with respect to the particular matter that is the subject matter thereof and (c) of Transferee set forth in (Sections 4.1 (organization), 4.2 (power of authority) and 4.5 (broker) shall survive the Closing indefinitely (in each case, the "Survival Period"); provided, however, that any obligations under Sections 9.2(a)(i) and 9.2(b)(i) shall not terminate with respect to any Losses as to which the Person to be indemnified shall have given notice (stating in reasonable detail the basis of the claim for indemnification) to the indemnifying party in accordance with Section 9.3(a) before the termination of the applicable Survival Period.

9.2 Indemnification.

(a) Subject to Sections 9.1, 9.4 and 9.5 hereof, Transferor hereby agrees to indemnify and hold Transferee and their respective beneficiaries, directors, officers, employees, stockholders, members, successors and assigns (collectively, the "Transferee Indemnified Parties") harmless from and against, and pay to the applicable Transferee Indemnified Parties the amount of, any and all losses, Liabilities, claims, obligations, deficiencies, demands, judgments, damages, interest, fines, penalties, claims, suits, actions, causes of action, assessments, awards, costs and expenses (including costs of investigation and defense and reasonable attorneys' and other professionals' fees), whether or not involving a third party claim (individually, a "Loss" and, collectively, "Losses"):

(i) resulting directly from the failure of any of the representations or warranties made by any Transferor in this Agreement or in any Related Document to be true and correct in all material respects at and as of the date



hereof and at and as of the Closing Date (subject to any limitations described in Section 9.1(a));

(ii) resulting directly from the breach of any covenant or other agreement on the part of any Transferor under this Agreement, Warranty Deed or Bill of Sale;

(iii) attributable to any Company employee resulting from or based upon (A) any employment-related liability (statutory or otherwise) with respect to employment or termination of employment prior to the Proration Date, (B) any liability relating to, arising under or in connection with any Benefit Plan, including any liability under COBRA, whether arising prior to, on or after the Proration Date regarding events occurring prior to the Proration Date, and (C) any liability under the WARN Act regarding events occurring prior to the Proration Date;

(iv) imposed under or pursuant to any Environmental Laws (including any loss of use of Real Property or any tangible personal property of the Company arising from or related to any condition, act or omission, by the Company or any predecessor thereof or related to the operations of the Company or any predecessor thereof at any real property currently or formerly owned, operated or leased by the Company or any predecessor thereof, whether known or unknown, accrued or contingent, to the extent existing on or prior to the Proration Date.

(v) attributable to any fines or penalties payable pursuant to the environmental review described in Schedule 3.23 or other review by a regulatory entity pertaining to environmental matters with respect to the golf course at the Resort for a period prior to the Proration Date. The indemnification for any liability under this section (v) will be from the 1st dollar cost without regard to section 9.4 below.

(b) Subject to Section 9.1, Transferee hereby agrees to indemnify and hold Transferors and their respective stockholders, directors, officers, employees, members, partners, agents, attorneys, representatives, successors and permitted assigns (collectively, the "Transferors Indemnified Parties") harmless from and against, and pay to the applicable Transferors Indemnified Parties the amount of, any and all Losses:

(i) resulting directly from the failure of any of the representations or warranties made by Transferee in this Agreement or in any Related Document to be true and correct in all respects at the date hereof and as of the Closing Date;

(ii) resulting directly from the breach of any covenant or other agreement on the part of Transferee under this Agreement or any Related Document; and



(iii) attributable to the activities of the Business as of and from the Proration Date.

9.3 Indemnification Procedures.

(a) A claim for indemnification for any matter not involving a third party claim may be asserted by notice to the party from whom indemnification is sought; provided, however, that failure to so notify the indemnifying party shall not preclude the indemnified party from any indemnification which it may claim in accordance with this Article 8.

(b) In the event that any Litigation shall be instituted or that any claim or demand shall be asserted by any third party in respect of which indemnification may be sought under Section 8.2 hereof (regardless of the limitations set forth in Section 8.4) ("Third Party Claim"), the indemnified party shall promptly cause written notice of the assertion of any Third Party Claim of which it has knowledge which is covered by this indemnity to be forwarded to the indemnifying party. The failure of the indemnified party to give reasonably prompt notice of any Third Party Claim shall not release, waive or otherwise affect the indemnifying party's obligations with respect thereto except to the extent that the indemnifying party can demonstrate actual loss and prejudice as a result of such failure.

(c) Opportunity to Defend. The indemnifying party shall have the right, exercisable by written notice to the Indemnified Party within thirty (30) days of receipt of a Claims notice from the indemnified party of the commencement or assertion of any Third Party Claim in respect of which indemnity may be sought hereunder, to assume and conduct the defense of such Third Party Claim in accordance with the limits set forth in this Agreement with counsel selected by the indemnifying party. If the indemnifying party does not assume the defense of a Third Party Claim in accordance with this Section 8.2(c), the indemnified party may continue to defend the Liability Claim. The indemnifying party or the indemnified party, as the case may be, shall have the right to participate in (but not control), at its own expense, the defense of any Third Party Claim which the other is defending as provided in this Agreement. The indemnifying party, if it has assumed the defense of any Third Party Claim as provided in this Agreement, shall not, without the prior written consent of the Indemnified Party, consent to a settlement of, or the entry of any judgment arising from, any such Liability Claim. The indemnified party shall not settle any Third Party Claim, without the prior written consent of the indemnifying party, which consent shall not be unreasonably withheld.

(d) After any final decision, judgment or award shall have been rendered by a Governmental Agency of competent jurisdiction and the expiration of the time in which to appeal therefrom, or a settlement shall have been consummated, or the indemnified party and the indemnifying party shall have arrived at a mutually binding agreement, in each case with respect to an Third Party Claim hereunder, the indemnified party shall forward to the indemnifying party notice of any sums due and owing by the indemnifying party pursuant to this Agreement with respect to such



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matter and the indemnifying party shall pay all of such remaining sums so due and owing to the indemnified party.

9.4 Limitation on Indemnification.

(a) Anything in this Agreement to the contrary notwithstanding, the Transferor will not have any liability referred to in Section 9.2(a) of this Agreement until the aggregate amount of all such Losses sustained by the Transferee exceeds fifty thousand dollars (\$50,000), at which point the Transferor shall be liable for all such Losses which exceed such amount. Notwithstanding the foregoing, the maximum aggregate amount an indemnifying party may be called upon to indemnify the indemnities for as a result of Losses arising from any breach of or inaccuracy in any of the representations and warranties contained in this Agreement will be equal to seven million five hundred thousand dollars (\$7,500,000) except where those Losses arise from fraud, misrepresentation that is attributable to neglect, carelessness or willful default or intentional breaches of representations or warranties in which case the obligation of the Transferor to indemnify is unlimited.

(b) Exclusive Remedy. The parties acknowledge and agree that the indemnities set forth in this Article 8 shall be the sole and exclusive remedy for breach, default, inaccuracy or failure of any of the warranties, representations, conditions, covenants or agreements contained in this Agreement and in any certificates or documents delivered pursuant hereto, except in the case of judicially determined fraud, intentional or willful misrepresentation or breach.

9.5 Certain Limitations. Notwithstanding any provision of this Agreement to the contrary:

(a) no claim for indemnification by the Parties hereto may be made to the extent that the Losses claimed have been reimbursed through insurance to the indemnified party or, if the indemnified party is the Transferee, to the Company; and

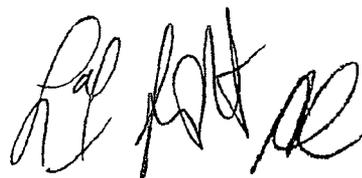
(b) the amount of any of the losses shall be calculated taking into account any off-setting tax benefits or any tax deductions that may be available to the indemnified party or, if the indemnified party is the Transferee, to the Company (whether taken in such year or available for subsequent periods).

ARTICLE 10 TERMINATION

10.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the written mutual consent of the Transferor and the Transferee;

(b) upon written notice by any party hereto, if (i) any court of competent jurisdiction or any other Governmental Agency shall have issued a Judgment or taken any other action restraining, enjoining or otherwise prohibiting the transactions



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contemplated by this Agreement and (ii) such Judgment or other action shall have become final and nonappealable;

(c) upon written notice by the Transferor, if (i) all conditions to the obligations of the Transferee to consummate the transactions contemplated hereby shall have been satisfied (or would have been satisfied absent the Transferee's breach in performing its obligations hereunder) and (ii) the Transferee is in material breach of any of its representations, warranties, covenants or agreements hereunder (which breach continues unremedied by Transferee for ten (10) days after written notice thereof to Transferee provided, however, that (i) in order for the Transferors to seek termination of this Agreement pursuant to this Section 10.1(c), the Transferor must not be in breach in any material respect of its respective representations, warranties, covenants or agreements contained in this Agreement;

(d) upon written notice by the Transferee, if (i) all conditions to the obligations of the Transferors to consummate the transactions contemplated hereby shall have been satisfied (or would have been satisfied absent the Transferor's breach in performing its obligations hereunder) and (ii) the Transferor is in material breach of any of its representations, warranties, covenants or agreements hereunder (which breach continues unremedied by Transferor for ten (10) days after written notice thereof to Transferor provided, however, that (i) in order for the Transferee to seek termination of this Agreement pursuant to this Section 10.1(d), the Transferee must not be in breach in any material respect of its respective representations, warranties, covenants or agreements contained in this Agreement;

(e) by written notice from Transferee to Transferor that there has been an event, change, occurrence or circumstance that, individually or in the aggregate with any such events, changes, occurrences or circumstances has had a material adverse effect; or

(f) by either party if Closing has not occurred by July 1, 2008.

In the event that this Agreement is terminated pursuant hereto this Agreement shall thereafter become void and of no further effect, and no party shall have any liability to any other party hereto. In addition, in the event that this Agreement is terminated for any reason other than a termination validly effected pursuant to paragraph (d) of this Section 10.1, or for fraud, intentional or willful misrepresentation or breach of the Transferor the Deposit shall remain the sole and absolute property of Transferor.

10.2 Other Agreements: Material To Be Returned.

(a) In the event that this Agreement is terminated pursuant to Section 10.1 by the Transferor, the Transferee, or both, written notice thereof shall forthwith be given to each other party hereto and this Agreement shall terminate, and the transfer of the Shares hereunder shall be abandoned, without further action of Transferors or Transferee.



(b) Furthermore, in the event that this Agreement is validly terminated pursuant to Section 10.1:

(i) The Transferee shall return all documents and other material received from the Transferor, their Affiliates or any of their respective Representatives relating to the Company or the transactions contemplated by this Agreement and the Related Documents, whether obtained before or after the execution of this Agreement, to the Transferor, and

(ii) The Transferee agrees that all confidential information received by the Transferee or their Affiliates or their Representatives with respect to either of the Transferors, the Company or this Agreement or any of the Related Documents or the transactions contemplated hereby or thereby shall be treated in accordance with the Confidentiality Agreement, which shall remain in full force and effect notwithstanding the termination of this Agreement, in accordance with Section 8.8.

10.3 Effect of Termination. In the event that this Agreement shall be validly terminated pursuant to Section 10.1 hereof, all obligations of the parties hereto under this Agreement shall terminate and become void and of no further effect and there shall be no liability of any party hereto to any other party except and such termination shall be without liability to Transferee or Transferor; provided, however, that the obligations of the parties set forth in Section 8.8 and this Section 10.3 and in Article 10 hereof shall survive any such termination and shall be enforceable hereunder; and nothing in this Section 10.3 shall relieve Transferee or Transferor of any liability for a breach of this Agreement prior to the effective date of such termination.

ARTICLE 11 MISCELLANEOUS

11.1 Complete Agreement. This Agreement and the Schedules and Exhibits attached hereto and thereto shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

11.2 Waiver, Discharge, etc. This Agreement may not be released, discharged, abandoned, waived, changed or modified in any manner, except by an instrument in writing signed on behalf of each of the parties hereto by their duly authorized representatives. The failure of any party hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way be construed to affect the validity of this Agreement or any part thereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

11.3 Fees and Expenses. Except as otherwise expressly provided in this Agreement, Transferors shall pay all of the fees and expenses incurred by the Transferors and the Transferee shall pay all of the fees and expenses incurred by the Transferee, in connection with this Agreement, the Related Documents and the transactions contemplated hereby and thereby.



11.4 Amendments. No amendment to this Agreement shall be effective unless it shall be in writing signed by each party hereto.

11.5 Notices. All notices, requests, consents and demands to or upon the respective parties hereto shall be in writing, and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) if delivered by hand (including by overnight courier), when delivered, (b) on the day after delivery to a nationally recognized overnight carrier service if sent by overnight delivery for next morning delivery, and (c) in the case of facsimile transmission, upon receipt of a legible copy. In each case: (x) if delivery is not made during normal business hours at the place of receipt, receipt and due notice under this Agreement shall be deemed to have been made on the immediately following Business Day, and (y) notice shall be sent to the address of the party to be notified, as follows, or to such other address as may be hereafter designated by the respective parties hereto in accordance with these notice provisions:

If to the Transferee, to:

QResorts Inc.
c/o Ariel Quiros
111 North East 1st Street
4th Floor
Miami, FL 33131

with a copy to:

Frederick M. Burgess, Esquire
The Burgess Law Firm, P.A
2685 Executive Park Drive, Suite 5
Weston, FL 33331
(954) 727-2590
(954) 727-0303 fax
fburgess@burgesslawfirm.com

If to the Transferor, to:

Les Stations de la Vallée de Saint-Sauveur Inc.
350 rue St-Denis
Saint-Sauveur, QC
J0R 1R3
(450) 227-4671
(450) 227-2067 fax
Attention : Louis Hébert and Louis Dufour



with a copy to:

Spiegel Sohmer Inc.
Suite 1203, Place Ville Marie
Montreal, QC H3B 2G2
(514) 875-2100
(514) 875-8237 fax

Attention: Me Alwynn Gillett

11.6 Venue. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the parties in the courts of the State of Vermont, County of Orleans, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Vermont, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

11.7 Attorneys Fees. In the event of any legal action or proceeding between the Parties, the prevailing party in such action or proceeding shall be entitled to reimbursement of reasonable attorneys' fees and expenses from the other party.

11.8 GOVERNING LAW; WAIVER OF JURY TRIAL.

(A) THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF VERMONT WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THEREOF.

(B) EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY ANY APPLICABLE LEGAL REQUIREMENT, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING BETWEEN THE PARTIES TO THIS AGREEMENT ARISING OUT OF OR RELATING TO THIS AGREEMENT.

11.9 Headings. The descriptive headings of the several Articles and Sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

11.10 Interpretation. All pronouns and any variations thereof refer to the masculine, feminine or neuter, singular or plural, as the context may require. All terms defined in this Agreement in one form have correlative meanings when used herein in any other form. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall have the meaning as defined in this Agreement. When a reference is made in this Agreement to a Section, Article, Exhibit or Schedule, such reference shall be to a Section or Article of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. For all purposes hereof, the terms "include", "includes" and "including" shall be deemed to be followed by the words "without limitation".



11.11 Exhibits and Schedules. The Exhibits and Schedules are a part of this Agreement as if fully set forth herein. Matters reflected on any Schedule are not necessarily limited to matters required by this Agreement to be reflected therein and the inclusion of such matters shall not be deemed an admission that such matters were required to be reflected on such Schedules. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature.

11.12 Successors and Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Transferees except with the prior written consent of the Transferee or by operation of law. Notwithstanding any other provision contained herein, Transferee may assign its rights (in whole or in part) under this Agreement to any party in its sole discretion.

11.13 Remedies. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party shall be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy shall not preclude the exercise of any other remedy.

11.14 Third Parties. Except as provided in Sections 8.2 and 8.3, nothing herein expressed or implied is intended or shall be construed to confer upon or give any Person, other than the parties hereto and their successors and permitted assigns, any rights or remedies under or by reason of this Agreement.

11.15 Time is of the Essence. Time is of the essence with regard to all dates and time periods set forth or referred to in this Agreement.

11.16 Currency. All dollar amounts referred to in this Agreement are in United States Dollars.

11.17 Severability. If any provision of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the other provisions shall not be affected by such invalidity, illegality or unenforceability, but shall remain in full force and effect.

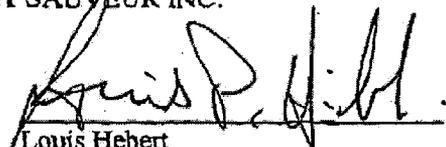
11.18 Counterparts; Effectiveness. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same instrument and each of which shall be deemed an original. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

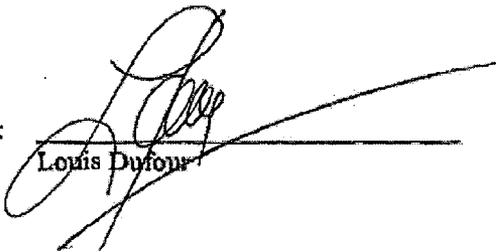


IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representatives as of the day and year first above written.

Transferor:

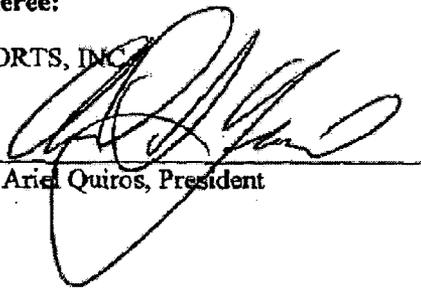
LES STATIONS DE LA VALLÉE DE SAINT SAUVEUR INC.

Per: 
Louis Hebert

Per: 
Louis Dufour

Transferee:

QRESORTS, INC.

Per: 
Ariel Quiros, President

Exhibits and Schedules

Exhibit A

Transferor Disclosure Schedule

Each item referred to in any of the attached Schedules shall be deemed to be disclosed, wherever relevant, for the purposes of each other Schedule required to be furnished pursuant to the Stock Transfer Agreement, *mutatis mutandis*.

Unless otherwise indicated, all capitalized terms used herein shall have the respective meanings ascribed thereto in the Stock Transfer Agreement.

It is understood that the Schedules annexed hereto are incomplete and currently in draft form but will be completed with the assistance of Bill Stenger prior to Closing.

Handwritten signatures in black ink, including a large signature that appears to be 'Lal' and another signature below it.

SCHEDULE

- 2.2 JANUARY 27, 2008 BALANCE SHEET
- 3.1 SUBSIDIARIES
- 3.3 CONTRACTUAL DEFAULTS
- 3.4 GOVERNMENTAL AUTHORIZATION OR CONSENT
- 3.7 ADVERSE EFFECTS
- 3.10(a) LEGAL REQUIREMENTS:
- 3.10(b) COMPANY PERMITS:
- 3.10(c) NOTIFICATION AND/OR TRANSFER APPLICATIONS OF LICENSES AND / OR PERMITS
- 3.10 LEGAL REQUIREMENTS
- 3.11 LITIGATION:
- 3.12 APPROVALS:
- 3.13 LABOR MATTERS:
- 3.14 EMPLOYEE BENEFIT PLANS:
- 3.15 LIST OF ASSETS:
- 3.16(a) OWNED PROPERTY:
- 3.16(b) LEASED REAL PROPERTY:
- 3.17(b) PERMITTED LIENS:
- 3.17(d) SPACE LEASES:
- 3.17(e) RIGHTS CONCERNING REAL ESTATE
- 3.18 TAX MATTERS:
- 3.19 UNDISCLOSED LIABILITIES:
- 3.20 TITLE AND SUFFICIENCY OF ASSETS:
- 3.21 INTELLECTUAL PROPERTY:
- 3.22 MATERIAL CONTRACTS:

A handwritten signature in black ink, appearing to be 'Raf' or similar, with a large flourish extending upwards and to the right.

- 3.23 ENVIRONMENTAL MATTERS:
- 3.24 INSURANCE:
- 3.26 ACCOUNTS AND NOTES RECEIVABLE AND PAYABLE:
- 3.27 RELATED PARTY TRANSACTIONS:
- 3.28(a) CERTAIN SKI-RELATED REPRESENTATIONS:
- 3.28(b) LIST OF SKI PASSES WITH DURATION GREATER THAN ONE YEAR:
- 3.29 (a) TRAM AND SKI LIFT INCIDENTS
- 3.29(b) TRAM AND SKI LIFT DEFECTS
- 8.6 TRADE NAMES AND LOGOS

A handwritten signature in black ink, appearing to be 'R. H. [unclear]', is written over the text 'TOTAL P. 21'.

SCHEDULE 2.2

PRORATION DATE BALANCE SHEET

See attached.

JAY PEAK
BALANCE SHEET
1/27/2008

ASSETS

Current Assets

| | | |
|---|------------------|-----------|
| Cash | 0 | |
| Account receivable | 1,305,575 | |
| Income tax refund receivable | 0 | |
| Inventories | 709,421 | |
| Proprietary Inventories | 1,510,210 | |
| Construction in progress - leisure activity | 0 | |
| Construction in progress - proprieties | 941,053 | |
| Prepaid expenses | <u>1,075,879</u> | |
| | | 5,542,138 |

Long term Assets

| | | |
|--|-------------------|-------------------|
| Notes receivable, less current maturities | 0 | |
| Saint-Sauveur Valley resort privilege shares | 2,266,032 | |
| Deferred charge | 73,478 | |
| Fixed Assets | <u>13,505,074</u> | |
| | | <u>15,844,583</u> |

Total Assets

21,386,722

**JAY PEAK
INVENTORIES
1/27/2008**

Schedule 3,25

| | | <u>2008</u> |
|--------------------------|--------------------------------|-----------------------|
| 8-0101-300100 | Vending | 12,049 |
| 8-0101-300200 | Mini Mart | 8,104 |
| 8-0101-300300 | Beer | 7,783 |
| 8-0101-300500 | Liquor | 12,673 |
| 8-0101-300700 | Wine | 6,464 |
| 8-0101-300800 | Beer Kegs | 1,420 |
| 8-0101-300900 | Operating Supplies - Food Serv | 13,618 |
| 8-0101-301100 | Food | 77,434 |
| 8-0101-301300 | Sport Shop | 477,002 |
| 8-0101-301400 | Air Tanks | 600 |
| 8-0101-301600 | Diesel Low Sulpher | 0 |
| 8-0101-301700 | Unlead Gasoline | 5,343 |
| 8-0101-301800 | Diesel Fuel | 131 |
| 8-0101-301900 | Propane Inv Condo/Townhouse | 85,316 |
| 8-0101-302000 | Propane Gas Garage | 1,484 |
| 8-0101-302100 | Maint. Inventory Condo/Townhou | 0 |
| 8-0101-302200 | Land For Condos Inventory | 0 |
| Total Inventories | | <u><u>709,421</u></u> |

JAY PEAK
BALANCE SHEET
1/27/2008

LIABILITIES AND STOCKHOLDER'S

Current liabilities

| | | |
|---|-----------|-----------|
| Bank overdraft | 98,325 | |
| Note payable-bank | 1,090,249 | |
| Account payable and Accrued liabilities | 4,381,584 | |
| Current maturities of long-term debt | 1,171,879 | |
| Current maturities of capital lease obligations | 0 | |
| | | <hr/> |
| | | 6,742,037 |

Long term liabilities

| | | |
|--------------------------------|-----------|------------|
| Due to affiliates | 6,170,322 | |
| Long- term debt | 7,992,813 | |
| Capital lease obligations | 0 | |
| Minority interest | 0 | |
| Deferred government assistance | 0 | |
| | | <hr/> |
| | | 14,163,134 |

Stockholder's equity

| | | |
|--------------------------------------|--------------|---------|
| Capital stock | 4,374,300 | |
| Treasury Stock | 0 | |
| Paid in Capital | 3,489,361 | |
| Capital Mont Saint-Sauveur | 4,900,000 | |
| Retained earnings -beginning of year | (10,111,547) | |
| Current operation | (2,170,564) | |
| | | <hr/> |
| | | 481,550 |

Total liabilities and stockholder's

21,386,722

* These figures not take into consideration condominium

JAY PEAK HOTEL SUITE L.P.
BALANCE SHEET
1/27/2008

ASSETS

Current Assets

| | | |
|---|-----------|-----------|
| Cash | 5,971,663 | |
| Account receivable | 92,935 | |
| Income tax refund receivable | 0 | |
| Inventories | 0 | |
| Proprietary Inventories | 0 | |
| Construction in progress - lease activity | 0 | |
| Construction in progress - properties | 569,054 | |
| Prepaid expenses | 0 | |
| | <hr/> | 6,633,652 |

Long term Assets

| | | |
|--|---------|---------|
| Notes receivable, less current maturities | 0 | |
| Saint-Sauveur Valley resort privilege shares | 0 | |
| Deferred charge | 650,000 | |
| Fixed Assets | 0 | |
| | <hr/> | 650,000 |

Total Assets 7,283,652

JAY PEAK HOTEL SUITE L.P.
BALANCE SHEET
1/27/2008

LIABILITIES AND STOCKHOLDER'S

Current liabilities

| | | |
|---|-------|-------|
| Bank overdraft | 0 | |
| Note payable-bank | 0 | |
| Account payable and Accrued liabilities | 4,799 | |
| Current maturities of long-term debt | 0 | |
| Current maturities of capital lease obligations | 0 | |
| | | <hr/> |
| | | 4,799 |

Long term liabilities

| | | |
|-------------------------------|-----------|-----------|
| Due to affiliates | 0 | |
| Long-term debt | 0 | |
| Capital lease obligations | 0 | |
| Minority interest | 7,150,000 | |
| Defered government assistance | 0 | |
| | | <hr/> |
| | | 7,150,000 |

Stockholder's equity

| | | |
|--------------------------------------|---------|---------|
| Capital stock | 0 | |
| Treasury Stock | 0 | |
| Paid in Capital | 0 | |
| Capital Mont Saint-Sauveur | 0 | |
| Retained earnings -beginning of year | 0 | |
| Current operation | 128,853 | |
| | | <hr/> |
| | | 128,853 |

Total liabilities and stockholder's

7,283,652

SCHEDULE 3.1

SUBSIDIARIES

Jay Peak Management Inc., general partner of Jay Peak Hotel Suite L.P.

SCHEDULE 3.3

CONTRACTS OR PERMITS WHICH WILL BE VIOLATED BY THE EXECUTION AND DELIVERY OF THE STOCK TRANSFER AGREEMENT

[INTD: LIABILITIES UNDER THESE AGREEMENTS ARE TO BE FULLY PAID AT CLOSING]

According to a schedule to the letter of credit executed on June 22, 2006 by Les Stations De La Vallée De Saint-Sauveur Inc. and HSBC for a loan in relation to the golf course, the borrower shall be in default if its assets are sold.

The debtor under the Specific Movable Hypothec Agreement executed on August 26, 2002 between Les Stations De La Vallée De Saint-Sauveur Inc. and CIT financial Ltd. affecting the assets, undertakings and property referred to in Schedule A. of the agreement and located at Jay Peak for an amount of \$800,000 and interest thereon of an amount equal to 15% of such principal might be in default if a change in ownership occurs.

According to Section 14.1 i) of the Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and Financement d'Équipements GE Canada S.E.N.C. on October 25, 2005, bearing number 150009490370, the purchaser will be in default under this agreement if the ownership of its shares changes.

According to Section 13.1 i) of Equipment Loan and Hypothecation Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and Financement d'Équipements GE Canada S.E.N.C. on May 16, 2005, bearing number 150009222473, the borrower will be in default under this agreement if the ownership of its shares changes.

According to Section 14 (i) of the Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on June 8, 2007, bearing number 150010457071, the purchaser will be in default under this agreement if the ownership of its shares changes.

According to Section 14 (i) of the Conditional Sale Agreement by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on June 7, 2007, bearing number 150010490176, the purchaser will be in default under this agreement if the ownership of its shares changes.

According to Section 13 (i) of an Equipment Loan and Hypothecation Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Financing G.P. on August 31, 2006, bearing number 150009985370, the borrower will be in default under this agreement if the ownership of its shares changes.

According to Section 14 (i) of the Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on September 20, 2006, bearing number 150010016970, the purchaser will be in default under this agreement if the ownership of its shares changes.

According to Section 14 (i) of the Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on June 8, 2007, bearing number 150010458272, the purchaser will be in default under this agreement if the ownership of its shares changes.

According to Section 14 (i) of the Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on July 28, 2006, bearing number 150009913778, the purchaser will be in default under this agreement if the ownership of its shares changes.

SCHEDULE 3.4

AUTHORIZATIONS OR CONSENTS REQUIRED

See schedule 3.3.

According to section 21 of the Lease and Indenture by and between the State of Vermont and Jay Peak, Inc. executed on April 18, 1977, and renewed on April 17, 2006, for an additional period of 10 years ending on December 31, 2015, "the Lessee may sublet or assign any or all of its interest to this Lease, provided such sublessee or assignee is, in the judgement of the Commissioner and Director, capable of performing the conditions of this Lease." According to Bill Stenger, the State of Vermont Department of Forest and Parks is aware of the sale provided for herein and supportive of the transaction. The Commissioner of the Department of Forest and Parks, Jonathan Wood, has been notified of the pending sale and he as well as legal counsel Meghan Purvee have indicated to Bill Stenger that Jay Peak, Inc. will remain the leaseholder.

According to the letter between Chittenden Bank and Mont Saint-Sauveur International, Inc. executed on March 21st, 2007, whereby Jay Peak, Inc acted as guarantor for the obligations of Mont Saint-Sauveur International, Inc. in relation to three (3) lines of credit totalling 9,000,000\$, it is a condition of such letter that there will not be any "change in ownership in Borrower or Guarantor without Bank approval".

According to Section 7 of the Water Pollution Control Agreement executed between the Town of Jay, the Town of Troy and Station Touristique Mont St-Sauveur, Inc. on April 12, 1989, Station Touristique Mont St-Sauveur, Inc. can assign its rights and obligations under said agreement "to any party located with the Towns that satisfy a reasonable test of financial responsibility imposed by the Towns, and, in the case of a transfer of a transfer of all or substantially all of its rights hereunder, to a party which becomes party prior to transfer to an Agreement having terms substantially similar to those of this Agreement." According to Bill Stenger, a notification of the change in ownership shall be sent following said change.

SCHEDULE 3.5
EQUITY OWNERSHIP

N/A

SCHEDULE 3.7

MATERIAL ADVERSE CHANGE

N/A

SCHEDULE 3.10 a)

LEGAL REQUIREMENT

See schedule 3.23.

SCHEDULE 3.10 b)

COMPANY PERMITS

1. The lands and premises are subject to all of the terms and conditions and restrictive and enjoy the benefits of certain Land Use and Environmental Permits, all of which are more particularly described and set forth in Land Use Permit #7R0854 dated June 25, 1992 and recorded in Book 32 at Pages 464-480 of the Town of Jay Land Records. Said Permit consolidates all prior Land Use Permits issued to Mont Saint-Sauveur International and Jay Peak Ski Resort in connection with improvements on the subject lands and premises. Reference is also made to Land Use Permit #7R0854-1 dated September 2, 1992 and recorded in Book 32 at Page 554 of Jay Land Records and Land Use Permit Amendment #7R0854-A dated September 4, 1992, recorded Book 32 at Page 557 of the Town of Jay Land Records.
2. Certain portions of the subject lands and premises are subject to and enjoy the benefits of Land Use Permit Amendment #7R0854-3 which authorizes the relocation of one (1) single family home site and the conversion of a previously permitted eight (8) unit condominium to a four (4) unit townhouse.
3. Certain Permit Amendment #7R0854-4 dated August 20, 1997 and recorded in Book 37 at Pages 99-109 is for the construction of a golf course and related facilities.
4. Certain Administrative Amendment #7R0854-5 dated October 21, 1998 and recorded in Book 38 at Page 160-161 of the Jay Land Records which authorizes the relocation of the duplex model building from Base Lodge area to Jay Peak Village.
5. Certain Permit Amendment #7R0854-6 dated January 29, 1999 and recorded in Book 38 at Pages 325-328 of the Town of Jay Land Records authorizes the new lift and new snow making capabilities.
6. A certain Land Use Permit Amendment #7R0854-3-A-# dated June 7, 2000 and recorded in Book 39 at Page 575 of the Town of Jay Land Records.
7. A certain Land Use Permit Amendment #7R0854-3-A-4 dated May 10, 2001 and recorded in Book 41 at Page 57 of the Town of Jay Land Records.
8. A certain Land Use Permit Amendment #7R0854-3-A-5 dated August 6, 2001 and recorded in Book 41 at Page 384 of Jay Land Records.
9. Wastewater Permit #7-0259-3a dated February 28, 2003 and recorded in Book 44 at Page 604 of Town of Jay Land Records.
10. Wastewater Permit #7-0259-6 dated June 13, 2003 and recorded in Book 45 at Page 385 of Town of Jay Land Records.
11. Wastewater Permit #7-0259-7 dated April 15, 2004 and recorded in Book 48 at Pages 508-511 of the Town of Jay Land Records.
12. Land Use Permit #7R0854-7-1 dated May 22, 2003 and recorded in Book 45 at Page 179 of the Town of Jay Land Records.
13. Land Use Permit #7R0854-4-1 dated October 30, 2003 and recorded in Book 46 at Page 248 of the Town of Jay Land Records.
14. Land Use Permit #7R0854-7-2 dated July 30, 2003 and recorded in Book 45 at Page 497 of Town of Jay Land Records.
15. Land Use Permit #7R0854-7-3 dated November 18, 2004 and recorded in Book 50 at Pages 464-467 of the Town of Jay Land Records.

16. Wastewater Permit #WW-7-0259-8 dated November 23, 2004 and recorded in Book 50 At Pages 517-519 of the Town of Jay Land Records.
17. Land use Permit #7R0854-7-4 dated March 22, 2005 and recorded in Book 51 at Pages 795-798 of the Town of Jay Land Records and re-recorded in Book 52 at Pages 87-90 thereof.
18. Wastewater Permit #WW-7-0259-9 dated March 22, 2005 and recorded in Book 51 at Pages 799-800 of the Town of Jay Land Records.
19. Authorization to Discharge Storm water under General permit 3-9015 issued by Vermont Department of Environmental Conservation dated November 16, 2004 and recorded in Book 50 at Pages 418-419 of the Town of Jay Land Records.
20. Land Use Permit #7R0854-7-5 dated August 10, 2005 and recorded in Book 52 at Pages 810-813 of the Jay Land Records.
21. Wastewater Permit #WW-7-0259-10 dated August 11, 2005 and recorded in Book 53 at Pages 15-16 of the Jay Land Records.
22. Storm Water Discharge Permits 3758-9015 and 3978-9015 dated August 23, 2005 and recorded in Book 53 at Pages 54-59 of Jay Land Records.
23. Land Use Permit Amendment #7R0854-4-B dated August 12, 2005 and recorded in Book 53 at Page 24 of Jay Land Records.
24. Land Use Permit Amendment #7R0854-7-A dated August, 2005 and recorded in Book 53, Page 122 of Jay Land Records.
25. Wastewater Permit #WW-7-0259-11 dated January 24, 2006 and recorded in Book 54 at Pages 587-588 of the Town of Jay Land Records.
26. Land Use Permit Amendment #7R0854-4-1-A dated July 3, 2006 and recorded in Book 55 at Pages 711-717 of the Town of Jay Land Records.
27. Land Use Permit Amendment #7R0854-4-C dated July 19, 2006 and recorded in Book 56 at Pages 30 of the Town of Jay Land Records.
28. Land Use Permit Amendment #7R0854-3-A-6 dated November 1, 2006 and recorded in Book 56 at Page 431 of the Town of Jay Land Records.
29. A certain Land Use Permit Amendment #7R0854-4-D dated November 2, 2006 and recorded in Book 56 at Page 437 of the Jay Land Records authorized the subdivision of the golf course parcel.
30. A certain Wastewater System and Potable Water System Permit #WW-7-0259-13 dated January 3, 2007 recorded in Book 57 at Page 367 of the Jay Land Records and authorizes the subdivision of the golf course parcel.
31. Town of Jay Zoning Permit #06-43 dated December 11, 2006 recorded in the Jay Town Clerk's office which approves the subdivision of the golf course parcel.
32. On May 16, 2008, the district #7 of the environmental commission of the State of Vermont issued Land Use Permit Amendment #7R0854-4-3, approving the construction of a 4 story 101,000 square foot hotel complex with 57 suites, first level "underground" parking, a 214 seat restaurant and lounge, a 10 seat coffee shop, a day spa, and 672 square feet of retail space, collectively identified as "Hotel 1".
33. Third Class Hotel License to sell Spirituous Liquors bearing number 1639-001-3HTL-01 granted by the Liquor Control Board of the State of Vermont, effective May 1, 2008 and expiring April 30, 2009, unless sooner revoked.

34. Alcohol, dining, rental & lodging, fuel and lift permits are also held by Jay Peak, Inc.

SCHEDULE 3.10 c)

NOTIFICATION OR TRANSFER APPLICATIONS REQUIRED UNDER PERMITS

A notification of the change in ownership shall be sent following the closing in virtue of various permits held by Jay, including the alcohol permits.

SCHEDULE 3.11

LITIGATION

In 2007, Jay Peak, Inc. came to an agreement with the State of Vermont for environmental damage done to the Jay Branch Brook as a result of the Jay Peak golf course construction in 2005 and 2006. Penalties have been paid and no other action from the State of Vermont is expected. The Environmental Protection Agency is currently evaluating if any additional action is necessary for this issue. Our attorney in this matter will be asking for a dismissal soon.

On February 29, 2008, there was a downhill accident involving a 13-year-old female, Sophie Thibaudeau from Montreal. She was skiing on an open trail and lost control, hit a tree and was fatally injured. Post accident investigation showed no Jay Peak liability. The family of the deceased have 1 year from the time of the accident to make a claim against Jay Peak, Inc.,

Tiffany Boyd vs. Jay Peak, Inc.: complaint of sexual harassment filed with the United States Equal Employment Opportunity Commission (EEOC) (file no. 16KA2000136) and with the office of the Attorney General of Vermont (FEBA no. CW02-10138). The EEOC has sent a notice of conciliation failure on January 17, 2008, to the effect that no further efforts were to be made. The charging party has 90 days from the receipt of the notice to file suit in a federal Court. The Attorney General for the State of Vermont have also sent a letter dated March 19, 2007, to the effect that no further enforcement action regarding this matter will be taken.

SCHEDULE 3.12

APPROVALS

N/A

SCHEDULE 3.13

LABOR MATTERS

N/A

SCHEDULE 3.14

EMPLOYEE BENEFIT PLANS

See attached.



EMPLOYEE BENEFITS SUMMARY
JANUARY 2008

TABLE OF CONTENT

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APPENDIX

Full-time year round employee guide book (benefits & privileges)
Group insurance details
Full-time year round employee's vacation details
Worker's Compensation details
Catamount Health Plan details

I. Litigation
(3.11)

Tiffany Boyd v. Jay Peak Inc.

The charge of discrimination was sent to the United States Equal employment Opportunity Commission (EEOC) last fall. Our attorney in this case, Thomas Somers, recommended that no action and no movement toward settlement are made as, in his professional opinion, the case is weak.

II. Employee benefit plans

(3.14)

a) SEASONAL EMPLOYEES PRIVILEGES

Food discounts

- 50% discount on unpackaged foods (no alcoholic beverages)
- 30% discount on food alone in the International Restaurant
- 20% discount on food alone in the Hotel Jay Alpine Room

Skiing privileges

- Full-time year round receive complimentary skiing privileges for:
 1. themselves
 2. their spouse
 3. their dependant children up to 21
- part-time employees (less than 40 hours a week):
 1. themselves
 2. half-price season pass for their spouse
 3. half-price season pass for their dependant children, up until age 21 years

Ski School lesson privileges

- full-time year round employees and their dependant families are entitled to complimentary group ski lessons
- full time seasonal employees themselves are entitled to complimentary lessons

Rental equipment

- full-time year round employees and their dependant families are entitled to complimentary equipment rentals, subject to availability and at the discretion of the rental and repair shop manager
- full-time seasonal and part-time seasonal employees are entitled to complimentary equipment rentals for themselves alone, subject to availability

Ski Shop discounts

- full-time year round employees:
 1. 30% off full retail price on merchandise, except:
 2. 20% off full retail on skis, boots, poles and bindings
- full-time seasonal employees:
 1. 25% off full retail price on merchandise, inclusive
- part-time employees:
 1. 20% off full retail price on merchandise, inclusive
- instructors
 1. 20% off full retail price on merchandise, inclusive

Rental shop and ski repairs

- full-time ski instructors and full-time ski patrol, no charge for:
 1. binding installation
 2. edge replacement
 3. major repairs requiring plastic welding, as determined by rental shop manager

Paid Holidays for Seasonal employees

During each calendar year, the following holidays will be recognized by Jay Peak for those who are employed on the day that Jay Peak recognizes each of these holidays, provided that the employee has worked an average of 40 hours per week, for thirty (30) days prior to said holiday.

New Year's Day
Memorial Day
July 4th
Labor Day
Thanksgiving Day
Christmas Day

b) FULL TIME YEAR ROUND EMPLOYEES PRIVILEGES

See employee guide book attached (applicable sections)

III. Vehicle privileges

Upper management benefit of the use of a company vehicle.

IV. Complimentary meals privileges

Jay Peak managers get complimentary meals.

V. Commissions

a) Lodging reservations agents

The lodging reservations employees receive commissions on reaching two sets of goals: one for hitting a sales goal (\$1.50 X the number of hours worked during the month) and a 'bonus' number for hitting the second sales goal (\$1 X the number of hours worked during the same month). Eight employees form the reservations department during the peak season. An average of 125 hours were worked during the month of November of 07, and an average of 135 hours were worked during the month of December of 07.

b) Group sales representatives

Commissions for 2 group sales reps are based on the revenue generated from group sales and are calculated on two sets of goals: each rep receives 1.65% of the sales amount, if the first goal is reached. If the second goal is reached, they each receive 2.65% of the difference with the second goal.

c) Real estate agents

Three Jay Peak Real Estate employees receive commissions as follows:

| | Total commission | JAY PEAK | Lisa Klefos | Joan McAllister | Brooke Wright |
|----------------|------------------|----------|-------------|-----------------|---------------|
| Jay Peak units | 1.25% | 0% | .5% | .5% | .25% |
| Resale 5% | 5% | 1.25% | 1.45% | 1.25% | 1.05% |
| Resale 6% | 6% | 1.5% | 1.74% | 1.5% | 1.26% |

VI. Bonuses

Jake Webster, Stephen Wright and Cheryl Ward each receive respectively a bonus of 20%, 15% and 10% of their annual salary at the end of the fiscal year.

VII. Insurance

a) Catamount Health Plan

It is a new state program aimed at reducing the number of uninsured Vermonters. Since October of 2007, Vermont employers pay a health care contribution based on the number of their seasonal employees (measured as full-time equivalent) who are uninsured. The contribution or assessment is \$365 per full-time equivalent per year, or \$91.25 per quarter. This represents, for Jay Peak, an amount of approximately \$50 000\$/year.

b) Group insurance¹

Health insurance

Full-time salaried employees and full-time hourly employees are offered participation in our group health and dental plan.

Health (Blue Cross and Blue Shield of Vermont):

Individual: 23

Two person: 16

Family: 8

TOTAL: 47

Dental insurance:

Dental (Employers Dental Trust):

Employee: 25

Employee and Spouse: 20

Employee and Child: 3

Employee and Family: 8

TOTAL: 56

¹ See document in appendix for details

STD, LTD, AD&D and life insurance

Full-time salaried employees and full-time hourly employees are eligible for Life and Disability Insurance coverage. (Unum Life Insurance Company of America)

Life: 57 employees

AD & D: 57 employees

Short term disability: 57 employees

Long term disability: 14 employees

VIII. Worker's Compensation

Jay Peak is covered under the Worker's Compensation Act. The amount for this coverage represents approximately \$500 000.00/year.

X. Jay Peak Ski Club

An agreement between William Stenger and the Jay Peak Ski Club exists in which Jay Peak Ski Club employees are paid through Jay Peak payroll. These employees are covered under our Worker's compensation.

JAY PEAK INC
MANAGEMENT FEES
 Fiscal year 2007-2008

MSSI - MANAGEMENT SALARIES

| <u>Title</u> | <u>% fees</u> | <u>Monthly fees</u> |
|-----------------------------------|-------------------|---------------------|
| Chairman MSSI | 18% | |
| President MSSI | 13% | |
| Vice President Operation MSSI | 30% | |
| Vice President Finances MSSI | 20% | |
| Engineer MSSI | 40% | |
| Director Human Resources MSSI | 40% | |
| Secretary MSSI | 5% | |
| Total Salaries&fringes | 253,209 \$ | 21,101 \$ |

MSSI - ACCOUNTING CHARGES

| | <u>Weekly hours</u> | <u>Weekly \$</u> | <u>Annual Sal.&Fringes</u> | | |
|---------------------------------------|--------------------------------------|------------------|--------------------------------|-------------------|------------------|
| <u>PAYROLL</u> | | | | | |
| Lynn Beauve | Report/payroll | 22.5 | 439 \$ | 27,308 \$ | |
| <u>REVENUS</u> | | | | | |
| Lorraine Vinet | Weekly report/AR | 7.5 | 202 \$ | 12,551 \$ | |
| Irene Jablonski | Cash receipts | 37.5 | 486 \$ | 30,177 \$ | |
| Pascal Rairville | Ticket drawer | 22.5 | 228 \$ | 14,051 \$ | |
| <u>FINANCIAL STATEMENT</u> | | | | | |
| Denis Rochon | Financial & analysis | 15 | 414 \$ | 25,698 \$ | |
| Lynnda Trudeau | Debt-journal entrees | 15 | 280 \$ | 17,402 \$ | |
| Marc Guité | Bank & payroll entrees | 15 | 275 \$ | 17,057 \$ | |
| <u>PAYABLE</u> | | | | | |
| Jocelyne Lagarde | invoice&check | 37.5 | 394 \$ | 24,488 \$ | |
| <u>IT SUPPORT</u> | | | | | |
| Manon Fugère | Product creation & Layout&E-Commerce | 7.5 | 183 \$ | 11,358 \$ | |
| Mano Foley | Maint. E-mail & hardware | 7.5 | 152 \$ | 9,428 \$ | |
| Richard Courte | Web site | 7.5 | 152 \$ | 9,428 \$ | |
| | | 195 | | 198,924 \$ | |
| SIRIUS MAINTENANCE FEES | 30 Point of sales | | | 10,810 \$ | |
| | | | | 901 \$ | |
| TOTAL ESTIMATE MANAGEMENT FEES | | | | 462,543 \$ | 38,579 \$ |
| President Jay Peak Inc. | Salaries & fringes | | | 14,614 \$ | |
| TOTAL MONTHLY CHARGES | | | | 53,193 \$ | |

SCHEDULE 3.15

ASSETS

See attached.

| JAY PEAK INC FIXED ASSETS Jan 27, 2008 | Acquisition date | Opening bal. May 1, 2007 | Acquisitions | Dispositions | Closing balance Jan 27, 2008 | Acc Amortization May 1, 2007 | Amort expens | Amort sur dis | Acc Amortization Jan 27, 2008 | Net value as of Jan 27, 2008 |
|--|---------------------|-----------------------------|--------------|--------------|---------------------------------|---------------------------------|--------------|---------------|----------------------------------|---------------------------------|
| LANDS | | | | | | | | | | |
| Land wilderness | | 646,000.00 | | | 646,000.00 | | | | | 646,000.00 |
| Land held for future dev | | 18,108.62 | | | 18,108.62 | | | | | 18,108.62 |
| Land | 01/01/95 | 146,500.00 | | | 146,500.00 | | | | | 146,500.00 |
| | | 854.00 | | | 854.00 | | | | | 854.00 |
| | | 811,482.62 | 0.00 | 0.00 | 811,482.62 | | | | | 811,482.62 |
| TRAILS & ROADS | | | | | | | | | | |
| New trails | 08/06/05 | 66,312.61 | | | 66,312.61 | 53,050.09 | 1,633.71 | | 54,683.80 | 11,628.81 |
| New trails | 10/06/05 | 168,215.45 | | | 168,215.45 | 134,572.35 | 4,144.26 | | 158,716.59 | 29,498.86 |
| New trails | 11/06/05 | 42,533.78 | | | 42,533.78 | 34,037.03 | 1,047.89 | | 35,074.82 | 7,458.86 |
| New trails | 12/06/05 | 331,877.71 | | | 331,877.71 | 265,502.20 | 8,176.32 | | 273,678.52 | 58,199.19 |
| Glades | 1/10/88 | 11,959.43 | | | 11,959.43 | 8,670.58 | 294.64 | | 8,965.22 | 2,994.21 |
| Glades | 1/30/89 | 1,036.74 | | | 1,036.74 | 738.69 | 25.54 | | 764.23 | 272.51 |
| Gross Country | 10/30/89 | 15,036.03 | | | 15,036.03 | 10,149.32 | 370.44 | | 10,519.75 | 4,516.28 |
| Glades | 30/10/94 | 37,295.11 | | | 37,295.11 | 22,843.27 | 918.82 | | 23,762.09 | 13,533.02 |
| Glades | 29/04/95 | 10,631.22 | | | 10,631.22 | 4,252.46 | 261.92 | | 4,514.37 | 6,116.85 |
| Capitalized expenses | 30/12/89 | 52,193.92 | | | 52,193.92 | 32,621.21 | 1,285.88 | | 33,907.09 | 18,286.83 |
| Parking construction | | 737,092.00 | 0.00 | 0.00 | 737,092.00 | 566,427.18 | 18,159.41 | 0.00 | 584,586.59 | 152,505.41 |
| BUILDINGS | | | | | | | | | | |
| Garage door | 08/09/95 | 2,107,418.00 | | | 2,107,418.00 | 1,617,088.83 | 34,613.02 | | 1,651,701.84 | 455,716.16 |
| Slab chalet | 26/01/84 | 109,915.90 | | | 109,915.90 | 77,655.43 | 1,805.30 | | 79,460.73 | 30,455.17 |
| Quad lift building | 14/11/83 | 2,652.00 | | | 4,970.00 | 3,202.70 | 81.63 | | 3,284.33 | 1,685.67 |
| TBar building | 14/11/83 | 18,885.00 | | | 18,885.00 | 1,723.60 | 43.56 | | 1,787.16 | 884.84 |
| Snowmaking electrical | 14/11/83 | 397.00 | | | 397.00 | 2,222.50 | 310.17 | | 12,532.67 | 6,352.33 |
| Electrical work station | 14/11/83 | 7,395.00 | | | 7,395.00 | 256.40 | 6.52 | | 262.92 | 134.08 |
| Reservation office at hotel | 29/08/84 | 2,372.74 | | | 2,905.32 | 1,889.00 | 47.72 | | 1,936.72 | 968.60 |
| Entrance door - chalet | 29/10/84 | 3,100.00 | | | 2,372.74 | 1,476.36 | 38.97 | | 1,515.33 | 857.41 |
| Cooking ventilation State | 29/11/84 | 3,862.00 | | | 3,100.00 | 1,911.64 | 50.82 | | 1,862.56 | 1,137.44 |
| Pizzeria | 29/11/84 | 1,770.04 | | | 3,862.00 | 2,370.81 | 63.43 | | 2,434.24 | 1,427.76 |
| Hotel Jay cooking gaz line | 29/11/84 | 1,140.50 | | | 1,770.04 | 1,086.59 | 29.07 | | 1,115.67 | 654.37 |
| Quad chair building | 30/12/84 | 7,594.76 | | | 7,594.76 | 700.17 | 18.73 | | 718.90 | 421.60 |
| J. Hébert & G. Piché offices | 30/01/85 | 891.62 | | | 891.62 | 464.126 | 124.74 | | 4,766.00 | 2,828.76 |
| Garage door for garage | 30/01/85 | 798.00 | | | 891.62 | 542.40 | 14.64 | | 557.04 | 334.58 |
| New office space | 27/02/85 | 1,264.05 | | | 798.00 | 485.45 | 13.11 | | 498.66 | 289.44 |
| Roof on state chalet | 30/07/85 | 10,895.00 | | | 1,264.05 | 765.49 | 20.76 | | 786.25 | 477.80 |
| Sauna project hotel | 29/09/85 | 2,170.59 | | | 10,895.00 | 6,506.76 | 178.94 | | 6,685.70 | 4,209.30 |
| SKI patrol bldg | 30/10/85 | 787.16 | | | 2,170.59 | 1,260.13 | 35.65 | | 1,295.78 | 874.81 |
| Paint & stain hotel project | 30/10/85 | 114.99 | | | 787.16 | 465.00 | 13.09 | | 478.08 | 319.07 |
| Roof on state chalet | 30/10/85 | 5,000.00 | | | 114.99 | 66.74 | 1.89 | | 68.63 | 46.36 |
| Rental & repair improvements | 29/11/85 | 2,694.92 | | | 5,000.00 | 2,916.69 | 82.12 | | 2,998.81 | 2,001.19 |
| | | | | | 2,694.92 | 1,557.06 | 44.28 | | 1,601.32 | 1,083.60 |

| JAY PEAK INC FIXED ASSETS | | Acquisition date | Opening bal May 1, 2007 | Acquisitions | Disposition | Closing balance Jan. 27, 2008 | Acc Amortization May 1, 2007 | Amort expens | Amort sur dis/Acc Amortization Jan. 27, 2008 | Net value as of Jan. 27, 2008 |
|------------------------------|--------------------------------------|------------------|----------------------------|--------------|-------------|----------------------------------|---------------------------------|--------------|---|----------------------------------|
| Jan. 27, 2006 | | | | | | | | | | |
| | Hotel renovation | 29/11/85 | 9,265.94 | | | 9,265.94 | 5,379.36 | 152.19 | 5,531.54 | 3,734.40 |
| | Snowboarding room | 29/11/85 | 1,690.81 | | | 1,690.81 | 976.91 | 27.77 | 1,004.68 | 686.13 |
| | State side ticket booth | 29/11/85 | 1,417.84 | | | 1,417.84 | 819.05 | 23.29 | 842.34 | 575.50 |
| | Nursery @ tyrolian room | 29/11/85 | 1,225.37 | | | 1,225.37 | 711.43 | 20.13 | 731.55 | 493.82 |
| | Ski patrol building @ jet T-bar | 30/12/85 | 2,846.36 | | | 2,846.36 | 1,644.58 | 46.75 | 1,691.33 | 1,155.03 |
| | Hotel renovation | 30/12/85 | 2,745.93 | | | 2,745.93 | 1,586.53 | 45.10 | 1,631.63 | 1,114.30 |
| | State side ticket booth | 30/12/85 | 1,783.10 | | | 1,783.10 | 1,030.26 | 29.29 | 1,059.54 | 723.56 |
| | Linen room State chalet | 30/12/85 | 622.10 | | | 622.10 | 359.46 | 10.22 | 369.67 | 252.43 |
| | Nursery @ tyrolian room | 30/12/85 | 3,267.23 | | | 3,267.23 | 1,887.75 | 53.66 | 1,941.41 | 1,325.82 |
| | Maintenance shed | 30/12/85 | 1,910.09 | | | 1,910.09 | 1,103.61 | 31.37 | 1,154.98 | 775.11 |
| | Ski patrol building @ jet T-bar | 30/01/86 | 4,672.85 | | | 4,672.85 | 2,686.88 | 76.75 | 2,763.63 | 1,909.22 |
| | Hotel renovation | 30/01/86 | 1,606.60 | | | 1,606.60 | 923.77 | 26.39 | 950.16 | 556.44 |
| | Nursery @ tyrolian room | 30/01/86 | 3,391.70 | | | 3,391.70 | 1,950.25 | 55.71 | 2,005.95 | 1,385.75 |
| | Carpet hotel dining room | 27/02/86 | 6,729.20 | | | 6,729.20 | 3,850.62 | 110.52 | 3,961.14 | 2,768.06 |
| | Upgraded well | 29/04/86 | 28,276.55 | | | 28,276.55 | 16,023.37 | 464.42 | 16,487.79 | 11,788.76 |
| | Upgraded leachfields | 29/04/86 | 48,193.06 | | | 48,193.06 | 27,309.43 | 791.54 | 28,100.97 | 20,082.09 |
| | Rental & repair addition to bldg | 29/04/86 | 6,811.85 | | | 6,811.85 | 3,860.04 | 111.88 | 3,971.92 | 2,839.93 |
| | 300 amp at garage | 29/09/86 | 3,279.10 | | | 3,279.10 | 1,812.59 | 53.86 | 4,032.65 | 3,052.05 |
| | Shower valves at hotel | 29/09/86 | 7,084.70 | | | 7,084.70 | 3,916.29 | 116.36 | 7,869.12 | 5,937.16 |
| | Water line from pond to tram house | 01/12/86 | 13,606.28 | | | 13,606.28 | 7,445.65 | 223.47 | 7,869.12 | 41,907.16 |
| | Hotel, Jay | 14/06/05 | 442,582.00 | | | 442,582.00 | 393,405.71 | 7,269.13 | 400,674.84 | 45,031.80 |
| | Leachfield | 14/06/05 | 96,446.65 | | | 96,446.65 | 49,830.77 | 1,584.08 | 51,414.85 | 448.79 |
| | State chalet - kitchen floor covered | 30/11/87 | 955.50 | | | 955.50 | 481.02 | 15.69 | 506.71 | 6,783.44 |
| | Sky Haus | 26/09/88 | 13,638.07 | | | 13,638.07 | 6,628.67 | 223.96 | 6,828.63 | 4,209.97 |
| | Tram house roof | 30/05/88 | 8,656.20 | | | 8,656.20 | 4,304.06 | 142.17 | 4,446.23 | 1,393.44 |
| | Pool house roof & fence | 30/05/88 | 2,865.06 | | | 2,865.06 | 1,424.56 | 47.06 | 1,471.62 | 19,474.11 |
| | Leachfield hotel | 31/10/88 | 38,929.38 | | | 38,929.38 | 18,615.88 | 639.39 | 19,465.27 | 26,526.83 |
| | State Side Sewer | 31/12/92 | 52,445.56 | | | 52,445.56 | 25,057.34 | 861.39 | 25,918.73 | 315.47 |
| | Carpet Intern. room | 30/05/88 | 648.63 | | | 648.63 | 322.51 | 10.65 | 333.16 | 8,444.95 |
| | Carpet for Tram Caf | 31/10/88 | 16,881.69 | | | 16,881.69 | 8,159.47 | 277.27 | 8,437.32 | 108.08 |
| | Carpet for Hotel Jay | 26/09/88 | 16,789.50 | | | 16,789.50 | 8,161.56 | 275.76 | 8,437.32 | 974.50 |
| | Lighting & Sound | 31/01/93 | 212.49 | | | 212.49 | 100.92 | 3.49 | 104.41 | 1,173.36 |
| | Water line | 31/01/93 | 1,916.13 | | | 1,916.13 | 910.16 | 31.47 | 941.63 | 2,664.84 |
| | Elevation 4000 | 30/07/89 | 2,233.96 | | | 2,233.96 | 1,023.91 | 36.69 | 1,060.60 | 2,568.86 |
| | Tram Haus deck | 30/07/89 | 5,073.55 | | | 5,073.55 | 2,325.38 | 83.33 | 2,408.71 | 6,377.57 |
| | Ski Wee Renovations | 30/07/89 | 4,740.37 | | | 4,740.37 | 2,093.65 | 77.86 | 5,637.49 | 34,787.17 |
| | Reservation office | 29/01/90 | 12,015.06 | | | 12,015.06 | 5,440.15 | 197.34 | 29,406.58 | 1,477.70 |
| | Hotel and Tram Sewer | 29/01/90 | 64,193.75 | | | 64,193.75 | 28,352.24 | 1,054.34 | 1,291.81 | 1,016.07 |
| | Skating shack | 30/10/89 | 2,769.59 | | | 2,769.59 | 1,246.32 | 45.49 | 858.93 | 1,825.73 |
| | Hotel room renovation | 30/12/89 | 1,875.00 | | | 1,875.00 | 828.13 | 30.80 | 1,374.27 | 8,866.47 |
| | Furnace for garage | 29/01/90 | 3,000.00 | | | 3,000.00 | 1,325.00 | 49.27 | 7,247.26 | 767.94 |
| | 12 doors sliding door decks | 30/10/84 | 16,113.73 | | | 16,113.73 | 6,982.60 | 264.68 | 21.93 | 1,273.98 |
| | Lounge | 29/01/85 | 1,335.00 | | | 1,335.00 | 545.13 | 21.93 | 567.06 | 1,725.34 |
| | Troy seyer project | 30/04/95 | 2,999.30 | | | 2,999.30 | 1,224.72 | 49.26 | 1,273.98 | |

| JAY PEAK INC | | Acquisition date | Opening bal May 1, 2007 | Acquisitions | Dispositions | Closing balance Jan. 27, 2008 | Acc Amortization May 1, 2007 | Amort expense | Amort sur dis | Acc Amortization Jan. 27, 2008 | Net value as of Jan. 27, 2008 |
|---------------------------------------|----------|------------------|----------------------------|--------------|--------------|----------------------------------|---------------------------------|---------------|---------------|-----------------------------------|----------------------------------|
| FIXED ASSETS | | | | | | | | | | | |
| Jan. 27, 2008 | | | | | | | | | | | |
| Carpet | 29/01/95 | 2,000.00 | | | | 2,000.00 | 833.34 | 32.85 | | 866.19 | 1,133.81 |
| Misc building | 29/01/95 | 21,168.08 | | | | 21,168.08 | 8,820.03 | 347.67 | | 9,167.70 | 12,000.38 |
| State chalet carpet | 28/01/96 | 1,388.16 | | | | 1,388.16 | 520.56 | 22.80 | | 543.36 | 844.80 |
| Heat & light conversion Sky Haus | 30/04/96 | 13,848.67 | | | | 13,848.67 | 5,193.25 | 227.46 | | 5,420.71 | 8,427.96 |
| Roof repair cold storage | 28/01/96 | 2,492.14 | | | | 2,492.14 | 934.55 | 40.93 | | 975.49 | 1,516.65 |
| Rugs in 12 hotel rooms | 26/01/97 | 6,851.37 | | | | 6,851.37 | 2,397.98 | 112.53 | | 2,510.51 | 4,340.86 |
| Caterina's hood systems | 28/10/96 | 8,525.00 | | | | 8,525.00 | 3,054.80 | 140.02 | | 3,194.81 | 5,330.19 |
| Build snow board shop | 30/04/97 | 11,239.45 | | | | 11,239.45 | 3,840.14 | 184.60 | | 4,024.74 | 7,214.71 |
| Mini Mart | 30/04/97 | 3,618.93 | | | | 3,618.93 | 1,236.47 | 59.44 | | 1,295.91 | 2,323.02 |
| Hotel Deck & staining | 30/04/97 | 12,764.01 | | | | 12,764.01 | 4,361.04 | 209.64 | | 4,570.68 | 8,193.33 |
| Lighting system ski shop | 30/04/97 | 426.87 | | | | 426.87 | 145.85 | 7.01 | | 152.86 | 274.01 |
| Intern rest Carpet & painting | 30/04/98 | 8,596.43 | | | | 8,596.43 | 2,650.97 | 141.19 | | 2,791.76 | 5,804.67 |
| Pool liner | 30/04/98 | 6,438.34 | | | | 6,438.34 | 1,985.15 | 105.75 | | 2,090.90 | 4,347.44 |
| Hotel Carpets for some rooms | 25/10/98 | 2,192.36 | | | | 2,192.36 | 657.71 | 36.01 | | 693.72 | 1,498.64 |
| Golden Eagle carpet | 24/01/99 | 2,300.00 | | | | 2,300.00 | 690.00 | 37.78 | | 727.78 | 1,572.22 |
| Hotel Decks | 30/04/99 | 10,372.53 | | | | 10,372.53 | 2,938.88 | 170.36 | | 3,109.25 | 7,263.28 |
| Race shack | 30/04/99 | 3,674.05 | | | | 3,674.05 | 1,040.98 | 50.34 | | 1,101.32 | 2,572.73 |
| Expenses capitalized | 30/04/99 | 2,618.12 | | | | 2,618.12 | 698.17 | 43.00 | | 741.17 | 1,876.95 |
| Garage door | 24/10/99 | 2,860.00 | | | | 2,860.00 | 762.67 | 46.97 | | 809.64 | 2,050.36 |
| Deck | 24/10/99 | 334.00 | | | | 334.00 | 178.13 | 16.46 | | 194.59 | 139.41 |
| Hotel Carpets for some rooms | 24/10/99 | 11,337.27 | | | | 11,337.27 | 6,046.53 | 558.62 | | 6,605.15 | 4,732.12 |
| Hot water kitchen | 29/07/01 | 630.00 | | | | 630.00 | 288.75 | 31.04 | | 319.79 | 310.21 |
| Base lodge carpet | Apr-04 | 34,225.42 | | | | 34,225.42 | 10,267.63 | 1,688.39 | | 11,954.02 | 22,271.40 |
| Hotel siding | Apr-04 | 9,763.97 | | | | 9,763.97 | 2,929.19 | 481.10 | | 3,410.29 | 6,353.68 |
| International room - Air conditioning | 29/10/06 | 17,351.00 | | | | 17,351.00 | 867.55 | 854.94 | | 1,722.49 | 15,628.51 |
| | | 3,455,761.59 | | 0.00 | 0.00 | 3,455,761.59 | 2,463,216.08 | 59,177.75 | 0.00 | 2,522,993.84 | 933,367.75 |
| OPERATING EQUIPMENT | | | | | | | | | | | |
| | | 560,106.86 | | | | 560,106.86 | 560,106.86 | | | 560,106.86 | 0.00 |
| | 06/05/05 | 3,431.08 | | | | 3,431.08 | 3,431.08 | | | 3,431.08 | 0.00 |
| | 07/05/05 | 44,722.90 | | | | 44,722.90 | 44,722.90 | | | 44,722.90 | 0.00 |
| | 08/05/05 | 642,859.86 | | | | 642,859.86 | 642,859.86 | | | 642,859.86 | 0.00 |
| | 31/01/83 | 80,083.65 | | | | 80,083.65 | 80,083.65 | | | 80,083.65 | 0.00 |
| | 26/12/83 | 2,850.00 | | | | 2,850.00 | 2,850.00 | | | 2,850.00 | 0.00 |
| | 30/01/84 | 2,054.00 | | | | 2,054.00 | 2,054.00 | | | 2,054.00 | 0.00 |
| | 03/01/84 | 546.00 | | | | 546.00 | 546.00 | | | 546.00 | 0.00 |
| | 03/01/84 | 414.00 | | | | 414.00 | 414.00 | | | 414.00 | 0.00 |
| | 13/01/84 | 837.00 | | | | 837.00 | 837.00 | | | 837.00 | 0.00 |
| | 27/03/84 | 351.00 | | | | 351.00 | 351.00 | | | 351.00 | 0.00 |
| | 14/11/83 | 3,575.00 | | | | 3,575.00 | 3,575.00 | | | 3,575.00 | 0.00 |
| | 14/11/83 | 535,000.00 | | | | 535,000.00 | 535,000.00 | | | 535,000.00 | 0.00 |
| | 29/09/84 | 1,107.15 | | | | 1,107.15 | 1,107.15 | | | 1,107.15 | 0.00 |

| JAY PEAK INC FIXED ASSETS | | Acquisition date | Opening bal May 1, 2007 | Acquisitions | Dispositions | Closing balance Jan. 27, 2008 | Acc Amortization May 1, 2007 | Amort expens | Amort sur dis | Acc Amortization Jan. 27, 2008 | Net value as of Jan. 27, 2008 |
|------------------------------|----------------------------------|------------------|----------------------------|--------------|--------------|----------------------------------|---------------------------------|--------------|---------------|-----------------------------------|----------------------------------|
| Jan 27 2008 | | | | | | | | | | | |
| | Coupling machine | 27/02/85 | 1,114.99 | | | 1,114.99 | 1,114.99 | | | 1,114.99 | 0.00 |
| | Snowmaking | 29/04/85 | 155,193.12 | | | 155,193.12 | 155,193.12 | | | 155,193.12 | (0.00) |
| | New well | 29/04/85 | 51,585.06 | | | 51,585.06 | 51,585.06 | | | 51,585.06 | (0.00) |
| | Rapid mower | 30/08/85 | 5,408.00 | | | 5,408.00 | 5,408.00 | | | 5,408.00 | 0.00 |
| | Honda generator | 30/08/85 | 988.00 | | | 988.00 | 988.00 | | | 988.00 | 0.00 |
| | Tire machine at garage | 30/08/85 | 2,496.00 | | | 2,496.00 | 2,496.00 | | | 2,496.00 | 0.00 |
| | Allstone (stone grinder) R&R | 29/11/85 | 15,631.20 | | | 15,631.20 | 15,631.20 | | | 15,631.20 | 0.00 |
| | Gas heater | 30/12/85 | 304.11 | | | 304.11 | 304.11 | | | 304.11 | 0.00 |
| | Hot water heater | 30/12/85 | 2,462.04 | | | 2,462.04 | 2,462.04 | | | 2,462.04 | 0.00 |
| | Boiler & burner furnace | 30/01/86 | 11,813.44 | | | 11,813.44 | 11,813.44 | | | 11,813.44 | 0.00 |
| | 6 ranger trash container | 30/01/86 | 929.76 | | | 929.76 | 929.76 | | | 929.76 | 0.00 |
| | Oil burner tram & sky haus | 30/03/86 | 3,714.77 | | | 3,714.77 | 3,714.77 | | | 3,714.77 | 0.00 |
| | Snowmaking equipment | 29/04/86 | 298,257.91 | | | 298,257.91 | 298,257.91 | | | 298,257.91 | 0.00 |
| | Snowmaking compressor | 30/05/86 | 41,600.00 | | | 41,600.00 | 41,600.00 | | | 41,600.00 | 0.00 |
| | Fountain for charter Jay | 29/06/86 | 462.80 | | | 462.80 | 462.80 | | | 462.80 | 0.00 |
| | Tram jack for garage | 29/06/86 | 830.96 | | | 830.96 | 830.96 | | | 830.96 | 0.00 |
| | Ten tower mounted guns | 03/11/86 | 10,063.61 | | | 10,063.61 | 10,063.61 | | | 10,063.61 | 0.00 |
| | Permit for pond | 29/04/87 | 12,500.00 | | | 12,500.00 | 12,500.00 | | | 12,500.00 | 0.00 |
| | Insulate Stateside trails' pipes | 29/04/87 | 7,898.80 | | | 7,898.80 | 7,898.80 | | | 7,898.80 | 0.00 |
| | Engraving machine | 29/04/87 | 1,127.00 | | | 1,127.00 | 1,127.00 | | | 1,127.00 | 0.00 |
| | IR small wares | 03/08/87 | 1,506.77 | | | 1,506.77 | 1,506.77 | | | 1,506.77 | 0.00 |
| | Broiler attachment | 02/02/88 | 889.90 | | | 889.90 | 889.90 | | | 889.90 | 0.00 |
| | 10 tower guns | 03/08/87 | 12,031.28 | | | 12,031.28 | 12,031.28 | | | 12,031.28 | 0.00 |
| | Hydrants | 28/09/87 | 6,841.88 | | | 6,841.88 | 6,841.88 | | | 6,841.88 | 0.00 |
| | Hoses | 02/11/87 | 6,492.66 | | | 6,492.66 | 6,492.66 | | | 6,492.66 | 0.00 |
| | Ullr's snowmaking | 02/11/87 | 3,071.41 | | | 3,071.41 | 3,071.41 | | | 3,071.41 | 0.00 |
| | Fencing | 02/11/87 | 9,726.05 | | | 9,726.05 | 9,726.05 | | | 9,726.05 | 0.00 |
| | replace Quilt A wing | 28/12/87 | 1,461.11 | | | 1,461.11 | 1,461.11 | | | 1,461.11 | 0.00 |
| | Welder | 29/02/88 | 2,903.49 | | | 2,903.49 | 2,903.49 | | | 2,903.49 | 0.00 |
| | Ski school terrain area | 01/08/88 | 1,872.46 | | | 1,872.46 | 1,872.46 | | | 1,872.46 | 0.00 |
| | Engineering snowmaking/ MT | 01/08/88 | 11,265.59 | | | 11,265.59 | 11,265.59 | | | 11,265.59 | 0.00 |
| | 6000 Air comp & installation | 31/01/83 | 290,181.06 | | | 290,181.06 | 290,181.06 | | | 290,181.06 | 0.00 |
| | Air to air cooler & hookup | 31/10/88 | 26,947.88 | | | 26,947.88 | 26,947.88 | | | 26,947.88 | 0.00 |
| | Transformer, capacitors & instal | 31/10/88 | 4,849.61 | | | 4,849.61 | 4,849.61 | | | 4,849.61 | 0.00 |
| | Brook pump, motor & drive | 31/10/88 | 33,105.59 | | | 33,105.59 | 33,105.59 | | | 33,105.59 | 0.00 |
| | Brook sump building & instal | 31/10/88 | 35,935.50 | | | 35,935.50 | 35,935.50 | | | 35,935.50 | 0.00 |
| | Primary pump, motor & starter | 31/01/93 | 42,372.56 | | | 42,372.56 | 42,372.56 | | | 42,372.56 | 0.00 |
| | Upgrade main control valve | 31/12/92 | 16,698.32 | | | 16,698.32 | 16,698.32 | | | 16,698.32 | 0.00 |
| | Installation of prim pump & valv | 31/12/92 | 5,556.15 | | | 5,556.15 | 5,556.15 | | | 5,556.15 | 0.00 |
| | Gunds; hoses, sleds | 31/10/88 | 39,365.96 | | | 39,365.96 | 39,365.96 | | | 39,365.96 | 0.00 |
| | Additional hydrants tower guns | 31/10/88 | 31,036.64 | | | 31,036.64 | 31,036.64 | | | 31,036.64 | 0.00 |
| | Spur line to the Montreuil | 31/10/88 | 4,447.87 | | | 4,447.87 | 4,447.87 | | | 4,447.87 | 0.00 |
| | System control | 31/03/89 | 38,074.36 | | | 38,074.36 | 38,074.36 | | | 38,074.36 | 0.00 |
| | Closing fees | 31/01/93 | 8,293.00 | | | 8,293.00 | 8,293.00 | | | 8,293.00 | 9.99 |

| JAY PEAK INC | | Acquisition date | Opening bal May 1, 2007 | Acquisitions | Disposition | Closing balance Jan.27.2008 | Acc Amortization May 1, 2007 | Amort expense | Amort sur dis | Acc Amortization Jan.27.2008 | Net value as of Jan.27.2008 |
|--|----------|------------------|-------------------------|--------------|-------------|-----------------------------|------------------------------|---------------|---------------|------------------------------|-----------------------------|
| FIXED ASSETS | | | | | | | | | | | |
| Jan. 27, 2008 | | | | | | | | | | | |
| Legal fees | 31/01/93 | 2,433.00 | | | | 2,433.00 | 2,433.00 | | | 2,433.00 | 0.00 |
| Ski school ski wee renovation equip | 29/11/89 | 601.02 | | | | 601.02 | 565.96 | 29.61 | | 595.57 | 5.45 |
| Snowmaking hose | 30/01/94 | 2,512.88 | | | | 2,512.88 | 2,324.41 | 123.82 | | 2,448.23 | 64.65 |
| Skating rink | 30/01/94 | 185.98 | | | | 185.98 | 174.81 | 9.31 | | 184.12 | 4.86 |
| Elevation 4000 equipment | 30/12/89 | 792.90 | | | | 792.90 | 740.04 | 39.07 | | 779.11 | 13.79 |
| Gas Heating (Hotel) | 30/07/89 | 38,205.18 | | | | 38,205.18 | 17,510.72 | 627.50 | | 18,138.22 | 20,066.96 |
| Propane conversion equip | 30/12/89 | 39,084.06 | | | | 39,064.06 | 36,459.79 | 1,924.81 | | 38,384.60 | 679.46 |
| Snowmaking green line | 30/10/94 | 61,131.35 | | | | 61,131.35 | 24,961.97 | 1,004.04 | | 25,966.01 | 35,165.34 |
| Snowmaking maint expense | 28/01/86 | 60,338.35 | | | | 60,338.35 | 60,338.35 | 0.00 | | 60,338.35 | 0.00 |
| Wide storer/Belt combo & Edger rental shop | 30/04/97 | 23,178.75 | | | | 23,178.75 | 23,178.75 | 0.00 | | 23,178.75 | 0.00 |
| Snowmaking items 12 water hydrants | 30/04/97 | 3,124.17 | | | | 3,124.17 | 3,124.17 | 0.00 | | 3,124.17 | 0.00 |
| Snowmaking items repairs sleds | 30/04/97 | 332.50 | | | | 332.50 | 332.50 | 0.00 | | 332.50 | 0.00 |
| Snowmaking items 16 helmets | 30/04/97 | 756.40 | | | | 756.40 | 756.40 | 0.00 | | 756.40 | 0.00 |
| Snowmaking items uniform | 30/04/97 | 277.78 | | | | 277.78 | 277.78 | 0.00 | | 277.78 | 0.00 |
| Snowmaking items butterfly valves | 30/04/97 | 1,749.23 | | | | 1,749.23 | 1,749.23 | 0.00 | | 1,749.23 | 0.00 |
| Snowmaking items welding pipe | 30/04/97 | 1,787.35 | | | | 1,787.35 | 1,787.35 | 0.00 | | 1,787.35 | 0.00 |
| Silver ware | 26/01/98 | 171.11 | | | | 171.11 | 171.11 | 0.00 | | 171.11 | 0.00 |
| Snowmaking mixing bowl | 30/04/98 | 984.03 | | | | 984.03 | 910.23 | 48.49 | | 958.71 | 25.32 |
| Snowmaking snometric control | 30/04/98 | 2,503.20 | | | | 2,503.20 | 2,315.48 | 123.34 | | 2,438.80 | 64.40 |
| Snowmaking half pipe | 30/04/99 | 9,615.78 | | | | 9,615.78 | 9,615.78 | 0.00 | | 9,615.78 | 0.00 |
| Capitalized expenses | 30/04/99 | 10,861.40 | | | | 10,861.40 | 10,861.40 | 0.00 | | 10,861.40 | 0.00 |
| Echo SRM2400 weedeater | 25/07/99 | 283.49 | | | | 283.49 | 283.49 | 0.00 | | 283.49 | 0.00 |
| Snowmaking | 23/01/00 | 270,307.68 | | | | 270,307.68 | 270,307.68 | 0.00 | | 270,307.68 | 0.00 |
| Snowmaking | 30/04/00 | 100,000.00 | | | | 100,000.00 | 100,000.00 | 0.00 | | 100,000.00 | 0.00 |
| gas tank unleaded garage | 30/04/00 | 8,745.00 | | | | 8,745.00 | 8,745.00 | 0.00 | | 8,745.00 | 0.00 |
| Hoist 1500lb Garage | 30/04/00 | 2,761.50 | | | | 2,761.50 | 2,761.50 | 0.00 | | 2,761.50 | 0.00 |
| Snowmaking HKD | 28/01/01 | 9,445.00 | | | | 9,445.00 | 6,139.25 | 465.38 | | 6,604.63 | 2,840.37 |
| Spill spill removal | 28/10/01 | 206,744.19 | | | | 206,744.19 | 113,709.30 | 10,186.93 | | 123,896.23 | 82,847.96 |
| Gas boy | 27/01/02 | 612.82 | | | | 612.82 | 612.82 | 0.00 | | 612.82 | 0.00 |
| Snow guns | 30/04/02 | 7,299.75 | | | | 7,299.75 | 7,299.75 | 0.00 | | 7,299.75 | 0.00 |
| Snowmaking pumps | 26/10/03 | 83,502.83 | | | | 83,502.83 | 33,401.13 | 4,114.44 | | 37,515.58 | 45,987.25 |
| Hydrants, Welding | 26/10/03 | 78,377.11 | | | | 78,377.11 | 31,350.84 | 3,861.88 | | 35,212.73 | 43,164.38 |
| Snowmaking pumps | 26/10/03 | 31,065.46 | | | | 31,065.46 | 12,426.18 | 1,530.69 | | 13,956.88 | 17,108.58 |
| Snow guns | 25/07/04 | 71,337.00 | | | | 71,337.00 | 17,634.25 | 3,515.00 | | 21,349.25 | 49,987.75 |
| Snowmaking pumps | 24/10/04 | 72,202.63 | | | | 72,202.63 | 18,050.66 | 3,557.65 | | 21,608.31 | 50,594.32 |
| Snow guns | 31/07/05 | 110,303.54 | | | | 110,303.54 | 16,735.84 | 5,435.00 | | 22,170.84 | 88,132.70 |
| 95 HKQ snowguns | 30/10/05 | 94,261.65 | | | | 94,261.65 | 14,138.25 | 4,644.57 | | 18,783.81 | 75,477.84 |
| 96 HKQ snowguns | 29/10/06 | 5,000.00 | | | | 5,000.00 | 250.00 | 246.37 | | 496.37 | 4,503.63 |
| Snowmaking - System improvement | 29/10/06 | 13,141.00 | | | | 13,141.00 | 657.05 | 647.50 | | 1,304.55 | 11,836.45 |
| | | 4,563,247.24 | | 0.00 | | 4,563,247.24 | 3,992,540.37 | 42,135.40 | 0.00 | 4,034,675.76 | 528,571.48 |
| GOLF EQUIPMENT | | | | | | | | | | | |
| | | | | | | | | | | | 3.15 |

| JAY PEAK INC FIXED ASSETS | Acquisition date | Opening bal May 1, 2007 | Acquisitions | Dispositions | Closing balance Jan. 27, 2008 | Acc Amortization May 1, 2007 | Amort. expens | Amort. sur dis | Acc. Amortization Jan. 27, 2008 | Net value as of Jan. 27, 2008 |
|------------------------------------|---------------------|----------------------------|--------------|--------------|----------------------------------|---------------------------------|---------------|----------------|------------------------------------|----------------------------------|
| Jan. 27, 2008 | | | | | | | | | | |
| 1 sandwich unit | 11/11/83 | 1,087.00 | | | 1,087.00 | 1,087.00 | | | 1,087.00 | 0.00 |
| 1 fryer | 11/11/83 | 1,622.00 | | | 1,622.00 | 1,622.00 | | | 1,622.00 | 0.00 |
| 1 used fryer | 20/12/83 | 276.00 | | | 276.00 | 276.00 | | | 276.00 | 0.00 |
| 120 tablecloths | 28/12/83 | 840.00 | | | 840.00 | 840.00 | | | 840.00 | 0.00 |
| 66 stack chairs & 3 banquet tables | 29/09/84 | 1,282.32 | | | 1,282.32 | 1,282.32 | | | 1,282.32 | (0.00) |
| Cooking ventilation for State | 29/11/84 | 1,340.00 | | | 1,340.00 | 1,340.00 | | | 1,340.00 | 0.00 |
| 2 5' long tables | 29/11/84 | 364.00 | | | 364.00 | 364.00 | | | 364.00 | 0.00 |
| 1 drink mixer for milk shakes | 29/11/84 | 561.60 | | | 561.60 | 561.60 | | | 561.60 | 0.00 |
| 8 cafeteria tables & 24 chairs | 29/11/84 | 5,026.51 | | | 5,026.51 | 5,026.51 | | | 5,026.51 | (0.00) |
| 1 neon pizza | 30/12/84 | 759.20 | | | 759.20 | 759.20 | | | 759.20 | 0.00 |
| 1 fudge warmer | 30/12/84 | 171.60 | | | 171.60 | 171.60 | | | 171.60 | 0.00 |
| 1 cookie oven | 30/12/84 | 3,634.80 | | | 3,634.80 | 3,634.80 | | | 3,634.80 | 0.00 |
| 3 rolling carts | 30/12/84 | 839.28 | | | 839.28 | 839.28 | | | 839.28 | 0.00 |
| 1 dessert display | 30/12/84 | 1,658.80 | | | 1,658.80 | 1,658.80 | | | 1,658.80 | 0.00 |
| 3 pizzas ovens | 30/12/84 | 858.00 | | | 858.00 | 858.00 | | | 858.00 | 0.00 |
| Steamer | 29/09/85 | 165.41 | | | 165.41 | 165.41 | | | 165.41 | 0.00 |
| Micro wave | 29/09/85 | 650.00 | | | 650.00 | 650.00 | | | 650.00 | 0.00 |
| Popcorn machine | 29/09/85 | 514.80 | | | 514.80 | 514.80 | | | 514.80 | 0.00 |
| Stainless steel table | 29/09/85 | 192.40 | | | 192.40 | 192.40 | | | 192.40 | 0.00 |
| Refrigrator | 29/09/85 | 1,300.00 | | | 1,300.00 | 1,300.00 | | | 1,300.00 | 0.00 |
| 3 gallon coffe urn | 29/09/85 | 3,317.60 | | | 3,317.60 | 3,317.60 | | | 3,317.60 | 0.00 |
| Gas grill | 30/10/85 | 1,686.80 | | | 1,686.80 | 1,686.80 | | | 1,686.80 | 0.00 |
| Freezer | 30/10/85 | 260.00 | | | 260.00 | 260.00 | | | 260.00 | 0.00 |
| 9 tables for cafeteria | 30/10/85 | 5,451.73 | | | 5,451.73 | 5,451.73 | | | 5,451.73 | 0.00 |
| Popcorn popper | 30/10/85 | 494.00 | | | 494.00 | 494.00 | | | 494.00 | 0.00 |
| Steamer | 30/10/85 | 2,688.40 | | | 2,688.40 | 2,688.40 | | | 2,688.40 | 0.00 |
| Upgrade Dishwasher | 30/10/85 | 1,092.00 | | | 1,092.00 | 1,092.00 | | | 1,092.00 | 0.00 |
| 2 5 gallons containers | 29/11/85 | 204.36 | | | 204.36 | 204.36 | | | 204.36 | 0.00 |
| Micro wave & hot dog steamer | 29/11/85 | 734.34 | | | 734.34 | 734.34 | | | 734.34 | 0.00 |
| Caf. micro wave | 29/11/85 | 135.19 | | | 135.19 | 135.19 | | | 135.19 | 0.00 |
| Cafeteria tables | 29/11/85 | 370.40 | | | 370.40 | 370.40 | | | 370.40 | 0.00 |
| Menu covers hotel | 29/11/85 | 736.44 | | | 736.44 | 736.44 | | | 736.44 | 0.00 |
| Preitzel display | 30/12/85 | 177.11 | | | 177.11 | 177.11 | | | 177.11 | 0.00 |
| Vacuum cleaner for cafeteria | 30/12/85 | 1,664.00 | | | 1,664.00 | 1,664.00 | | | 1,664.00 | 0.00 |
| 3 ice drink dispenser | 29/04/86 | 8,195.50 | | | 8,195.50 | 8,195.50 | | | 8,195.50 | 0.00 |
| Walk in freezer hotel | 29/04/86 | 21,902.62 | | | 21,902.62 | 21,902.62 | | | 21,902.62 | 0.00 |
| Oblong chafer dishes (3) | 03/11/86 | 933.92 | | | 933.92 | 933.92 | | | 933.92 | 0.00 |
| Hobart slicer 12" blade | 11/02/86 | 821.60 | | | 821.60 | 821.60 | | | 821.60 | 0.00 |
| Spice stand | 11/02/86 | 130.00 | | | 130.00 | 130.00 | | | 130.00 | 0.00 |
| Bread warmer | 11/02/86 | 338.00 | | | 338.00 | 338.00 | | | 338.00 | 0.00 |
| Table top mixer NSF approved | 11/02/86 | 603.20 | | | 603.20 | 603.20 | | | 603.20 | 0.00 |
| Cafeteria kitchen ice machine | 29/12/86 | 2,025.40 | | | 2,025.40 | 2,025.40 | | | 2,025.40 | 0.00 |
| Oblong chafer dishes (3) | 02/02/87 | 466.96 | | | 466.96 | 466.96 | | | 466.96 | 0.00 |
| French fries cooker | 02/02/87 | 416.00 | | | 416.00 | 416.00 | | | 416.00 | 0.00 |

| JAY PEAK INC FIXED ASSETS | Acquisition date | Opening bal May 1, 2007 | Acquisitions | Disposition | Closing balance Jan.27,2008 | Acc Amortization May 1, 2007 | Amort. expens | Amort sur disl | Acc Amortization Jan.27,2008 | Net value as of Jan.27,2008 |
|-------------------------------------|------------------|----------------------------|--------------|-------------|--------------------------------|---------------------------------|---------------|----------------|---------------------------------|--------------------------------|
| | | | | | | | | | | |
| Jan 27,2006 | | | | | | | | | | |
| 34 boards, 3 pairs boots | 29/10/95 | 2,586.19 | | | 2,586.19 | 2,586.19 | | | 2,586.19 | (0.00) |
| Rental equipment | 28/01/96 | 25,056.01 | | | 25,056.01 | 25,056.01 | | | 25,056.01 | 0.00 |
| 44 PAIRS POOLS | 28/10/96 | 370.76 | | | 370.76 | 370.76 | | | 370.76 | (0.00) |
| 1 pair Salomon ski | 26/01/97 | 289.70 | | | 289.70 | 289.70 | | | 289.70 | (0.00) |
| 145 pairs Salomon boots | 26/01/97 | 6,048.07 | | | 6,048.07 | 6,048.07 | | | 6,048.07 | 0.00 |
| 53 Burton Snowboards | 26/01/97 | 1,294.22 | | | 1,294.22 | 1,294.22 | | | 1,294.22 | 0.00 |
| 140 pairs Marker Bindings | 26/01/97 | 604.22 | | | 604.22 | 604.22 | | | 604.22 | 0.00 |
| 10 pairs Marker skis | 26/01/97 | 408.19 | | | 408.19 | 408.19 | | | 408.19 | 0.00 |
| 15 K2 snowboards | 26/01/97 | 308.40 | | | 308.40 | 308.40 | | | 308.40 | (0.00) |
| 7 pairs Big Kahuna skis | 26/01/97 | 1,640.80 | | | 1,640.80 | 1,640.80 | | | 1,640.80 | 0.00 |
| 25 pairs Burton Bindings snowboards | 26/01/97 | 2,011.28 | | | 2,011.28 | 2,011.28 | | | 2,011.28 | 0.00 |
| 12 pairs footsks | 26/01/97 | 426.71 | | | 426.71 | 426.71 | | | 426.71 | 0.00 |
| 25 pairs snowshoes | 26/01/97 | 1,891.01 | | | 1,891.01 | 1,891.01 | | | 1,891.01 | 0.00 |
| 55 sets leases for snowboards | 26/01/97 | 556.66 | | | 556.66 | 556.66 | | | 556.66 | 0.00 |
| 2 Avalanche snowboards | 26/01/97 | 262.08 | | | 262.08 | 262.08 | | | 262.08 | 0.00 |
| 35 pairs Burton Snowboard boots | 26/01/97 | 1,808.80 | | | 1,808.80 | 1,808.80 | | | 1,808.80 | 0.00 |
| 15 pairs Burton Bindings for K2 | 26/01/97 | 1,459.44 | | | 1,459.44 | 1,459.44 | | | 1,459.44 | 0.00 |
| 3 pairs Olin ski | 26/01/97 | 169.92 | | | 169.92 | 169.92 | | | 169.92 | 0.00 |
| 2 Burton snowboard bindings | 30/04/97 | 161.28 | | | 161.28 | 161.28 | | | 161.28 | 0.00 |
| on rental equipment | 26.10.97 | 240.61 | | | 240.61 | 240.61 | | | 240.61 | 0.00 |
| 317 Bindings | 26.01.98 | 4,118.63 | | | 4,118.63 | 4,118.63 | | | 4,118.63 | 0.00 |
| 15 pairs Garmont Boots | 30.04.99 | 2,782.29 | | | 2,782.29 | 2,782.29 | | | 2,782.29 | 0.00 |
| Ski, boots, snowboard | 30.04.01 | 82,537.05 | | | 82,537.05 | 82,537.05 | | | 82,537.05 | 0.00 |
| Ski, boots, snowboard | 27.01.02 | 44,136.98 | | | 44,136.98 | 44,136.98 | | | 44,136.98 | 0.00 |
| Ski, boots, snowboard | 27.10.02 | 89,663.49 | | | 89,663.49 | 89,663.49 | | | 89,663.49 | 0.00 |
| Boots dryer-100pairs | 26.01.03 | 1,396.59 | | | 1,396.59 | 1,396.59 | | | 1,396.59 | 0.00 |
| Ski, boots, snowboard | 25.01.04 | 87,419.22 | | | 87,419.22 | 87,419.22 | | | 87,419.22 | 0.00 |
| Ski, boots, snowboard | 23.01.05 | 67,648.91 | | | 67,648.91 | 67,648.91 | | | 67,648.91 | 12,056.67 |
| Ski, boots, snowboard | 30.10.05 | 80,327.78 | | | 80,327.78 | 80,327.78 | | | 80,327.78 | 26,970.56 |
| Ski, boots, snowboard | 29.10.06 | 75,798.77 | | | 75,798.77 | 75,798.77 | | | 75,798.77 | 50,716.17 |
| Ski, boots, snowboard | 23.12.07 | | 67,310.84 | | 67,310.84 | | | | 67,310.84 | 61,783.15 |
| | | 583,424.06 | 67,310.84 | 0.00 | 650,734.90 | 456,926.96 | 42,281.41 | 0.00 | 499,208.37 | 151,526.53 |
| MISCELLANEOUS EQUIPMENT | | | | | | | | | | |
| 35 watt amplifier | 16/10/83 | 104.00 | | | 104.00 | 104.00 | | | 104.00 | 0.00 |
| floor polisher | 31/03/84 | 409.00 | | | 409.00 | 409.00 | | | 409.00 | 0.00 |
| Gas stove for ski patrol bldg | 29/09/84 | 390.56 | | | 390.56 | 390.56 | | | 390.56 | (0.00) |
| Walkie talkies | 29/11/84 | 67.20 | | | 67.20 | 67.20 | | | 67.20 | 0.00 |
| Boot lickers | 29/11/84 | 4,382.02 | | | 4,382.02 | 4,382.02 | | | 4,382.02 | (0.00) |
| 1 grip tester | 29/11/84 | 1,588.49 | | | 1,588.49 | 1,588.49 | | | 1,588.49 | 0.00 |
| 1 ski tuner | 30/12/84 | 1,866.80 | | | 1,866.80 | 1,866.80 | | | 1,866.80 | 0.00 |
| Mountain signs | 29/04/85 | 20,820.84 | | | 20,820.84 | 20,820.84 | | | 20,820.84 | 0.00 |
| 12 trail signs | 30/08/85 | 834.08 | | | 834.08 | 834.08 | | | 834.08 | 9.35 |

| JAY PEAK INC FIXED ASSETS | Acquisition date | Opening bal May 1, 2007 | Acquisitions | Disposition | Closing balance Jan 27, 2008 | Acc. Amortization May 1, 2007 | Amort. surplu | Acc. Amortization Jan 27, 2008 | Net value as of Jan 27, 2008 |
|-------------------------------------|------------------|----------------------------|-------------------|-------------|---------------------------------|----------------------------------|---------------|-----------------------------------|---------------------------------|
| Jan 27, 2008 | | | | | | | | | |
| CD player | 29/09/85 | 311.00 | | | 311.90 | 311.90 | | 311.90 | 0.00 |
| Bress hat/coat rack | 29/11/85 | 469.04 | | | 469.04 | 469.04 | | 469.04 | 0.00 |
| Sign for mini-mart | 29/11/85 | 1,016.12 | | | 1,016.12 | 1,016.12 | | 1,016.12 | 0.00 |
| Burglar alarm system | 30/12/85 | 208.07 | | | 208.07 | 208.07 | | 208.07 | 0.00 |
| 2 head sets | 27/02/86 | 902.72 | | | 902.72 | 902.72 | | 902.72 | 0.00 |
| Turnside mini-mart | 27/02/86 | 527.14 | | | 527.14 | 527.14 | | 527.14 | 0.00 |
| Shelf for mini mart | 30/12/85 | 1,024.74 | | | 1,024.74 | 1,024.74 | | 1,024.74 | 0.00 |
| 2 way radio BR400 | 28/12/87 | 604.90 | | | 604.90 | 604.90 | | 604.90 | 0.00 |
| 9 ski racks | 28/12/87 | 1,544.85 | | | 1,544.85 | 1,544.85 | | 1,544.85 | 0.00 |
| Karaoke system (entertainment) | 01/02/88 | 6,526.54 | | | 6,526.54 | 6,526.54 | | 6,526.54 | 0.00 |
| 3 radios | 28/01/96 | 1,043.75 | | | 1,043.75 | 1,043.75 | | 1,043.75 | 0.00 |
| 2 communications radios | 30/04/97 | 862.22 | | | 862.22 | 862.22 | | 862.22 | 0.00 |
| Ski patrol uniforms | 30/04/97 | 1,192.98 | | | 1,192.98 | 1,192.98 | | 1,192.98 | 0.00 |
| Ski patrol toboggan/vacuation seats | 30/04/97 | 921.26 | | | 921.26 | 921.26 | | 921.26 | 0.00 |
| Miscellaneous | 26/09/88 | 21.84 | | | 21.84 | 21.84 | | 21.84 | 0.00 |
| Radios | 30/12/89 | 3,894.75 | | | 3,894.75 | 3,894.75 | | 3,894.75 | 67.74 |
| Radios | 29/01/85 | 4,080.90 | | | 4,080.90 | 3,366.74 | | 3,567.82 | 513.08 |
| Misc Equip | 29/01/85 | 31,497.39 | | | 31,497.39 | 31,497.39 | | 31,497.39 | 0.00 |
| Demo center | 27/01/02 | 3,016.96 | | | 3,016.96 | 3,016.96 | | 3,016.96 | 0.00 |
| Rental ski waxer | 30/04/04 | 3,957.22 | | | 3,957.22 | 2,572.19 | | 2,962.16 | 995.06 |
| Tech equip -in-House TV | 30/04/04 | 2,556.64 | | | 2,556.64 | 1,661.82 | | 1,913.76 | 642.88 |
| Entrance Sign | 30/07/06 | 33,028.22 | | | 33,028.22 | 3,302.82 | | 6,557.63 | 26,470.59 |
| Weider | 28/10/07 | | 5,692.73 | | 5,692.73 | | | 280.50 | 5,412.23 |
| | | 129,683.14 | 5,692.73 | 0.00 | 135,375.87 | 96,704.09 | 0.00 | 101,274.29 | 34,101.58 |
| TOTAL EQUIPMENT | | 5,449,202.66 | 151,773.99 | 0.00 | 5,600,976.65 | 4,704,792.35 | 0.00 | 4,801,952.94 | 799,024.31 |
| T-BARS & CHAIRLIFTS | | | | | | | | | |
| | 08/06/05 | 630,000.00 | | | 630,000.00 | 630,000.00 | | 630,000.00 | 0.00 |
| | 31/01/83 | 443,291.28 | | | 443,291.28 | 443,291.28 | | 443,291.28 | 0.00 |
| | 14/11/83 | 76,332.00 | | | 8,214.72 | 8,214.72 | | 8,214.72 | (0.00) |
| Cap Pro Quad lift | 14/11/83 | 780,000.00 | | | 76,332.00 | 73,151.40 | | 75,031.96 | 1,300.04 |
| Cap Pro Quad lift capital lease | 14/11/83 | 61,260.00 | | | 780,000.00 | 747,500.00 | | 766,716.52 | 13,283.48 |
| Cap Pro Queen TBar | 29/10/84 | 1,549.91 | | | 61,260.00 | 58,707.00 | | 60,216.24 | 1,043.76 |
| Work on quad chair | 29/09/85 | 14,627.13 | | | 1,549.91 | 1,427.25 | | 1,510.60 | 39.31 |
| Addition to Blue chair | 30/01/86 | 11,719.31 | | | 14,627.13 | 12,737.82 | | 14,256.14 | 370.99 |
| John Deere engine green chair | 29/05/86 | 4,700.00 | | | 11,719.31 | 10,156.77 | | 11,422.07 | 287.24 |
| Painting quad chair | 01/09/86 | 28,396.16 | | | 4,700.00 | 3,975.42 | | 4,580.79 | 119.21 |
| New cable green chair | | | | | | 23,308.53 | | 27,675.93 | 729.44 |

| JAY PEAK INC | | Acquisition date | Opening bal May 1, 2007 | Acquisitions | Disposition | Closing balance Jan. 27, 2008 | Acc. Amortization May 1, 2007 | Amort. expens | Amort. sur dis | Acc. Amortization Jan. 27, 2008 | Net. value as of Jan. 27, 2008 |
|-----------------------|---|------------------|-------------------------|--------------|-------------|-------------------------------|-------------------------------|---------------|----------------|---------------------------------|--------------------------------|
| FIXED ASSETS | | | | | | | | | | | |
| Jan. 27, 2008 | | | | | | | | | | | |
| | Rebuild hall depression assemblies | 03/11/86 | 8,600.00 | | | 8,600.00 | 7,059.17 | 1,322.70 | | 8,381.87 | 218.13 |
| | Triple chair struct counter weight | 03/11/86 | 1,530.20 | | | 1,530.20 | 1,256.04 | 235.35 | | 1,491.39 | 38.81 |
| | Triple chair struct counter weight | 03/03/87 | 2,064.40 | | | 2,064.40 | 1,685.93 | 326.11 | | 2,012.04 | 52.36 |
| | New cable for tram | 30/07/89 | 24,311.80 | | | 24,311.80 | 16,714.36 | 6,980.81 | | 23,695.17 | 616.63 |
| | Lift rope for beginner | 30/12/89 | 2,625.00 | | | 2,625.00 | 1,739.06 | 819.36 | | 2,558.42 | 66.58 |
| | New lift | 18/06/05 | 13,448.00 | | | 13,448.00 | 8,068.80 | 5,038.11 | | 13,106.91 | 341.09 |
| | Misc lift | 28/01/96 | 45,511.48 | | | 45,511.48 | 28,444.67 | 15,912.49 | | 44,357.16 | 1,154.32 |
| | New chair/village quad | 30/04/96 | 270,883.58 | | | 270,883.58 | 152,372.01 | 6,673.64 | | 159,045.65 | 111,837.93 |
| | Divers chairlift | 28/01/96 | 41,001.74 | | | 41,001.74 | 23,063.48 | 1,010.14 | | 24,073.62 | 16,928.12 |
| | Tram security | 30/04/97 | 40,046.39 | | | 40,046.39 | 21,524.94 | 986.61 | | 22,511.54 | 17,534.85 |
| | Village chair lift | 30/04/97 | 22,261.92 | | | 22,261.92 | 11,965.78 | 548.46 | | 12,514.24 | 9,747.68 |
| | Queens T-bar | 30/04/97 | 674.51 | | | 674.51 | 349.69 | 16.62 | | 362.30 | 312.21 |
| | Tram | 30/04/97 | 6,777.63 | | | 6,777.63 | 3,473.54 | 166.98 | | 3,640.51 | 3,137.12 |
| | Quad lift | 30/04/97 | 4,709.15 | | | 4,709.15 | 2,413.44 | 116.02 | | 2,529.45 | 2,179.70 |
| | Triple | 30/04/97 | 1,349.03 | | | 1,349.03 | 691.38 | 33.24 | | 724.61 | 624.42 |
| | Half chair retrofits | 30,04,98 | 11,578.20 | | | 11,578.20 | 5,354.92 | 285.25 | | 5,640.16 | 5,938.04 |
| | Capitalized expenses | 30,04,99 | 17,121.31 | | | 17,121.31 | 6,993.15 | 421.81 | | 7,414.96 | 9,706.35 |
| | Total green mountain detachable chair | 23 01, 00 | 2,581,621.03 | | | 2,581,621.03 | 935,837.62 | 63,802.26 | | 999,439.88 | 1,582,181.15 |
| | Tram upgrade | 23 01, 00 | 29,105.00 | | | 29,105.00 | 10,417.56 | 717.05 | | 11,134.61 | 17,970.39 |
| | Tram upgrade 2000-01 | 30,04,01 | 545,236.07 | | | 545,236.07 | 170,386.27 | 13,432.74 | | 183,819.01 | 361,417.06 |
| | New chair Barr | 30,04,02 | 5,615.00 | | | 5,615.00 | 1,754.69 | 138.33 | | 1,893.02 | 3,721.98 |
| | Metro Quad Chair | 27,10,02 | 596,861.11 | | | 596,861.11 | 125,872.59 | 14,704.60 | | 140,577.19 | 456,283.92 |
| | Magic carpet lift | 27,10,02 | 73,666.96 | | | 73,666.96 | 15,654.23 | 1,814.90 | | 17,469.13 | 56,197.83 |
| | Tram Haul Rope | 26,10,03 | 32,900.73 | | | 32,900.73 | 5,757.63 | 810.56 | | 6,988.19 | 26,332.64 |
| | Tram Haul Rope | 25,01,03 | 39,539.19 | | | 39,539.19 | 3,953.92 | 974.11 | | 4,928.03 | 34,611.16 |
| | Tram drive system | 30,10,05 | 66,889.01 | | | 66,889.01 | 1,672.23 | 1,647.92 | | 3,320.14 | 63,568.87 |
| | | | 6,546,018.95 | 0.00 | 0.00 | 6,546,018.95 | 3,576,943.25 | 169,182.21 | 0.00 | 3,746,125.46 | 2,799,893.49 |
| ROLLING STOCKS | | | | | | | | | | | |
| | 2 - 4 wheelers & 1 ski doo | 17/06/05 | 9,765.00 | | | 9,765.00 | 9,765.00 | | | 9,765.00 | 0.00 |
| | 1984 Chev Bucket truck | 17/06/05 | 5,500.00 | | | 5,500.00 | 5,500.00 | | | 5,500.00 | 0.00 |
| | Chonille pour br400(voir EJ ajust) | 30/10/84 | 41,514.48 | | | 41,514.48 | 41,514.48 | | | 41,514.48 | 0.00 |
| | 1 Honda 4X4 | 29/10/85 | 5,347.26 | | | 5,347.26 | 5,347.26 | | | 5,347.26 | 0.00 |
| | 1 venture Snowmachine | 28/01/86 | 4,823.77 | | | 4,823.77 | 4,923.77 | | | 4,923.77 | 0.00 |
| | Snow mobile | 28/10/86 | 2,625.00 | | | 2,625.00 | 2,625.00 | | | 2,625.00 | 0.00 |
| | Chev Suburban 1500 | 27/10/86 | 3,834.00 | | | 3,834.00 | 3,834.00 | | | 3,834.00 | 0.00 |
| | 2 snow Machines | 30/10/89 | 9,660.00 | | | 9,660.00 | 9,660.00 | | | 9,660.00 | 0.00 |
| | Tiller pour br400 | 29/01/85 | 5,670.00 | | | 5,670.00 | 5,670.00 | | | 5,670.00 | 0.00 |
| | 926E loader | 29/01/85 | 1,415.52 | | | 1,415.52 | 1,415.52 | | | 1,415.52 | 0.00 |
| | 1 p8 Sender | 30/07/95 | 69,750.00 | | | 69,750.00 | 69,750.00 | | | 69,750.00 | 0.00 |
| | 1 1996 skidoo Skandic | 26 01 98 | 3,028.70 | | | 3,028.70 | 3,028.70 | | | 3,028.70 | 0.00 |
| | 1996 F350 Plow Truck, 1 Fisher snowplow | 26 01 98 | 5,145.00 | | | 5,145.00 | 5,145.00 | | | 5,145.00 | 0.00 |
| | | 25,10,98 | 27,981.95 | | | 27,981.95 | 27,981.95 | | | 27,981.95 | 0.00 |

| JAY PEAK INC FIXED ASSETS | Acquisition date | Opening bal May 1, 2007 | Acquisitions | Disposition | Closing balance Jan. 27 2008 | Acc. Amortization May 1, 2007 | Amort expens | Amort sur dis | Acc Amortization Jan. 27, 2008 | Net value as of Jan. 27, 2008 |
|-------------------------------|---------------------|----------------------------|--------------|-------------|---------------------------------|----------------------------------|--------------|---------------|-----------------------------------|----------------------------------|
| Jan. 27 2008 | | | | | | | | | | |
| 1997 4W Drive Aerostar | 25 10 98 | 19,538.00 | | | 19,538.00 | 19,538.00 | | | 19,538.00 | 0.00 |
| 2 skidoos | 25 10 98 | 8,455.36 | | | 8,455.36 | 8,455.36 | | | 8,455.36 | 0.00 |
| BR400 | 24 01 99 | 118,392.99 | | | 118,392.99 | 118,392.99 | | | 118,392.99 | 0.00 |
| Pipe Dragon | 24 01 99 | 44,100.00 | | | 44,100.00 | 44,100.00 | | | 44,100.00 | 0.00 |
| Tiller pour br400 | 30 04 99 | 14,700.00 | | | 14,700.00 | 14,700.00 | | | 14,700.00 | 0.00 |
| TRACKS | 25 07 99 | 4,488.03 | | | 4,488.03 | 4,488.03 | | | 4,488.03 | 0.00 |
| 4 wheeler | 24 10 99 | 4,830.00 | | | 4,830.00 | 4,830.00 | | | 4,830.00 | 0.00 |
| 1998 ford van | 30 04 00 | 23,056.00 | | | 23,056.00 | 23,056.00 | | | 23,056.00 | 0.00 |
| blow for v073 truck | 30 04 00 | 3,327.00 | | | 3,327.00 | 3,327.00 | | | 3,327.00 | 0.00 |
| 1992 Chev diesel pick-up | 30 07 00 | 3,286.00 | | | 3,286.00 | 3,286.00 | | | 3,286.00 | 0.00 |
| 1991 Chev 4x4 pick-up | 30 07 00 | 5,010.00 | | | 5,010.00 | 5,010.00 | | | 5,010.00 | 0.00 |
| 1991 Chev King cab pick-up | 30 07 00 | 4,885.00 | | | 4,885.00 | 4,885.00 | | | 4,885.00 | 0.00 |
| Tiller for Groomer 1988 | 29 10 00 | 10,500.00 | | | 10,500.00 | 7,875.00 | 2,625.00 | | 9,967.37 | 532.63 |
| Skidoo Scandic 2001 | 28 01 01 | 4,899.00 | | | 4,899.00 | 3,428.30 | 1,470.70 | | 4,650.49 | 248.51 |
| Bus International 1988 | 28 01 01 | 2,500.00 | | | 2,500.00 | 1,750.00 | 775.00 | | 2,373.18 | 126.82 |
| 2001 polaris snowmobile | 30 04 01 | 5,197.17 | | | 5,197.17 | 3,378.20 | 1,818.97 | | 4,933.53 | 263.64 |
| 4 wheelers (2) | 29 07 01 | 9,742.15 | | | 9,742.15 | 9,742.15 | 0.00 | | 9,742.15 | 0.00 |
| Club cadet tractor | 29 07 01 | 3,675.00 | | | 3,675.00 | 3,675.00 | 0.00 | | 3,675.00 | 0.00 |
| AEBl tractor Mower 2001 | 28 10 01 | 63,320.00 | | | 63,320.00 | 63,320.00 | 0.00 | | 63,320.00 | 0.00 |
| Chevrolet pick-up 1994 | 28 10 01 | 9,540.00 | | | 9,540.00 | 4,620.82 | 4,919.18 | | 5,126.78 | 7.46 |
| Dodge van B350 -1994 | 27 01 02 | 5,134.24 | | | 5,134.24 | 4,620.82 | 553.42 | | 5,126.78 | 0.00 |
| Grader used | 27 01 02 | 3,198.50 | | | 3,198.50 | 2,878.65 | 319.85 | | 3,193.85 | 4.65 |
| Chevrolet 4x4 Pick-up 1991 | 27 01 02 | 666.50 | | | 666.50 | 598.36 | 68.14 | | 664.04 | 2.46 |
| Skidoo Scandic 2002 (2) | 27 01 02 | 10,173.10 | | | 10,173.10 | 9,155.79 | 1,017.31 | | 10,158.31 | 14.79 |
| Chev. Van 1993 | 28 07 02 | 4,398.73 | | | 4,398.73 | 4,178.79 | 219.94 | | 4,398.73 | 0.00 |
| Ford Pick-up LM 1995 | 28 07 02 | 3,596.64 | | | 3,596.64 | 3,416.81 | 179.83 | | 3,596.64 | 0.00 |
| Ford Pick-up LM 1996 | 28 07 02 | 5,950.61 | | | 5,950.61 | 5,653.08 | 297.53 | | 5,950.61 | 0.00 |
| Groomer BR400 | 27 10 02 | 110,257.71 | | | 110,257.71 | 49,615.97 | 5,432.74 | | 55,048.71 | 55,209.00 |
| Aebi att snow blower | 27 10 02 | 5,565.00 | | | 5,565.00 | 5,008.50 | 548.41 | | 5,556.91 | 8.09 |
| Scandic ski-doo 2003 (2) | 26 01 03 | 8,597.40 | | | 8,597.40 | 7,307.78 | 847.24 | | 8,155.03 | 442.37 |
| 1984 Int Bucket truck | 27 07 03 | 4,507.13 | | | 4,507.13 | 4,507.13 | 0.00 | | 4,507.13 | 0.00 |
| 1998 Chevrolet Lumina | 27 07 03 | 2,755.67 | | | 2,755.67 | 2,755.67 | 0.00 | | 2,755.67 | 0.00 |
| 1995 E250 Ford Van | 27 07 03 | 3,400.00 | | | 3,400.00 | 3,400.00 | 0.00 | | 3,400.00 | 0.00 |
| 1996 Chevrolet 4x4 Pick-up | 27 07 03 | 4,100.00 | | | 4,100.00 | 4,100.00 | 0.00 | | 4,100.00 | 0.00 |
| 1991 Chevrolet 4x2 Pick-up | 27 07 03 | 1,500.00 | | | 1,500.00 | 1,500.00 | 0.00 | | 1,500.00 | 0.00 |
| 1998 Dodge Neon | 25 07 04 | 3,699.17 | | | 3,699.17 | 3,082.64 | 607.57 | | 3,690.21 | 8.86 |
| 1998 Chev Lumina HM | 25 07 04 | 1,448.06 | | | 1,448.06 | 1,206.72 | 237.83 | | 1,444.55 | 3.51 |
| 1996 Chev Lumina LM | 25 07 04 | 975.35 | | | 975.35 | 812.79 | 160.20 | | 972.99 | 2.36 |
| 1993 Chev truck 3/4 tonnes | 25 07 04 | 1,940.40 | | | 1,940.40 | 1,617.00 | 318.70 | | 1,936.70 | 4.70 |
| 1995 Ford truck 4x4 | 25 07 04 | 3,417.70 | | | 3,417.70 | 2,848.08 | 561.34 | | 3,409.42 | 8.28 |
| 1999 Dodge pick-up 3/4 tonnes | 25 07 04 | 5,502.11 | | | 5,502.11 | 4,585.09 | 903.69 | | 5,488.78 | 13.33 |
| 2004 Bombardier skidoo | 23 01 05 | 4,770.00 | | | 4,770.00 | 3,180.00 | 783.44 | | 3,963.44 | 806.56 |
| 1999 Int. Dump truck | 23 01 05 | 6,140.50 | | | 6,140.50 | 4,093.67 | 1,008.54 | | 5,102.21 | 1,038.29 |
| GMC Sierra 2001 | 31 07 05 | 6,800.00 | | | 6,800.00 | 3,966.67 | 1,116.86 | | 5,083.52 | 1,716.48 |

| JAY PEAK INC FIXED ASSETS | Acquisition date | Opening bal. May 1, 2007 | Acquisitions | Dispositions | Closing balance Jan. 27, 2008 | Acc Amortization May 1, 2007 | Amort. expens. | Amort. sur dis | Acc Amortization Jan. 27, 2008 | Net value as of Jan. 27, 2008 |
|----------------------------------|---------------------|-----------------------------|--------------|--------------|----------------------------------|---------------------------------|----------------|----------------|-----------------------------------|----------------------------------|
| Jan. 27, 2008 | | | | | | | | | | |
| 1999 Chevy van V008 | 30,10,05 | 7,800.00 | | | 7,800.00 | 3,900.00 | 1,281.10 | | 5,181.10 | 2,618.90 |
| 1997 Chevrolet S-10 4X4 V007 | 30,10,05 | 2,500.00 | | | 2,500.00 | 1,250.00 | 410.61 | | 1,660.61 | 839.39 |
| Sander | 30,10,05 | 3,554.00 | | | 3,554.00 | 1,777.00 | 583.72 | | 2,360.72 | 1,193.28 |
| GMC LS 4wd 2001 V006 | 29,01,06 | 12,573.00 | | | 12,573.00 | 5,238.75 | 2,065.04 | | 7,303.79 | 5,269.21 |
| Snowmobiles (2) | 29,01,06 | 9,544.24 | | | 9,544.24 | 3,976.77 | 1,567.58 | | 5,544.35 | 3,989.89 |
| Cross country groomer | 29,01,06 | 4,230.40 | | | 4,230.40 | 1,762.67 | 694.82 | | 2,467.73 | 1,772.92 |
| Front renovator for groomer | 26,03,06 | 4,882.28 | | | 4,882.28 | 2,034.28 | 801.88 | | 2,881.00 | 2,046.11 |
| Kubota L4330 GSTF (golf) | 30,07,06 | 30,210.00 | | | 30,210.00 | 3,021.00 | 2,977.08 | | 5,998.08 | 24,211.92 |
| Chevrolet Suburban 1993 V013 | 30,07,06 | 4,518.00 | | | 4,518.00 | 451.80 | 445.23 | | 897.03 | 3,620.97 |
| 2000 GMC Sanoma V019 | 30,07,06 | 5,500.00 | | | 5,500.00 | 550.00 | 542.00 | | 1,092.00 | 4,408.00 |
| 2006 plow truck | 30,07,06 | 27,768.20 | | | 27,768.20 | 2,776.82 | 2,736.45 | | 5,513.27 | 22,254.93 |
| 2006 plow truck | 30,07,06 | 27,768.20 | | | 27,768.20 | 2,776.82 | 2,736.45 | | 5,513.27 | 22,254.93 |
| 2006 plow truck | 30,07,06 | 27,768.20 | | | 27,768.20 | 2,776.82 | 2,736.45 | | 5,513.27 | 22,254.93 |
| 1995 Ford F150 4WD V020 | 29,10,06 | 5,577.00 | | | 5,577.00 | 557.70 | 549.59 | | 1,107.29 | 4,469.71 |
| 1998 Dodge Dakota V021 | 29,10,06 | 7,402.00 | | | 7,402.00 | 740.20 | 729.44 | | 1,469.64 | 5,932.36 |
| 2005 Audi A6 Sedan | 29,10,06 | 38,036.36 | | | 38,036.36 | 3,803.64 | 3,748.34 | | 7,551.98 | 30,484.38 |
| Snowmobile | 28,01,06 | 9,900.96 | 6,943.00 | | 6,943.00 | 485.05 | 975.70 | | 1,470.75 | 8,430.21 |
| Abel mower | 29,07,07 | 9,098.00 | 9,098.00 | | 9,098.00 | | 342.10 | | 342.10 | 6,600.90 |
| Van housekeeping | 29,07,07 | 2,882.00 | 2,882.00 | | 2,882.00 | | 1,120.72 | | 1,120.72 | 7,977.28 |
| 1991 Chevy truck | 23,09,07 | | 2,882.00 | | 2,882.00 | | 355.01 | | 355.01 | 2,526.99 |
| Snowmobile | 25,11,07 | | 5,239.58 | | 5,239.58 | | 430.28 | | 430.28 | 4,809.30 |
| | | 987,529.74 | 24,162.58 | 0.00 | 1,011,692.32 | 714,818.04 | 48,434.89 | 0.00 | 763,252.93 | 248,439.39 |
| COMPUTERS | | | | | | | | | | |
| Computer | 30/10/94 | 5,294.10 | | | 5,294.10 | 4,499.99 | 525.57 | | 5,025.55 | 268.55 |
| Laser printer | 17/06/05 | 1,601.25 | | | 1,601.25 | 1,601.25 | | | 1,601.25 | 0.00 |
| Computer Operations Jake Webster | 30/04/95 | 2,462.20 | | | 2,462.20 | 2,462.20 | | | 2,462.20 | 0.00 |
| Computer printer Laser | 26,01,98 | 880.95 | | | 880.95 | 888.93 | 22.02 | | 880.95 | 0.00 |
| Computer Jake Webster | 26,07,98 | 3,092.25 | | | 3,092.25 | 3,092.25 | | | 3,092.25 | 0.00 |
| 3 computers systems | 25,10,98 | 4,021.44 | | | 4,021.44 | 4,021.44 | | | 4,021.44 | 0.00 |
| Accounting conversion | 25,07,98 | 12,725.22 | | | 12,725.22 | 12,725.22 | | | 12,725.22 | 0.00 |
| Computer for Linda Gosselin | 25,07,98 | 420.00 | | | 420.00 | 420.00 | | | 420.00 | 0.00 |
| computer new lift spare | 30,04,00 | 3,849.77 | | | 3,849.77 | 3,849.77 | | | 3,849.77 | 0.00 |
| ticket system | 30,04,00 | 2,677.97 | | | 2,677.97 | 2,677.97 | | | 2,677.97 | 0.00 |
| various computers | 30,04,00 | 2,850.37 | | | 2,850.37 | 2,850.37 | | | 2,850.37 | 0.00 |
| computer printer hotel | 30,04,00 | 659.82 | | | 659.82 | 659.82 | | | 659.82 | 0.00 |
| Reservation computer | 30,04,01 | 20,331.81 | | | 20,331.81 | 20,331.81 | | | 20,331.81 | 0.00 |
| ticket system | 30,04,01 | 3,589.34 | | | 3,589.34 | 3,589.34 | | | 3,589.34 | 0.00 |
| HP Laser jet printer | 27,01,02 | 2,410.20 | | | 2,410.20 | 2,410.20 | | | 2,410.20 | 0.00 |
| Computers | 27,01,02 | 12,827.52 | | | 12,827.52 | 12,827.52 | | | 12,827.52 | 0.00 |
| Computers | 26,01,03 | 17,588.41 | | | 17,588.41 | 14,950.15 | 1,733.27 | | 16,683.42 | 904.99 |
| Hotel-swap card software | 30,04,03 | 5,516.50 | | | 5,516.50 | 4,689.03 | 543.63 | | 5,232.66 | 283.84 |
| Ticketing computers (3) | 24,10,04 | 16,532.51 | | | 16,532.51 | 6,613.00 | 1,629.22 | | 8,242.22 | 8,290.29 |

| JAY PEAK INC FIXED ASSETS | Acquisition date | Opening bal | | Disposition | Closing balance Jan.27.2008 | Acc Amortization | | Amort. sur dis | Amort expens | Acc Amortization Jan.27.2008 | Net value as of Jan.27.2008 |
|------------------------------|---------------------|----------------------|----------------------|-------------|--------------------------------|----------------------|-------------------|----------------|-------------------|---------------------------------|--------------------------------|
| | | May 1, 2007 | Jan.27.2008 | | | May 1, 2007 | Jan.27.2008 | | | | |
| Jan.27.2008 | | | | | | | | | | | |
| Reserv off copier SF 7320 | 30/01/94 | 1,453.12 | 1,453.12 | | 1,453.12 | 1,344.14 | 71.60 | | 71.60 | 1,415.74 | 37.38 |
| Real estate office furniture | 30/04/86 | 6,300.21 | 6,300.21 | | 6,300.21 | 6,300.21 | | | 6,300.21 | 0.00 | 0.00 |
| Postage meter & scale | 25.10.98 | 8,950.91 | 8,950.91 | | 8,950.91 | 8,950.91 | | | 8,950.91 | 0.00 | 0.00 |
| 1 Fax machine | 24.01.98 | 1,363.95 | 1,363.95 | | 1,363.95 | 1,363.95 | | | 1,363.95 | 0.00 | 0.00 |
| Fax machine garage | 25.07.99 | 1,375.50 | 1,375.50 | | 1,375.50 | 1,375.50 | | | 1,375.50 | 0.00 | 0.00 |
| Photo of the day | 24.10.99 | 616.00 | 616.00 | | 616.00 | 616.00 | | | 616.00 | 0.00 | 0.00 |
| cash registers | 30.04.00 | 4,868.85 | 4,868.85 | | 4,868.85 | 4,868.85 | | | 4,868.85 | 0.00 | 0.00 |
| Electronic time clock | 27.01.02 | 876.00 | 876.00 | | 876.00 | 876.00 | | | 876.00 | 0.00 | 0.00 |
| | | 146,848.17 | 146,848.17 | 0.00 | 146,848.17 | 146,739.19 | 71.60 | 0.00 | 71.60 | 146,810.79 | 37.38 |
| | | | | | | | | | | | |
| TOTAL | | 23,408,969.80 | 26,529,609.81 | 0.00 | 26,529,609.81 | 12,454,384.04 | 584,726.47 | 0.00 | 584,726.47 | 13,019,110.51 | 13,610,499.30 |
| | | | | | | | | | | | |
| LEASURE ACTIVITIES | | | | | | | | | | | |
| Entrance Sign | 29.07.2007 | 0.00 | 220.78 | | 220.78 | | | | | | |
| | | | | | | | | | | | |
| | | 0.00 | 220.78 | 0.00 | 220.78 | | | | Work in progress | ACT.LOISIRS | 220.78 |
| | | | | | | | | | | | |
| | | | | | | | | | | | 13,510,720.08 |

SCHEDULE 3.16 a)

OWNED REAL PROPERTY

Being a certain parcel of land together with all buildings and improvements thereon, easements, rights and appurtenances thereto commonly known as the Jay Peak ski and Summer Resort and comprised of the following parcels of land:

- (a) Northerly one-half of Lot 30;
- (b) A portion of the Easterly one-half of Lot 34 lying southerly of the crest of a high bank north of the Dennison Brook, so-called, supposed to contain 35.9 acres, more or less, and being commonly known as the "Big Tree Lot2";
- (c) A portion of Lot 35 containing approximately seventy (70) acres, more or less;
- (d) All of Lots 37, 38, 43, 44, 45, and 46;
- (e) A portion of Lot 49;
- (f) All of the following Lots: 50, 51, 52, 53, 54;
- (g) A portion of Lot 55;
- (h) A portion of Lot 56;
- (i) All of Lots: 57, 58, 59, 60, 64, 65, 66, 67, 68, 69, 70, 71, 74, 75, and 76;
- (j) A portion of Lot 47 and such other property as was conveyed to Jay Peak, Inc. by Warranty Deed of Charles E. Mason, III dated December 22, 1970 which is subject to various easements described therein;
- (k) A five (5) acre parcel of land which is a portion of the land and premises conveyed to Jay Peak, Inc. by National Bank of Derby Line in a Warranty Deed dated May 13, 1971 and recorded in Book 17 at Page 100 of the Town of Jay Land Records.

EXCEPTING and RESERVING from the above described lands and premises the following parcels of land:

I. All of the same lands and premises conveyed to Weyerhaeuser Real Estate Company by Jay Peak, Inc. by Quitclaim Deed dated December 8, 1978 recorded in Book 20 at Page 401 of the Town of Jay Land Records consisting of the following:

- (i) 56.7 acres, more or less, in Lots 30 and 27 known as "Baraw Spruces";
- (ii) 35.9 acres, more or less, in Lots 34 known as "Big Tree Lot";
- (iii) 2.7 acres, more or less, lying in the northerly one-third of Lot 49, known as Stoney Path Condominiums.

II. A parcel of land containing approximately 2.1 acres, more or less, commonly known as Jay Peak Condominiums I lying in Lot 54;

III. A parcel of land containing approximately 1.4 acres, more or less, commonly known as Jay Peak Condominiums II lying in Lot 54;

IV. Any and all lots in Jay Peak Division II commonly known as "Wilderness Village" which are presently owned by Jay Peak, Inc. and/or Station Touristique Mont Saint-Sauveur, Inc.

V. 1.92 acres, more or less, together with easements conveyed in a Warranty Deed from Mont Saint-Sauveur Ski Centre & Development, Ltd. to Jay Peak, Inc. dated November 6,

1986 and recorded in Book 25 at Page 473 of the Town of Jay Land Records commonly known as Slopeside Condominiums, I.

VI. 3.7 acres together with easements conveyed in a Warranty Deed from Station Touristique Mont Saint-Sauveur, Inc. to Jay Peak, Inc. dated August 27, 1987 and recorded in Book 27 at Page 64 of the Town of Jay Land Records commonly known as Slopeside Condominiums, II.

VII. Certain Land Use Restrictions within a 200-foot radius of certain drilled water wells as are particularly described and set forth in a Declarations of Land Use Restrictions dated September 7, 1990 and September 11, 1992 and recorded in Book 31 at Page 18 and Book 32 at Pages 570-571 of the Jay Land Records.

VIII. Certain utility pole and line easement conveyed Station Mont Saint-Sauveur, Inc. to Vermont Electric Cooperative, Inc. dated October 26, 1992 and recorded in Book 33 at Page 150 of the Jay Land Records.

IX. All townhouse, single family and condominium units in Jay Peak Village Phase I, Phase II and Phase III, so-called conveyed by Station Touristique Mont Saint-Sauveur, Inc. and/or Saint-Sauveur Valley Resorts Inc. to numerous grantees by Warranty Deeds as recorded in the Land Records of the Town of Jay.

X. A certain 0.63 acre parcel of land for a substation as conveyed by Station Touristique Mont St. Sauveur, Inc. to Citizens Utilities Company by instrument dated February 14, 1995 and recorded in Book 35 at Page 180 of the Jay Land Records.

THE SOURCE OF TITLE TO THE ABOVE DESCRIBED LANDS AND PREMISES MAY ALSO BE FOUND IN THE FOLLOWING DEEDS:

A. A Quitclaim Deed from Weyerhaeuser Company to Jay Peak, Inc. dated April 22, 1969 and recorded in Book 16 at Page 304 of the Town of Jay Land Records.

B. A Quitclaim Deed from Weyerhaeuser Company to Jay Peak, Inc. dated December 23, 1970 and recorded in Book 17 at Pages 89-91 of the Town of Jay Land Records. Reference is also made to a corrective deed from Weyerhaeuser Company to Jay Peak, Inc. dated March 27, 1973 and recorded in Book 17 at Pages 475-477 of the Town of Jay Land Records.

Reference is also herein made to Quitclaim Deed from Weyerhaeuser Company to Jay Peak, Inc. dated November 20, 1978 and recorded in Book 20 at Pages 433-435 of the Town of Jay Land Records which conveys all mineral rights reserved in any conveyance previously made by Weyerhaeuser Company to Jay Peak, Inc.

Reference is also herein made to a certain Warranty Deed from Jay Peak, Inc. to Mont Saint-Sauveur Ski Center & Development Ltd. dated April 27, 1983 and recorded in Book 23 at Pages 30-32 of the Town of Jay Land Records by virtue of which Mont Saint-Sauveur Ski Center & Development Ltd. acquired fee title to all of the real estate previously owned by Jay Peak, Inc., as more particularly described herein.

Unsold Units in Jay Peak Village

Condominium Unit VC-436 in Building 13;
Condominium Unit VC-448 in Building 14;
Condominium Unit VC-451 and VC-458 in Building 15;
Together with their undivided interests in common areas and facilities.

Not included in the sale is Condominium Unit VC-417, located in Building 11.

SCHEDULE 3.16 b)

LEASED REAL PROPERTY

A certain leasehold in the following described land and premises being more particularly described and set forth in a lease between the State Of Vermont and Jay Peak, Inc. dated April 18, 1977.

"The Jay State Forest as shown on the property map annexed herein as Exhibit B. which includes the portion of lots numbered 49, 55, 46, 61, 62, 72 and 73, presently owned by the State in the Town of Jay and Lots numbered 61, 62, 63 and 64, presently owned by the State in the Town of Westfield, including all of the State Ski Shelters and the premises adjoining the same and used in connection therewith."

The leasehold interest of Jay Peak, Inc. in and to the above mentioned lease dated April 18, 1977 recorded in Book 24 at Pages 251-263 of the Land Records of the Town of Jay and Book 22 at Pages 338-351 of the Town of Westfield Land Records remains in said Corporation.

SCHEDULE 3.17 b)

PERMITTED LIEN AND LIEN

1. Certain Land Use Restrictions within a 200 foot radius of wells No. 7 and No. 8 as more particularly described in a Declaration of Land Use Restrictions dated September 11, 1992 and recorded in Book 32 at Pages 570-571 of the Jay Land Records.
2. Certain utilities pole and line easement conveyed Station Touristique Mont Saint Sauveur, Inc. to Vermont Electric Cooperative, Inc. dated October 26, 1992 and recorded in Book 33 at Page 150 of the Jay Land Records.
3. Certain utility Pole and line easement conveyed by Mont St. Sauveur Ski Centre & Development, Ltd. to Vermont Electric Cooperative, Inc. by instrument dated January 25, 1985 and recorded in Book 24 at Page 115 of the Town of Jay Land Records.
4. A certain right-of-way conveyed to Marlowe-chute, Inc. by Mont St. Sauveur Ski Centre & Development, Ltd. by Corrective Deed dated July 2, 1985 and recorded in Book 24 at Page 398 of the Town of Jay Land Records.
5. Certain private right-of-way and tree trimming permit conveyed to Citizens Utilities Company by Owens Illinois Plywood Company by Instrument dated September 3, 1957 and recorded in Book 13 at Page 378 of the Town of Jay Land Records. Said right-of-way is for a permanent electrical transmission line and has a uniform width of 50 feet and affects Lots 51, 52, 53 and 54 in the South Division.
6. Certain easement conveyed to the New England Telephone Company by Jay Peak, Inc. by instrument dated December 29, 1969 and recorded in Book 16 at Page 418 of the Town of Jay Land Records. This easement is for the construction and maintenance of permanent underground telephone lines and has a uniform width of 50 feet and affects Lots 50 and 54 of the South Division.
7. Certain utility pole and line easement conveyed to Vermont Electric Cooperative, Inc. by Dorothy Hunt Mattson by instrument dated May 25, 1956 and recorded in Book 14 at Page 261 of the Town Jay Land Records. Said right-of-way is to have a uniform width of 30 feet and affects Lot 47 in South Division.
8. Certain utility pole and line easement conveyed to Vermont Electric Cooperative, Inc. by Donat and Laurette Choquette by instrument which is undated but recorded in May 22, 1956 in Book 14 at Page 260 of the Town of Jay Land Records which affects Lot 48 in the South Division.
9. Certain utility pole and line easement conveyed to Vermont Electric Cooperative, Inc. by J. A. R. D., Inc. by instrument dated December 17, 1964 and recorded in Book 13 at Page 443 affects Lot 48.
10. Warranty Deed from Emil and Dorothy Mattson to Weyerhaeuser Company dated June 5, 1964 and recorded in Book 15 at Page 78 conveys a right-of-way and easement for ingress and egress and an access road for a width of 50 feet and running from the northerly edge of the public highway across Lot 47 South Division to Lot 50, South Division.
11. Certain easement as conveyed to New England Telephone Company by Charles E. Mason, III by instrument dated October 30, 1969 and recorded in Book 16, Page 417 conveys a right-of-way for overhead and underground telephone lines having a uniform width of 50 feet. Said easement affects Lot 47, South Division.
12. Certain easement conveyed to Vermont Electric Cooperative, Inc. by Jay Peak, Inc. by instrument dated May 22, 1973 and recorded in Book 17 at Page 516 conveys a underground electrical line easement within a strip of land 10 feet on each side of the 50-foot access road into Wilderness Village, so-called. Affects Wilderness Village lots.

13. Certain easement conveyed to Vermont Electric Cooperative, Inc. by Mont St. Sauveur Ski Center & Development Ltd. recorded in Book 24 at Page 115 of the Jay Land Records for a 50-foot wide utility easement together with right to enter for repairs.
14. Certain easement conveyed by Station Touristique Mont St. Sauveur, Inc. to Citizens Utilities Company by Warranty Deed dated February 14, 1995 and recorded in Book 35 at Pages 180-181 of the Jay Land Records which conveys a substation easement on a parcel of land containing .63 acres, more or less, together with right-of-way thereto.
15. The rights-of-way and easements set forth above do not interfere with existing buildings and improvements on the subject property and will not interfere with any contemplated buildings and improvements and future improvements will not result in a reversion or forfeiture of title.
16. A Warranty Deed from Emil and Dorothy Mattson to State of Vermont dated July 5, 1956 and recorded in Book 14, Page 223 conveys a 75 foot strip of land on each side of the present highway limits for road purposes. There is a restriction against building of any kind on said strip of land and affects Lot 47 in South Division.
17. A Warranty Deed from Donat and Laurette Choquette to State of Vermont dated September 15, 1955 and recorded in Book 10 at Page 297 conveys a 75 foot strip of land on each side of the present highway limits for road purposes. There is a restriction against building of any kind on said strip of land and affects land lying in Lot 48 in the South Division.
18. Certain Lease Agreement between Jay Peak, Inc. and Atlantic Cellular Company, L.P. space on roof for installation of microwave dish and 4 roof antennas - 5 years with 4 options to renew (25 yrs) recorded in Book 28 at Pages 103-114 of the Town of Westfield Land Records dated February 3, 1995.
19. Certain easement dated February 14, 1995 from Station Touristique Mont Saint-Sauveur, Inc. to Citizens Utilities Company dated February 23, 1995 and recorded in Book 35 at Pages 180-181 of the Town of Jay Land Records
20. A certain "Non Disturbance" Agreement from Jay Peak, Inc., et al to Chittenden Trust Company dated December 18, 1995 and recorded in Book 36 at Pages 44-51 of the Jay Land Records and in Book 29 at Pages 11-18 of the Westfield Land Records.
21. Memorandum of Lease dated May 30, 1995, recorded in Book 28 at Pages 249-250 of Westfield Land Records and Book
22. A certain building Lease Agreement between Jay Peak, Inc. and Celco Partnership d/b/a Bell Atlantic NYNEX Mobile dated June 26, 1995 and recorded in Book 38 at Page 522 of the Westfield Land Records, assigned by Celco Partnership to Vermont RSA Limited Partnership d/b/a Bell Atlantic NYNEX Mobile by Assignment of Lease dated December 5, 1995 and recorded in Book 28 at Pages 522-537 of the Town of Westfield Land Records.
23. A certain electric underground utility easement conveyed to Vermont Electric Cooperative, Inc. By instrument dated October 26, 1992 and recorded in Book 33 at Page 150 of the Jay Land Records.
24. A certain right-of-way conveyed to Green Mountain Club, Inc. for the use and maintenance of the "Long Trail" and associated shelters dated July 8, 2002 and recorded in Book 43 at Page 195 of the Jay Land Records.
25. Certain Uniform Commercial Code Fixture filing in favour of CIT Financial dated August 28, 2002 and recorded in Book 43 at Page 300 and dated September 7, 2002 and recorded in Book 43 at Page 357 of Jay Land Records.
26. A certain electrical utilities easement conveyed to Vermont Electric Cooperative by instrument dated August 18, 2004 and recorded in Book 50 at Page 616 of the Town of Jay Land Records.

27. A certain Mortgage and Trust Agreement between Saint-Sauveur Valley Resorts Inc., Vermont Economic Development Authority and The Stratevest Group, N.A. dated May 11, 1999 and recorded in Book 38 at Pages 429-482 of the Jay Land Records and recorded in Book 31 at Pages 45-94 of the Westfield Land Records.
28. A Mortgage Deed from Jay Peak, Inc. to The Stratevest Group, NA dated May 11, 1999 and recorded in Book 38 at Pages 483-488 of the Jay Land Records and recorded in Book 31 at Pages 95-100 of the Westfield Land Records. Said mortgage being a mortgage of a certain Leasehold Interest only held by Jay Peak, Inc. pursuant to a Lease recorded in Book 24 at Pages 251-263 of the Jay Land Records and in Book 22 at Pages 338-351 of the Westfield Land Records.
29. A certain Mortgage from Saint-Sauveur Valley Resorts, Inc. and Jay Peak, Inc. to the Town of Jay dated August 30, 1999 and recorded in Book 39 at Pages 1-6 of the Jay Land Records and in Book 31 at Pages 402-407 of the Town of Westfield Land Records.
30. A certain VDCP Loan Agreement between Saint-Sauveur Valley Resorts, Inc. and the Town of Jay dated August 31, 1999 and recorded in Book 39 at Pages 7-15 of the Town of Jay Land Records and is not recorded in the Westfield Land Records.
31. A certain Subordination Agreement among Saint-Sauveur Valley Resorts, Inc., Chittenden Trust Company, the Stratevest Group, N.A. and Vermont Economic Development Authority dated October 21, 1999 and recorded in Book 39 at Page 144 of the Town of Jay Land Records and in Book 31 at Pages 329-331 of the Town of Westfield Land Records.
32. A certain Subordination Agreement among Saint-Sauveur Valley Resorts, Inc., Chittenden Trust Company, Stratevest Group, N.A. and Vermont Economic Development Authority dated November 10, 2000 and recorded in Book 40 at Page 207 of the Town of Jay Land Records and in Book 32 at Page 272 of the Town of Westfield Land Records.
33. A certain Subordination Agreement among Saint-Sauveur Valley Resorts, Inc., Chittenden Trust Company and the Town of Jay dated March 11, 2000 and recorded in Book 39 at Page 496 of the Town of Jay Land Records and in Book 32 at Pages 29-30 of the Town of Westfield Land Records.
34. A certain Mortgage Deed from Saint-Sauveur Valley Resorts, Inc. to Chittenden Trust Company d/b/a Chittenden Bank dated November 10, 2000 and recorded in Book 40 at Page 215 of the Town of Jay Land Records and in Book 32 at Page 277 of the Town of Westfield Land Records.
35. A certain Subordination Agreement between Saint-Sauveur Valley Resorts, Inc., Chittenden Trust Company and Town of Jay dated November 10, 2000 and recorded in Book 40 at Page 212 of Jay Land Records and in Book 32 at Pages 272-276 of the Town of Westfield Land Records.
36. Certain InterCreditor Agreement between BankNorth (f/k/a Stratevest, N.A.) And CIT Financial dated September 23, 2002 and recorded in Book 43 at Page 406 of Town of Jay Land Records and in Book 34 at Page 555 of the Town of Westfield Land Records.
37. Certain InterCreditor Agreement between Town of Jay and CIT Financial dated September 9, 2002 and recorded in Book 34 at Page 560 of Town of Westfield Land Records and in Book 43 at Page 412 of the Town of Jay Land Records.
38. Certain InterCreditor Agreement between Town of Jay and CIT Financial dated September 9, 2002 and recorded in Book 34 at Page 567 of Town of Westfield Land Records and in Book 43 at Page 434 of the Town of Jay Land Records.
39. Certain InterCreditor Agreement between Chittenden Trust Company and CIT Financial dated September 9, 2002 and recorded in Book 34 at Page 573 of Town of Westfield Land Records and in Book 43 at Page 419 of the Town of Jay Land Records.

40. Certain InterCreditor Agreement between VEDA and CIT Financial dated October 1, 2002 and recorded in Book 34 at Page 580 of Town of Westfield Land Records and in Book 43 at Page 426 of the Town of Jay Land Records.
41. Certain Mortgage Deed from Saint-Sauveur Valley Resorts, Inc. to Chittenden Trust Company d/b/a Chittenden Bank dated November 24, 2003 and recorded on March 17, 2004 in Book 48 at Pages 215-229 of the Town of Jay Land Records. See Amendment to Mortgage dated November 22, 2005 and recorded in Book 54 at Page 291 of Town of Jay Land Records.
42. Leasehold Mortgage from Jay Peak, Inc. to Chittenden Trust Company d/b/a Chittenden Bank dated November 24, 2003 and recorded on March 17, 1004 in Book 48 at Pages 230-244 of the Town of Jay Land Records and recorded on April 19, 2004 in Book 37 at Pages 84-98 of the Town of Westfield Land Records.
43. A certain Subordination Agreement between Saint-Sauveur Valley Resorts, Inc., Chittenden Trust Company d/b/a Chittenden Bank and the Town of Jay dated December 19, 2003 and recorded on March 17, 2004 in Book 48 at Pages 245-247 of the Jay Land Records.
44. Subordination Agreement between Saint-Sauveur Valley Resorts, Jay Peak, Inc., Chittenden Trust Company d/b/a Chittenden Bank and Banknorth, N.A. dated February and March, 2004 and recorded on March 17, 2004 in Book 48 at Pages 248-254 of the Town of Jay Land Records and on April 19, 2004 in Book 37 at Pages 131-137 of the Town of Westfield Land Records.
45. Collateral Assignment of Plans, Permits, Contracts and Agreements between Saint-Sauveur Valley Resorts, Inc. and Chittenden Trust Company d/b/a Chittenden Bank dated November 24, 2003 and recorded on March 17, 2004 in Book 48 at Pages 255-263 of the Town of Jay Land Records and on April 19, 2004 in Book 37 at Pages 122-130 of the Town of Westfield Land Records.
46. Collateral Assignment of Lease between Jay Peak, Inc. and Chittenden Trust Company d/b/a Chittenden Bank dated November 24, 2003 recorded on March 17, 2004 in Book 48 at Pages 264-266 of the Town of Jay Land Records and on April 19, 2004 in Book 37 at Pages 119-121 of the Town of Westfield Land Records.
47. Landlord's Certificate between the State of Vermont and Jay Peak, Inc. dated December 10, 2003 and recorded on March 17, 2004 in Book 48 at Pages 267-287 of the Town of Jay Land Records and on April 19, 2004 in Book 37 at Pages 99-118 of the Town of Westfield Land Records.
48. A certain Mortgage from Saint-Sauveur Valley Resorts, Inc. to the Town of Jay dated April 27, 2004 and recorded in Book 49 at Pages 138- 143 of the Jay Land Records.
49. A certain mortgage deed from Saint-Sauveur Valley Resorts, Inc. to Vermont Economic Development Authority dated July 9, 2004 and recorded in Book 49 at Pages 445-451 of the Town of Jay Land Records.
50. A certain Mortgage of Leasehold from Jay Peak, Inc. to Vermont Economic Development Authority dated July 9, 2004 and recorded in Book 49 at Pages 452-455 of the Town of Jay Land Records.
51. Subordination Agreement by TD Banknorth dated November 30, 2005 and recorded in Book 54 at Pages 258-265 of the Town of Jay Land Records and in Book 40, Pages 105-11 of Westfield Land Records.
52. Subordination Agreement by VEDA dated November 20, 2005 and recorded in Book 54 at Pages 266-271 of Jay Land Records and in Book 40 at Pages 113-118 of Westfield Land Records.

53. Subordination Agreement by Town of Jay dated November 22, 2005 and recorded in Book 54 at Pages 272-276 of Jay Land Records and in Book 40 at Pages 119-123 of Westfield Land Records.
54. Commercial Mortgage to Chittenden Bank dated November 22, 2005 and recorded in Book 54 at Pages 277-290 of the Town of Jay Land Records.
55. Amendment to Mortgage to Chittenden Bank dated November 22, 2005 and recorded in Book 54 at Pages 291-293 of Jay Land Records.
56. Leasehold Mortgage from Jay Peak, Inc. to Chittenden Bank dated November 22, 2005 and recorded in Book 40 at Pages 124-141 of Westfield Land Records.
57. An Amendment to Subordination Agreement dated June 30, 2006 and recorded in Book 55 at Page 762 of Jay Land Records.
58. An Amendment to Subordination Agreement dated June 30, 2006 and recorded in Book 55 at Page 769 of Jay Land Records.
59. An Amendment to Subordination Agreement dated June 30, 2006 and recorded in Book 55 at Page 777 of Jay Land Records. Said Amendments to Subordination Agreements being by and between Saint-Sauveur Valley Resorts, Inc., Chittenden Trust Company d/b/a Chittenden Bank, Vermont Economic Development Authority and TD Banknorth, Trustee.
60. A leasehold mortgage from Jay Peak, Inc. to Chittenden Trust Company d/b/a Chittenden Bank recorded in Book 52 at Pages 260-274 of the Town of Jay Land Records and in Book 38 at Pages 441-455 of the Town of Westfield Land Records.
61. A certain Mortgage and Assignment of Leases from Saint-Sauveur Valley Resorts, Inc. to HSBC Bank Canada dated February 27, 2007 and recorded in Book 57 at Pages 399-415 of the Town of Jay Land Records. Said Mortgage and Assignment of Leases encumbers only that 175 acre, more or less, portion of the subject lands and premises commonly known as Jay Peak Resort Championship Golf Course.
62. A certain Priority and Subordination Agreement by and between HSBC Bank Canada, Chittenden Trust Company d/b/a Chittenden Bank, et al dated March 13, 2007 and recorded in Book 57 at Pages 571-589 of the Town of Jay Land Records.
63. A certain UCC Financing Statement from Saint-Sauveur Valley Resorts, Inc. to HSBC Bank Canada dated March 28, 2007 and recorded in Book 57 at Pages 626-632 of the Town of Jay Land Records.

SCHEDULE 3.17 d)

SPACE LEASES

A Building Lease Agreement executed on June 26, 1995 between Jay Peak, Inc. and Celco Partnership, doing business at d/b/a Bell Atlantic NYNEX Mobile whereby approximately 100 square feet on the first floor of the premises at the Sky Haus Tram Building was leased by Jay Peak in favour of the lessee, together with an area of the roof of such building. Jay Peak also granted to the lessee an easement for the installation and maintenance of wires, cables, conduits and pipes. This Agreement was for an initial term of 5 years, with 3 options to renew for 5 year terms. This Agreement was modified by an addendum to building lease agreement dated as of June 26, 1995 between Jay Peak, Inc. and Celco Partnership to correct and have certain information to the initial Lease Agreement. It was also amended by first amendment to building Lease Agreement dated as of June 26, 1995 between Jay Peak, Inc. and Celco Partnership in order to increase the rent. Finally, an Assignment of Lease whereby Celco Partnership assigned on to Vermont RSA Limited Partnership, d/b/a Bell Atlantic NYNEX Mobile its rights, title and interest in and to the building Lease Agreement executed on June 26, 1995 was also executed on December 5, 1995.

A Wireless Communication Facility Lease Agreement made on February 3, 1995 between Jay Peak, Inc. and Atlantic Cellular Company, L.P. whereby Jay Peak, Inc. leased sections of its building roof for the installation of one microwave dish and four antennas as well as space in such building. Jay Peak, Inc. also granted to the tenant easements for pedestrians, vehicular and utility ingress and egress from public roads, rights-of-way and existing utility lines, including use of the existence ski tram or any replacement lift, as appropriate, to the equipment. Such lease was granted for an initial term of 5 year with 4 options to renew the lease each for an additional term of 5 years. Such lease was amended by way of an amendment to lease agreement made on May 30, 1995 by and between Jay Peak, Inc. and Atlantic Cellular Company, L.P. whereby it was agreed that the leased space was leased for the installation of 2 microwaves dishes and 4 antennas.

SCHEDULE 3.17 e)

RIGHTS CONCERNING REAL ESTATE

According to Section 12 of the Building Lease Agreement executed on June 26, 1995 between Jay Peak, Inc. and Celco Partnership (as modified by an addendum to Building Lease Agreement dated as of June 26, 1995 and amended by first amendment to building Lease Agreement dated as of June 26, 1995 and by an Assignment of Lease executed on December 5, 1995), "if the Lessor during the lease term or any extension of the lease term elects to sell all or any portion of the Leased Premises, whether separately or as part of the larger parcel of which the Leased Premises are a part, the Lessee shall have the right of first refusal to meet any *bona fide* offer of sale on the same terms and conditions of such offer." However, according to the information provided by Bill Stenger, the Leased Premises are actually located on land owned by the State of Vermont.

SCHEDULE 3.18

TAX MATTERS

A letter is to be provided by Ray Jennett to that effect.

SCHEDULE 3.19

NO UNDISCLOSED LIABILITIES

N/A.

SCHEDULE 3.20

TITLE AND SUFFICIENCY OF ASSETS

See attached.

1. A Specific Movable Hypothec Agreement executed on August 26, 2002 between Les Stations De La Vallée De Saint-Sauveur Inc. and CIT financial Ltd. affecting the assets, undertakings and property referred to in Schedule A of the agreement and located at Jay Peak for an amount of \$800,000 and interest thereon at an amount equal to 15% of such principal. Such hypothec was registered at Quebec's Register of Personal and Movable Real Rights ("RDPRM") under number 02-0381436-0001 (this registration was subsequently corrected by registration number 02-0394614-0001).
2. A Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and Financement d'Équipements GE Canada S.E.N.C. on October 25, 2005, bearing number 150009490370, whereby an amount of \$1,798.93 (USD) shall be paid monthly for 60 months. Such agreement was registered at the RDPRM under number 05-0616929-001.
3. An Equipment Loan and Hypothecation Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and Financement d'Équipements GE Canada S.E.N.C. on May 16, 2005, bearing number 150009222473, whereby an amount of \$5,503.86 (USD) shall be paid monthly for 59 months. Such agreement was registered at the RDPRM under number 05-0288304-0001 (assignment of ranks related to such registration were also registered under numbers 05-0427329-0001 and 05-0324367-0001).
4. A Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on June 8, 2007, bearing number 150010457071, whereby an amount of \$3,350.41 (USD) shall be payable monthly over a 60 month period. This agreement was registered at the RDPRM under number 07-0339960-0001.
5. A Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on June 7, 2007, bearing number 150010490176, whereby an amount of \$202.99 (USD) shall be paid monthly over a 36 month period for the purchase of equipment located at Jay Peak. This agreement was registered at the RDPRM under number 07-0387264-0001.
6. An Equipment Loan and Hypothecation Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Financing G.P. on August 31, 2006, bearing number 150009985370, whereby an amount of \$4,805.57 (USD) shall be payable monthly over a 60 month period in relation to equipment located at Jay Peak. This agreement was registered at the RDPRM under number 06-0511502-0001 (such registration was subsequently corrected by registration number 06-0520852-0001).
7. A Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on September 20, 2006, bearing number 150010016970, whereby an amount of \$3,616.34 (USD) shall be paid monthly over a 60 month period for the purchase of equipment located at Jay Peak. This agreement was registered at the RDPRM under number 06-0570755-0001.
8. A Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on June 8, 2007, bearing number 150010458272, whereby an amount of \$1,811.13 (USD) shall be paid monthly over a 36 month period for the purchase equipment located at Jay Peak. This agreement was registered at the RDPRM under number 07-0339924-0001.
9. A Conditional Sale Agreement executed by and between Les Stations De La Vallée De Saint-Sauveur Inc. and GE Canada Equipment Financing G.P. on July 28, 2006, bearing number 150009913778, whereby an amount of \$4,648.31 (USD) shall be paid monthly over a 60 month period for the purchase equipment located at Jay Peak. This agreement was

registered at the RDPRM under number 06-0479017-0001 (such registration was subsequently corrected by registration number 06-0484436-0001).

10. UCC filings against Station Touristique Mont Saint-Sauveur Inc. filed by the Chittenden Trust Company and the Chittenden Bank, bearing file number 95-51390.
11. UCC filings against Saint-Sauveur Valley Resorts filed by the Chittenden Trust Company and the Chittenden Bank, bearing file number 99-118926.
12. UCC filings against Saint-Sauveur Valley Resorts filed by the Chittenden Bank, bearing file number 92-23908.
13. UCC filings against Saint-Sauveur Valley Resorts Inc. filed by CIT Financial Ltd., bearing file number 06-195655.
14. UCC filings against Saint-Sauveur Valley Resorts Inc. filed by HSBC Bank Canada, bearing file number 07-207277.
15. UCC filings against Saint-Sauveur Valley Resorts Inc. filed by VEDA, bearing file number 04-181090.
16. UCC filings against Jay Peak, Inc. filed by TEAM Leasing, LLC, bearing file number 07-214753.
17. UCC filings against Jay Peak Ski Resort filed by IOS Capital, bearing file number 03-172081.
18. UCC filings against Jay Peak Ski Resort filed by IOS Capital, bearing file number 03-186182.
19. UCC filings against Jay Peak Ski Resort filed by IOS Capital, bearing file number 05-189201.
20. A movable hypothec without delivery registered by HSBC Canada against Saint-Sauveur Valley Resorts Inc. under number 07-0101225-0001, affecting all of Saint-Sauveur Valley Resorts Inc.'s moveable property and assets for an amount of \$ 6,000,000, with an interest rate of 25% per annum plus an additional hypothec of \$1,200,000, which was corrected by registration number 07-0376540-0001 to reduce the list of movables affected by the hypothec, but to specify that such hypothec continued to affect the movable property and assets related directly or indirectly to the "Jay Peak Championship Golf Course" and the clubhouse and other buildings thereon.
21. A leasing in favour of HSBC Canada registered under number 08-000077-0005.
22. A leasing in favour of HSBC Canada registered under number 04-0279413-0001.
23. A leasing in favour of HSBC Canada registered under number 05-0674458-0001.

| POS | DESCRIPTION | Sales | Access | Inventory | Credit card | Guest | Pass | Pods | Private | Dinning | Reservation | Fee sheet | Folio PMS | TOTALPOS |
|---------|---------------------------|----------|----------|-----------|-------------|-------|------|----------|---------|----------|-------------|-----------|-----------|----------|
| | TEE SHEET | | | | | | | | | | | 500 \$ | | 500 \$ |
| | FOLIO INTERFACE | | | | | | | | | | | | | 500 \$ |
| | TABLE SERVICE FOOD SERVER | | | | | | | | | | | | | 1,000 \$ |
| | SCAN ACCES MODULE | | 1,500 \$ | | | | | | | 1,000 \$ | | | | 500 \$ |
| 08BO01 | BOUTIQUE JAY PEAK | 1,000 \$ | | 1,000 \$ | | | | | | | | | | 1,000 \$ |
| 08BO02 | BOUTIQUE STATE SIDE | 1,000 \$ | x | 1,000 \$ | | | | | | | | | | 1,500 \$ |
| 08BR01 | INTERNATIONAL 1 | 1,000 \$ | | | | x | | | | | | | | 3,100 \$ |
| 08BR02 | INTERNATIONAL BAR | 1,000 \$ | | | | x | | | | | | | | 2,100 \$ |
| 08BR03 | Dinning Room HOSTESS | 1,000 \$ | | | | | | | | 1,750 \$ | | | | 2,850 \$ |
| 08BR04 | Dinning Room 2 | 1,000 \$ | | | | | | | | 1,750 \$ | | | | 2,750 \$ |
| 08BR05 | Hotel Lounge | 1,000 \$ | | | | | | | | 1,750 \$ | | | | 2,750 \$ |
| 08BR06 | Golden Eagle Bar | 1,000 \$ | | | | | | | | 1,750 \$ | | | | 2,750 \$ |
| 08CA01 | VESUVIO PIZZA | 1,000 \$ | | | | | | | | 1,750 \$ | | | | 1,000 \$ |
| 08CA02 | CAFETERIA TRAM 1 | 1,000 \$ | | | | | | | | 1,750 \$ | | | | 1,000 \$ |
| 08CA03 | CAFETERIA TRAM 2 | 1,000 \$ | | | | | | | | 1,750 \$ | | | | 1,000 \$ |
| 08CA04 | CAFETERIA TRAM 3 | 1,000 \$ | | | | | | | | 1,750 \$ | | | | 1,000 \$ |
| 08CA05 | CAFETERIA STATE SIDE 1 | 1,000 \$ | | | | | | | | | | | | 1,000 \$ |
| 08CA06 | CAFETERIA STATE SIDE 2 | 1,000 \$ | | | | | | | | | | | | 1,000 \$ |
| 08CA07 | MINI-MART | 1,000 \$ | | | | | | 1,000 \$ | | | | | | 1,000 \$ |
| 08CO01 | Ecole de ski JPeak 1 | 1,000 \$ | x | | | x | | | | | | | | 1,100 \$ |
| 08CO02 | Ecole de ski JPeak 2 | 1,000 \$ | x | | | x | | | | | | | | 3,100 \$ |
| 08JP01 | BILLETTERIE JAY Tram 1 | 1,000 \$ | x | | | | | | | | | | | 1,000 \$ |
| 08JP02 | BILLETTERIE JAY Tram 2 | 1,000 \$ | x | | | | | | | | | | | 1,000 \$ |
| 08JP03 | BILLETTERIE JAY Tram 3 | 1,000 \$ | x | | | | | | | | | | | 1,000 \$ |
| 08JPM1 | BILLETTERIE HOTEL | 1,000 \$ | | | | | | | | | | | | 1,000 \$ |
| 08JPM2 | LAPTOP ventes ext | 1,000 \$ | | | | | | | | | | | | 1,000 \$ |
| 08JPP1 | PHOTO J.PEAK | 1,000 \$ | x | | | | | | | | 1,500 \$ | | | 2,500 \$ |
| 08JPP2 | ROB VOISINEK | 1,000 \$ | | | | | | | | | 1,500 \$ | | | 3,000 \$ |
| 08JPRS1 | SHAUN BAKOS | 1,000 \$ | | | | | | | | | | | | 2,500 \$ |
| 08JPS1 | SAC JP BILLET 1 | 1,000 \$ | x | | | | | | | | | | | 3,000 \$ |
| 08JPS2 | SAC JP BILLET 2 | 1,000 \$ | x | | | | | | | | | | | 1,000 \$ |
| 08JPT1 | BILLETTERIE JAY SS 1 | 1,000 \$ | x | | | | | | | | | | | 1,000 \$ |
| 08JPT2 | BILLETTERIE JAY SS 2 | 1,000 \$ | x | | | | | | | | | | | 1,000 \$ |
| 08LO01 | LOCATION JP | 1,000 \$ | | | | | | | | | | | | 1,100 \$ |

| | | | | | | | | | | | | | | |
|--------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| TOTAL LICENSING \$ | 30,000 \$ | 1,600 \$ | 2,000 \$ | 2,000 \$ | 4,000 \$ | 1,000 \$ | 1,000 \$ | 2,000 \$ | 2,000 \$ | 11,500 \$ | 3,000 \$ | 1,500 \$ | 1,300 \$ | 87,800 \$ |
| TOTAL # | 30 | 10 | 2 | 2 | 10 | 10 | 2 | 2 | 2 | 6 | 2 | 1 | 8 | |

| | | | | | | | | | | | | | | |
|-------------------------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|----------|--------|--------|--------|----------|
| Annual fees (Sept 1-August30) | 15% | 20% | 15% | 15% | 15% | 20% | 20% | 15% | 15% | 15% | 15% | 20% | 20% | |
| Annual costs | 4,500 \$ | 300 \$ | 300 \$ | 600 \$ | 200 \$ | 300 \$ | 300 \$ | 300 \$ | 300 \$ | 1,725 \$ | 450 \$ | 300 \$ | 280 \$ | 8,935 \$ |

| | | | | | | | | | | | | | | |
|--------------------|-----------|-----|--|--|--|--|--|--|--|--|--|--|--|----------|
| E-COMMERCE LICENCE | 37,600 \$ | 25% | | | | | | | | | | | | 1,875 \$ |
|--------------------|-----------|-----|--|--|--|--|--|--|--|--|--|--|--|----------|

| | |
|-------------------------|-----------|
| TOTAL - LICENSING COSTS | 95,300 \$ |
|-------------------------|-----------|

| | |
|-----------------------------|-----------|
| TOTAL - ANNUAL SERVICE FEES | 10,810 \$ |
|-----------------------------|-----------|

| | |
|----------------------|-----------|
| MONTHLY SERVICE FEES | 900.83 \$ |
|----------------------|-----------|

SCHEDULE 3.22

MATERIAL CONTRACTS

See the guarantees listed in Schedule 3.27.

A Water Pollution Control Agreement executed on April 12, 1989 between the Town of Jay, the Town of Troy and Station Touristique Mont St.-Sauveur, Inc., doing business as Jay Peak, Inc., whereby Jay Peak shall pay to the Town of Jay each year a sum equal to the amount annually required to completely repay in level payments over 30 years all principal and interest on the municipal bonds to be issued by Jay in the principal amount of \$900,000.00 to finance its local share of the cost of construction of the Water Pollution Control Facilities.

A lease executed with the State of Vermont dated April 18, 1975 (already referred to in schedule 3.16 b) herein) whereby a certain rent shall be paid annually to the State of Vermont as per section 5 of the Lease Agreement.

A loan from the Town of Jay on April 30, 2007 for an amount of \$ 369,113.91.

A loan from the Vermont Economic Development Association for the golf of an amount of \$ 125,000.00 bearing number 050JP22203.

A loan from the Vermont Economic Development Association for the golf of an amount of 800,000 bearing number 050JP22202.

A letter of credit executed by Saint-Sauveur Valley Resort on June 22, 2006 for a demand loan from HSBC Canada in an amount of \$ 6,000,000, with an interest rate equal to prime plus 1%.

A loan from the Town of Troy in relation to the sewer of an amount of \$ 795,000, with interests at an annual rate of 7.5 %.

A promissory note and loan and security agreement dated August 31, 1999 with Saint-Sauveur Valley Resorts, Inc., Jay Peak, Inc. and Mont Saint-Sauveur International Inc. for a loan from the Town of Troy in an amount of \$330,953.28.

A loan from the Bank of New York for which an amount of \$ 273,748.18, with an interest rate of 5.71 %, remains outstanding.

A loan from the Bank of New York for which an amount of \$ 1,620,962.07, with an interest rate of 6.9 %, remains outstanding.

An agreement with Zubrugg for the installation of the tray cable. An amount of \$ 258,195 (USD) remains outstanding as per such Agreement. Said Agreement is related to an order from Fatzer (VA07-12222) for the equipment and material necessary for the tram cable. Additional amounts may have to be paid in relation to such tram cable (insurance, labour, etc.).

An operating lease with TEAM Leasing, LLC for the telephone system dated November 13, 2007, whereby an amount of \$ 4,990 shall be paid monthly.

A marketing agreement between Jay Peak Ski Resort and Saint J Automobile Company, LLC whereby Jay Peak can use two (2) SUV under certain conditions if certain marketing benefits are provided to Saint J Automobile Company, LLC.

A contract and a security agreement executed with the Chittenden Bank bearing number 1186523 for an amount of \$ 27,798 with an interest rate of 5.99 % in relation to a 2006 Chevrolet 2500 pickup.

A contract and security agreement with the Chittenden Bank bearing number 1186574 for a 2006 Chevrolet 2500 pickup for an amount of \$27,768.20 with an interest rate of 5.99 %.

A contract and security agreement with the Chittenden Bank bearing number 1186612 for a 2006 Chevrolet 2500 for an amount of \$ 27,768.20 with an interest rate of 5.99 %.

A promissory note between Saint-Sauveur Valley Resorts Inc. and Chittenden Trust Company / Chittenden Bank for an amount of \$ 37,767.32 with an interest rate of 9 %.

A leasing with HSBC Canada for an amount of \$ 196,980.31 bearing number 999885PQ-5 for Bombardier Equipment (Dameuse).

A leasing with HSBC Canada for an amount of \$ 697,051.51 bearing number 999885PQ-8 for Bombardier Equipment (2 Dameuses).

A leasing with HSBC Canada for an amount of \$ 723,646 bearing number 999885PQ (related to Prinoth invoice PR-07-04) for equipments.

EB5 Project

A private offering memorandum dated December 22, 2006 concerning EB-5.

A purchase and sale agreement between Saint-Sauveur Valley Resorts Inc. and Jay Peak Hotel Suite L.P. to sell certain parcel of property in order to proceed with the EB-5 project.

A promissory note between Jay Peak Hotel Suite L.P. and Saint-Sauveur Valley Resorts Inc. in the amount of \$ 1,800,000 (USD).

A proposed management agreement between Jay Peak Management Inc. and Jay Peak, Inc. (not executed).

A proposed grant of easement and maintenance agreement between Saint-Sauveur Valley Resorts Inc. and Jay Peak, Inc. (not executed)

A limited partnership agreement executed by Jay Peak Management Inc.

Subscription agreements with various investors for an interest in the EB-5 Phase 1 project.

A master escrow agreement between Jay Peak Hotel Suites L.P. and Chittenden Trust Company.

An investor escrow agreement between the investors and Chittenden Trust Company.

An investor administration fee escrow agreement between the investors and Chittenden Trust Company.

A private offering memorandum dated March 2008 concerning EB-5 Phase 2 for the Jay Peak resort and all related documents and agreements concerning this project.

SCHEDULE 3.23

ENVIRONMENTAL MATTERS

In 2007, Jay Peak, Inc. came to an agreement with the State of Vermont for environmental damage done to the Jay Branch Brook as a result of the Jay Peak golf course construction in 2005 and 2006. Penalties have been paid and no other action from the State of Vermont is expected. The federal authorities are currently evaluating if any additional action is necessary on their part for this issue.

SCHEDULE 3.24

INSURANCE

A liability and umbrella policy with Axa for the period starting from November 1, 2007 and ending on November 1, 2008, with monthly premiums of CND \$6,901.33.

A general liability and umbrella policy with Mountain Guards for the period starting from November 15, 2007 and ending on November 1, 2008, with monthly premiums of US \$19,122.39.

A commercial output program coverage part (buildings) policy with Acadia Insurance Company for the period starting on November 1, 2007 and ending on November 1, 2008, with monthly premiums of US \$25,998.33.

A commercial inland marine coverage part (equipment) with Acadia Insurance Company, with monthly premiums of US \$5,516.58.

A commercial auto policy with Acadia Insurance Company starting from January 31, 2007 to January 31, 2008, with monthly premiums of US \$3,506.50.

SCHEDULE 3.26

ACCOUNTS AND NOTES RECEIVABLE AND PAYABLE

N/A.

SCHEDULE 3.27

RELATED PARTY TRANSACTIONS

A guaranty granted by Jay Peak, Inc. in favour of TD Banknorth, M.A. for the obligations of Saint-Sauveur Valley Resorts, Inc. of a total amount of \$10,800,000.00.

A guaranty granted by Jay Peak, Inc. in favour of Saint-Sauveur Valley Resorts, Inc. as per the VCDP Loan and Security Agreement executed between the Town of Jay and Saint-Sauveur Valley Resorts, Inc. on April 27, 2004 for an amount of \$732,000.00, related to a Grant Agreement between the State of Vermont, the Agency of Commerce and Community Development and the Town of Jay.

A guaranty granted by Jay Peak, Inc. in favour of Saint-Sauveur Valley Resorts, Inc. for a loan of up to a maximum of \$ 925,000 related to the golf course.

A guaranty granted by Jay Peak, Inc. in favour of the Chittenden Bank for the obligations of Saint-Sauveur Valley Resorts for a total amount of \$ 9,000,000, executed on March 21, 2007.

An agreement with Burke Mountain for the sale of ski passes.

An agreement with Siriusware Inc. for software services at various points of sale.

An agreement with Jay Peak Website (to be cancelled).

SCHEDULE 3.28 a)

SKI RELATED REPRESENTATIONS

See attached.

Executive Summary

As we go to print with the FY07 Plan it appears we will finish approximately 3% ahead of last year's paid-day number and 2% behind a fairly aggressive FY06 Budget. Lift ticket revenue is up—thanks in part to several strategic product-rate increases (Student/College tickets, Vermonter and Other Mountain Season Passholder and tickets integrated into Ski and Stay packages) have accounted for a 8-10% increase (to date) on lift-ticket related revenue.

Thanks to a sharp rise in weekend Ski and Stay rates (we were well below the industry average for weekend rates) as well as some tactical increases during traditionally busy holiday periods, our Ski and Stay related revenue stands at nearly 250k ahead of last year's number.

It appears we made some good calls with price increases across several of our product categories and most likely could have pushed a little harder in several others.

Revenue from Season Pass Sales is up +/- \$90k thanks to the elimination of the 5-Star program (this pushed the category up into a higher yielding segment), and thanks to a pop in College Season Pass Sales—specifically in the Canadian market. Our '3-Step' Program tripled the amount of Learn To Ski/Ride Revenue we did from the season before and helped to create a whole new segment of potential Jay Peak Season Pass Holders.

Increases to weekend lodging rates helped pop busy time periods, but also slowed us during periods of weather-snafus that landed across weekends. We mitigated this somewhat with discounting across these distressed periods but some retracing was unavoidable when the weather fell apart.

We moved the Special Events fund allocation up and, as such, moved our take up quite a bit. While this increase wasn't reflected in our ability to spend more within Marketing, it didn't even out a line in the Marketing Budget that was under funded last season. For FY07, we will further tweak this line allocation with an eye on increasing owner and Resort revenue share by \$50-\$80k

Our biggest area of opportunity in FY07 will be the 6-week period between January 8th and February 15th. In FY06, this period lagged due to weather and lack of any real momentum in the market. We will create pricing, programs and products designed, specifically, to increase destination visitors and day traffic during this period.

Season Recap

Thanks to an influx in Group related 6 and 7 day overnight business in December, our early season netted us an overage of nearly \$40k when compared to FY05. This early season business was farmed at Mountain Travel Symposium in Aspen in the Spring of 2005. We also leveraged our early season snow advantage to book several race camp

Groups out of the Ontario region (Ottawa and Toronto), and good experiences should net us more activity in December of 2006.

Along with a good supply of pre-paid group business, we saw retail pace ahead of the last several early-seasons as well, as we put 15,000 total skier days into the books prior to the Christmas holiday. This compared favorably to early seasons in FY05 (13,500), FY04 (12,750) and FY03 (11,850).

By the end of December, we had already picked up nearly 175 inches of snow and we had great momentum headed into the Holiday period where we sold out the resort—including additional Townhouse units which came online throughout the Holiday week. We experienced some rain and drizzle on December 23rd, then saw it rain or drizzle for 4 consecutive days into December 28th, when temperatures plummeted and froze the entire place stiff.

Ontario and most of Canada fell into a holiday period during the first week of January which helped bolster numbers but weather and conditions were still sub-par through most of the period with little to no natural snow, extremely cold temps and firm conditions. Because of aggressive pricing during this period, we were at, to over-capacity, as was the entire region. Day traffic remained strong, and we put 12,500 visits in the book for the week, compared to 6,500 for the first week in January of 2005.

7 out of the next 19 days in January would include some form of drizzle, mixed or outright rain, and 6 of the remaining 19 days would include temperatures at or below zero. Those days that we did receive ample snowfall (6" on the 9th, 10" on the 15th, 4" on the 19th and 11" between the 24th-28th) were followed with either howling winds or rain which eliminated momentum almost completely. Saturdays in January went, 1,500 on the 7th, 1,100 on the 14th, 754 on the 21st and 2,900 on the 28th). Saturdays are critical days for the entire season, but especially important in January when we have no real spikes in midweek traffic (with the exception of MLK which got us only 1,000). January created a major hole for us (as it does many seasons) and the bleeding continued, albeit to a lesser extent, into February when it rained or poured during the first 5 days of the month (including the entire first weekend, Feb 4 and 5, where we did a combined 2,500 skier visits both Saturday and Sunday).

February began to turn around on the 7th with 16" of snow, and another 10" on the 14th and 15th leading into the President's Holiday period. We put just over 17,000 skier visits on the books for the US President's Week (which compared favorably to 15,000 in FY05 and 14,000 in FY04). February ended with several consecutive days of below zero weather but we were still ahead of budget as of the final week of the month.

March began with the second of two Quebec school break periods (the Province split breaks this year between North of Montreal (Laval, St. Jerome, etc..) during the last week of Feb/first week in March and Montreal itself during the second week of March. This second holiday coincided with Vermont's break period and resulted in good day traffic and fair to good destination/overnight business as well.

As we go to print with this year's plan, rain has returned during the mid-March period, and is depressing traditionally heavy Ontario break week (day traffic) numbers. Overnight bookings are steady and reflect, on average, recent historic periods. We are pacing flat to last season's year-end number despite lack of any true momentum. Resort-wide revenue is pacing ahead of FY05's year-end number.

In all, weather—as it does every season—has limited growth. While weather indeed played a role during fiscal 2005, the worst of it was front-loaded and did not coincide with heavy holiday periods. In fact, after February 19th, 2005, we saw steady amounts of accumulating snow, light winds and comfortable temperatures. Alternately, in FY06, the worst weather either coincided with, or immediately preceded holiday periods and historically popular weekends. Our successes in FY06 were *in spite* of the weather rather than a result of it.

Tickets and Products

Other Mountain Passholders and Vermonter Tickets

We decided to synch up the Vermonter and OMP rates this season to help ease messaging efforts and to continue feeling for pricing resistance within our markets. We have now escalated the Adult OMP rate from \$27 in FY04 to \$38 in FY06; a 41% increase spread across 2 seasons. We have increased the Junior rate even more aggressively from \$18 in FY04 to \$32 in FY06; nearly an 80% increase spread across two seasons. These Junior ticket products were well below market average in FY04 and lack of any real resistance in this category shows we still have some room to continue moving.

In the OMP Adult category we have seen the numbers stay flat on a year over year basis, but revenue has grown by 5% (130K in FY06—as of 3-14-06-- versus 123K in FY05). We will integrate more modest increases for FY07, but will continue to link the OMP rate with the Vermonter rate.

It was our hope to add \$100k of incremental ticket revenue to these two categories. Given some of the weather vagaries previously described which affected volume, our net bottom line increase between the two products was closer to \$30k.

With respect to Vermonter rates, we have seen Junior numbers increase at a more dramatic rate this season (due to the more aggressive price increase in this category), going from 2,200 tickets and \$65k in FY05, to nearly 3,000 tickets and more than \$100k in FY06.

Adult rates have stayed flat despite the price increase (7,050 in FY06 versus 7,100 in FY05), and revenues are up slightly, \$260k in FY06 versus \$247k in FY05.

Wholesaler Bulk Lift Ticket Program

Our strongest growth within Sales was realized within our Bulk lift ticket program. In FY05 and through a pretty limited effort, we put \$60,000 worth of revenue (2,100 tickets sold) to the bottom line. By partnering with bigger ski shops and retailers in core markets (Tommy&Lefave in Ottawa, and XXXXXXXXXX), we have put nearly \$185,000 to the bottom line in FY06; growth of nearly 200%. While we have seen some retracing in our Wholesaler and Direct day group numbers this season, the increase in bulk encouraging if not expected. This trend supports our position that, Group travel (at least in increments that presently qualify one as being in a 'group'), continues to wane. Growth in 6-pack sales (6 lift tickets and lunch for \$39 per), supports the theory that people still travel in groups, but in smaller multiples.

The 6-pack program was integrated after the MLK Holiday period and used, tactically, during softer midweek and some weekend periods. We also modified the 6-pack, briefly, to include a free mid-season pass if a group-organizer was able to get 15 people together at \$39 per. We offered this only across one weekend and landed two groups at about \$1200 total. This brought to light that we should consider creating a 'trip-leader incentive program' for FY07 and begin recognizing trip leaders, and more specifically allegiance, in a different, more rewarding way.

Jay Peak Family Club and Passport Ticket Program Complimentary Tickets Car Count Data

FY06 Review (Marketing Initiatives)

Our marketing initiatives in 2005-2006 were focused primarily on pricing, grabbing more market share from our nearby US and CAD competitors and making sure that our entire marketing campaign carried elements of our overall direction (Move Up/Would you know a great skier). Specific initiatives and outcomes are highlighted below.

Fully leverage our destination market potential in US and Canada.

We realized the full build-out of Village Phase 2—nearly a 40% increase to FY04. These units were priced competitively and marketed aggressively in all of our destination markets. Oftentimes, these new units acted as our *from* rate, as we decided to compete on price during several tactical periods—specifically the Toronto Ski Show where we filled up Christmas and the post-Christmas week and got to 70-75% during Ontario Break Week.

Assessment

- Used new and existing Village units as from-pricing during Boston, Toronto and Ottawa Ski Shows.
- Used Village from rates in weekly 242 e-mails and through tactical 'Buddy Club' push e-mails
- Organized direct mail piece through the Jay Peak Area Association, using Village units as lead-in rate
- 150 piece direct mail to past Ontario Week guests using Village lead-in rate
- 600 piece direct mail to past late March and April guests using Village lead-in rate.
- Wrapped Providence Journal Bulletin with ad featuring Village lead-in rate
- Spent additional radio \$ in high-yielding Ottawa market
- Spent additional radio \$ in Boston through WBOS promotions.
- Integrated Boston based promotion through WHDH and local Auto Supplier, using Village rate as lead-in.

Addition of 'Agency of Record' to help develop brand platform

After reviewing several agencies, we partnered with Almighty Boston to help redevelop our core messages and positions. They have provided us with the following:

Assessment

- Developed new 'look and feel' adding revised color palette, font treatments and winter and summer lifestyle-oriented images
- Developed linked collateral campaign through Snowsports, Season Pass, Summer and French Brochures.
- Developed Magazine creative
- Developed tactical 'Buddy Club' program that was integrated as e-mail push marketing campaign.
- Broadened our summer and winter photography portfolio with respect to lifestyle and core seasonal shots.
- Developed 2 distinct ad campaign that were scaled across multiple books in multiple markets.

Stay 'On-Message', integrating most snow in eastern North America, Vermonter/OMP rates, value-proposition, and high end real estate messages as often as possible.

These resort 'take aways' are powerful only when frequency and reach are high. We used them as permanent tags within our radio spots, scroller messages on cable, television spots and within: 15 radio donuts.

Assessment

- Value-language was part of both permanent radio spot and generally integrated into the custom: 15 donut
- Francophone Quebec television spot reinforced OMP Rate and snow messages
- US TV spot reinforced Vermonter and OMP messaging.

- Snow Phone tags included 'most snow in eastern North America reinforcement
- Most affordable big mountain skiing and riding was the platform for both 'Move Up' radio spots in Canada and US
- Adelpia cable scrollers included snow and rate information every week.
- 242 newsletters reinforced value and snow positions weekly

Accelerate growth in pre-commitment programs and ramp up assistance to Lodges in up-selling Lodging Vouchers

Ski and stay packages were up sharply in November, December and January, normalized a bit in February and were down in March and April. We added a layer of commission-rewards to Reservation Agents which, along with more of a structured sales process, helped with pre-commitment.

Assessment

- We eliminated the 'Blue Voucher' Lodging program and pushed Lodges to offer Passport and Family Club cards to their guests. These cards were valid holidays and added \$4 of incremental yield to the bottom line. Passport and Family Club sales were up a combined (%), and the predominance of this can be attributed to sell-through by the Lodges
- Lodging vouchers, which some Inns and Lodges still preferred, were flat
- Bulk ticket sales, which help weather-proof the business to some extent, were up more than 200% thanks to heavy sell-through by several partners on both sides of the border. We also broadened the program to include more than 100 sales outlets (up from only 30 in FY05)
- We offered 2 through 5 day Vermonter tickets this year which, along with adding a layer of convenience for the guest, helped add more than \$20k of incremental bottom line revenue. (72 tickets and \$7,200 in FY05 versus 260 tickets and more than \$26,000 in FY06)

Increase use of database targeting and tools available through Customers First

All of the direct mail pieces, magazine and brochure mailings, and generation of lists was done through CF

Assessment

- Targeted Ontario guests through CF mining system
- Targeted past March and April guests through CF mining system
- Decreased size of our magazine mailing and used CF mining system to take out northern and central Vermont, northern New Hampshire and eastern township addresses out of the Magazine mailing. Saved significant postage here.
- Used CF ski shop guest list and added them in for future mailings and direct mail pieces.

Increase exposure to International Markets through advertising programs and print materials.

This is a very expensive market to get a foothold into as guests from the UK tend to be parochial and ski where other UK kids and adults ski (specifically Sunday River and

Killington). We made some headway this year with some April business (if it holds), and covered additional ground through the VSAA

Assessment

- Partnered with Vermont Ski Area Association on early season UK co-op piece through the Ski Club of Great Britain
- Bought ad space on skiclub.co.uk in September and October, primarily to support group sales efforts there.
- Partnered with Pinnacle Tours, a US based UK wholesaler and managed to secure a group for late season.
- Hosted 3 separate UK-based Fam trips to increase exposure to additional group business in forthcoming seasons.

Increase exposure in non-traditional/new media

Our intent here was to widen our reach by conducting more segmented fam trips and media junkets. Staffing limitations slowed our ability to cover more ground here, but some work was done entering new publications and creating unique partnerships with some.

Assessment

- Partnered with N'East Magazine to become official mountain resort of N'East and secured front-inside-back placement for next year at favorable rate.
- Partnered with Miguel's Stoweaway to get impressions through selling of branded, 'Jay Peak Avalanche' dessert. Promotion received ink in Wall Street Journal.
- Partnered with Hoagies of Newport and Essex around Season Pass Sales promotion—created Sky High Jay Peak Pie that sold for \$199 and included Jay Peak College Season Pass.
- Partnered with Muddy Waters Coffee Shop around Season Pass Sales promotion. Created frozen Coffee Drink that sold for \$199 and included Jay Peak College Season Pass.
- Advertised on AlpineZone.com—an industry site that offered a blog/message board for local die hards.

Launch FY06 Magazine with overall strategic brand campaign in mind. Carry the campaign throughout all other media channels throughout the season

We accomplished a lot here, launching the magazine with elements of Move Up, Buddy Says and Would You Know A Great Skier fully or partially integrated.

Assessment

- Magazine carried Move Up, Buddy Says and Would You know a great skier notes.
 - Radio and TV campaign carried identical sound beds. Radio creative supported affordable big mountain position along with Move Up versioning.
 - TV Campaign echoed Would You Know A Great Skier direction.
 - Print ads carried WYKAGS direction and Move Up campaign as well.
-

- On campus merchandising included Move Up and WYKAGS support through copies of ads, and back lits.
- Partnered with local site producer to develop video upload site.

Continue to evolve branding and cross marketing program to leverage strength of MSSSI resorts

Some couponing was done here and more will be integrated within the last few weeks of the season.

Assessment

- 2 for 1 lift tickets pushed through windows at Edelweiss and Sauveur during pre-Holiday period.
- Lodging deals mailed to MSSSI Season Pass holders trying to stimulate late season lodging business.
- Developed aggressive pricing model for Season Passes and pushed The Big Pass and La Grosse Passe in relevant markets. Increased college-share in Canada by 10-15%

Consider rolling Central Reservations into Marketing and developed Performance Based Compensation Model.

This change happened immediately during FY06 and helped grow November-February revenues significantly. By February 1st, we had added almost \$500k for less than \$6k in commissions.

Assessment

- Included 7 full and part time Sales Agents
- Showed positive affect during Nov-Feb period. Some softening thereafter
- Sales force was more motivated and somewhat more focused but still have room to develop more of a team-oriented atmosphere.
- Sales force needs to understand property nuances better.

Full Build out of on-campus Jay Television marketing program with profit center ads, branding, first timers guide to Jay Peak as well as partner spots.

Assessment

- Spots for all profit centers ran all season (Retail, Food and Beverage, Ski School, Mini Mart, IR, etc..)
- First timers guide was shot, but never produced. This will be integrated for 2006-2007.
- Lost some coverage in the new units by virtue of construction snafus. This needs to be fixed for next season.

Develop in-the-box dm campaign so something hits the guests every three weeks. Target soft periods, distressed inventory, etc..

Assessment

- Accomplished this electronically through the 242, putting offers, specials and deals in front of our crowd every week.
- 3 Direct mail pieces hit this year, plus a partnered effort with the JPAA, but no real 'plan' ever came together.
- Postage rates increasing may play a role in our ability to broaden these options in the future.

Develop strong Summer piece by Presidents' Week 2006 highlighting packages, activities, golf, etc..

Assessment

- Piece was largely branding and full of golf and lifestyle images
- 5,000 of them were printed, delivered and in on-campus racks by Christmas Week 2005—a full two months ahead of schedule.
- Piece will be reprinted and used as direct mail within the next month.
- Piece synched up with other brand collateral in both style and print materials.

POSITIONING

Imaging/Competitive positioning

- Most affordable big mountain experience in eastern North America
- Home of the most snow in eastern North America—355"
- Home of the best glade and network of tree skiing in the business
- Glade skiing and riding for everyone
- The only Aerial Tram in Vermont
- The fastest detachable quad lift in New England
- Home of the Jay Cloud (a phenomenon known as Orographic Uplift which causes storms to slow and the Resort to benefit)
- The most Vermont-friendly resort in the State
- Home of a new 18-hole Graham Cooke and Associates designed Championship Golf Course

Emotional Component/Brand Personality/Demographic Profiles

- **College.** Jay Peak is hard-corps. The place to go for reliably deep natural snow, and glades. The resort of choice immediately following a northern track storm. The only resort in Vermont that offers College student discounts every day of the season.
 - **Couples/Married no-kids.** Visiting Jay Peak reaffirms that they have not compromised their hard-corps approach despite evolving responsibilities. Lack of nightlife sours all but the hard-corps within this segment however.
-

- **Married with Children.** I can handle the responsibility of kids and still hold onto a youthful/hard corps spirit. Boomers fall within this set and carry an aspirational focus that lends itself to Jay Peak. Water cooler factor is big with this life-segment. I ski/ride Jay carries cache' with skiing and riding community. This segment appreciates lower-than-industry-standard kids rates, daycare options and common base area focus. Jay Peak is easy to navigate for families and ski-in/ski out options mean more together time.
- **Learning/First Timer.** Learn at the Resort known for attracting 'graduates'. Facility is ideal for never-evers. More difficult to overcome 'fear factor'. Jay Peak can be scary for the uninitiated. Important to talk in unthreatening prose to this set.
- **Price Conscious.** The most affordable big mountain experience in the business. No weekend/holiday rate spikes, all the time Vermonter and OMP ticket deals. Jay Peak attracts those looking for authentic, unmanufactured, **affordable** experiences.
- **Skiers Versus 'Going Skiing'.** Jay Peak skiers and snowboarders generally have made a lifestyle choice. They do not view skiing and riding as hobbies. Rather, the sports have become integrated into their lifestyles.

Brand Vision and On-Campus/Electronic Surveying

We've just finished our first full season of integrating the new tag, Move Up, into our positioning. The tag implies that skiers and riders should consider elevating their ski and ride experience by choosing Jay Peak. There's a literal application within the US market as well, as Jay Peak is last on the line in the States.

This year we modified our traditional campaign approach, but inserting images of skiers and riders in-market, rather than using powder and extreme-looking geography. While powder, glades and our boundary to boundary policy have long been hallmarks of Jay Peak (and remain so), we were starting to fear that those images were becoming as limiting as they were strengthening—especially in light of our overall Resort growth objectives w/regard to Real Estate sales and Village Development. Our plan was, and continues to be, to still reinforce snow, glades and skiing policies, but to do so by packaging them within the entire Jay Peak *experience*.

Customers First data continues to reinforce and confirm quite our pre-conceived understand of what skiers and riders think of the current Jay Peak experience. Our Base Lodges, Skier and Rider Services, Guest Services and ticketing points are all in varying states of disrepair, and need to be addressed. We also scored much lower than anticipated within the areas of terrain park options, maintenance and development.

Snow and glade skiing and riding continue to over-index w/respect to what pulls people to Jay Peak. The affordability perception/reality ranks continues to rank high on the list of positive guest takeaways.

On campus way-finding signage also scored well below the state and national averages and needs to be addressed.

Competitor Stats
(Needs to be updated)

Media Plan

Executive Summary

We feel that our media mix in FY06 was on target and, absent some minor shuffling, will stay largely the same for FY07. We do plan on going a little broader with Anglophone radio in Canada (specifically Ottawa) and this will be at the expense of some US print (specifically thinning back our Ski Press buy), and we will also consider integrating a billboard strategy in Canada (most likely at the expense of some US radio).

Almighty Boston is on-board again for FY07 and will be responsible for design, strategic direction and some limited media buying across all of our channels. We have already initiated planning discussions for the 2007 Jay Peak Magazine, and will add a Glades Guide and several other new collateral pieces to our standard portfolio of products during the upcoming season. We will also integrate a broader electronic campaign, continuing the Buddy Says campaign that was initiated in 2006.

We plan on thinning back radio in the US to primarily those in our day markets (Burlington, Montpelier and Plattsburgh), and using other devices to get into our core destination markets with vacation messages. Radio is a difficult medium to sell the entire 'vacation' story that we have to tell. Our plan is to use heavy electronic and traditional direct mail in these US destination markets, and to integrate some new electronic DM options through Boston.com which, although expensive, have worked extremely well during the previous season. We will integrate some destination market radio (through heavy trade buys) in Boston (WZLX and WBOS only), but will look for different ways to motivate these destination segments in 2007.

Our traditional Print buys will include some of the same purchases as last year (Backcountry, Ski and Powder) but will also include 5 issues of N'East (a progressive/alternative outdoor lifestyle magazine published and produced in Portland Maine), and some vertical publications (Esquire and possibly Sports Illustrated) that we can use trade against a regional/eastern purchase, rather than have to integrate cash to get the full subscription list. We will drastically cut back on our US Ski Press buy, using the rationale that the US population greatly undervalues 'free' publications and doesn't attach the necessary worth to these publications to justify inflated ad costs. The Canadian market does attach weight to these publications and we will keep our Ski Press allocation roughly the same in this market.

Television will be, again, limited to WCAX and WPTZ in Burlington, Tele-7 in the Townships and (through CBC) in Montreal and CTV in Ottawa. We will also integrate a

considerable portion of our television budget to Cable in Burlington, Newport, Montpelier, Rutland, Plattsburgh and Waitsfield/Stowe, as it's affordability and skier/snowboarder index makes it one of the best investments we have access to.

With respect to non-traditional and out-of-home (OOH), we plan on integrating the same billboard strategy along I-91 in Amherst and the Mass Pike in Holyoke. We also plan on using the MBTA north of Boston where a high index of skiers willing to travel (Jay Peakers and Sugarloafers reflect a high concentration of skiers here), with remnant opportunities (which we can actually afford..) as opposed to standard cash buys which are painfully high.

We will also continue to look for partners that line up well with the Jay Peak brand in an attempt to get Jay Peak more affordable impressions. We are considering a partnership with Bove's of Burlington (Burlington based restaurant and line of sauces) who've been around for 50 years and carry identical weight with the 'authentic' crowd that Jay Peak does. We will also continue utilizing promotions with Miguel's of Stowe Cantina and Subway at all 58 Vermont locations. Within the College Season Pass sales campaign we will continue partnering with Muddy Waters of Burlington, Hoagies of Essex Junction and Newport, Wendy's, and City Market of Burlington. We will continue looking for affordable options to acquire impressions within this segment (College Pass Sales) as well.

COLLATERAL PLAN AND STRATEGIES

Direct Mail

Situation Analysis

Our lone (traditional) dm piece this year was brokered through the Jay Peak Area Association (JPAA), and used to drive January business (through Ski and Stay packages) into the Jay Peak Region. Going forward, we will be integrating two JPAA oriented (traditional) DM pieces—one in August (for Autumn Stay and Play packages) and one in December (pushing January Ski and Stay), and will be using electronic Buddy Says campaigns for others.

We will continue to reinforce our mail and e-mail databases through on-campus and on-line collection, as well as adding to our database through list-purchases where appropriate. Our 242 list needs more critical mass as well as more Montreal-specific names and more attention will be put in this area in FY07.

While coding and measuring the success of these independent campaigns will still be a priority, we will continue to over-weight the importance of general branding and gaining more impressions for Jay Peak through these direct mail pieces.

Our Jay Magazine will kick off our campaign for FY07. We will continue to approach the design of the Magazine from a 'magalog' perspective and continue integrating non-traditional imagery, story ideas, and other anecdotal inclusions that sell the Jay Peak brand.

Strategies

- Reduce the number of Jay Magazines direct mailed into the State of Vermont and limit dm exposure to destination markets in the US and Canada
- Manage collateral inventory throughout the season (reduce number of Jay Magazines on campus and rely on profit center materials to merchandise and up sell.
- Continue cross promoting multiple profit centers in all mailings
- Develop in-season strategy before November 1st so that collateral isn't rushed and is well developed before being implemented.
- Use electronic channels whenever possible to help reduce postage and to better integrate target-specific messages

Brochure Distribution

Situation Analysis

In FY07 we will continue limiting our Vermont exposure to smaller, more targeted collateral pieces, leaving the Magazine to destination markets only to get more bang. Traditionally, we have printed Ski School, Season Pass, French-deals, Group Sales, and trail maps as part of our collateral/brochure program.

This season we added a fully-developed Summer Brochure which was printed and on-campus in time for the Christmas Holiday period. We also developed a Group Sales Planner later in FY05 that was used during MTS and Spring Group shows. (This piece will be updated for FY07.) We also developed a Real Estate Sales Brochure that included inserts and product id's.

The majority of our collateral and brochures are channeled through consumer ski shows, ski shops, corporations and in/out-of-State info and welcome centers.

Canadian and, more specifically, Quebec coverage needs to be addressed this season. While we had better integration at Ski Shops this year and had broader spread of our College Season Pass brochures thanks to contracted help in those markets, we are still missing the boat with respect to full integration in the Canadian Market. The following Strategy document will highlight potential solutions.

Strategies

- Keep the Magazine print run flat to last year and continue limiting exposure to destination markets (and some light on-campus) only
- Use Canadian distribution resources to make sure the Magazine indexes better in English speaking Canada—specifically Toronto and Ottawa. May want to consider Ski Press' distribution company.
- Use Info and Welcome Centers to spread 4 season message.
- Possible creation of heavily branded/imaged signature piece for use at Welcome Centers, Airport(s), and Burlington. Cheaper and easier to distribute than the Magazine, but with the same image-heavy feel.
- Modify existing French Brochure from a simple rack card to a 4-6 page piece heavy on images, light on copy and representative of all of our deals.
- Eliminate/reduce waste.

Advertising

The Magazine

Situation Analysis

Now in it's 4th year, The Jay Magazine stands out as one of the better-produced vacation pieces/planners in the Industry. Anecdotally, it continues to have a longer shelf life than most vacation planners. This is accomplished through imagery, story placement and soft selling. It is paid for, cooperatively, through advertisers. This will become an issue this season as Beer/Liquor companies and distributors are going to much more restricted as to where and how they can place advertising with accounts than they have every been.

This past season, The Magazine included a much more lifestyle oriented tone, highlighting the people and places surrounding Jay Peak that may Jay Peak unique. The tone continued its informal approach and the 'sales-section' were set off by placement and colors; the informal, unthreatening approach to sales was integral in making this section approachable.

We used this year's piece to launch an overall re-branding campaign centered around 'Move Up' and, peripherally, 'Would You Know A Great Skier If You Saw One?'. The Magazine carried images and tones from this effort and will continue to in FY07.

Selling advertising for this piece is becoming a cumbersome, albeit relatively profitable, effort. With Beer and Liquor companies out of the picture, we have several options.

Bring in more advertisers with more money to spend (not likely to difficult), charge more for space from existing advertisers (difficult), or increase our budget allocation for magazine costs and not expect them to wash with ad revenue (likely). We will explore everything.

Strategies

- We will continue to save labor/money by outsourcing the mailing of what pieces we do put into direct mail
- Continue to add more paid editorial:
- Integrate more partners to sound off about the Jay Peak Experience, 'Think about Long Trail Brewing, N' EAST Magazine, Loon Park Employees, Bove's in Burlington, Miguels, WCAX employees, Roberta Macdonald at Cabot and any other Burlington Based business people who call Jay Home. Essentially a celebrity testimonial section.
- Story on Jay Peak Ski Patrol
- Story on the Canadian culture's influence.
- Golf/Real Estate

Radio

Situation Analysis

We continued to use Radio as a primary channel for tactical/day-market motivation. Within the Burlington/Central Vermont markets we, essentially, relied heavily on three partners. WIZN, The Buzz, and The Point. These three channels accounted for nearly 35% of our overall radio spend and channeled tactical messages, snow reporting, and promotionally-based spots through the entire season.

Outside of our day markets, radio played a limited role in Boston (through WZLX and The River), as well as in Ottawa through The Bear. We also used radio, tactically, in Montreal across both Angiophone and Francophone markets.

Our spots this season were heavily branded, using a custom music bed and recognizable voice that carried across all of our :30 and :60 second spots. We pushed experience first, then price, toggling between our Other Mountain Passholder and Vermonter rates based on the market we were running in. This strategy had good resonance within the market based on anecdotal comments by visitors here at the Resort and at Customer Service.

We continued integrating :10-:12 second doughnuts, which allowed us to offer updated snow, storm, event or product information around a branded spot that was uniquely Jay Peak. We will continue with this strategy in FY07.

Strategies

- We did a good job with Canadian radio this year but there is still room to improve. Our existing platform includes both Q92 and Mix 96 which is, essentially, redundant in the Montreal market. They rank 1 and 2 and offer the same listeners.

Francophone Montreal included CKOI, but we will consider integrating CKMF, CITE and/or CFGF to try and capture a portion of the market that, at times, can be difficult for us to communicate to.

Beginning last year, we looked for stations that had good crossover (Anglophones listening to Francophone stations and vice-versa) and while that strategy will continue, we will look for opportunities to beef up our message to the Francophone market, independent of their listening profiles.

We would like to continue broadening our message into the Ontario destination markets but it's cost prohibitive and competition is tight. There is the possibility of adding more trade into these buys and we will explore all options.

- US Radio has been broken into both destination and drive markets with most of the funds historically being channeled into drive markets. While this strategy feels out of step, it's important to have frequency in our backyard markets because of the pretty intense competition for airspace. Radio is a difficult channel to use, alone, in destination markets without other media support. And at this time, we just can't afford the required TV and print in destination markets to help make destination radio effective.

We will continue looking for promotional options within destination markets and integrate vacation packages to offset spends where we are able.

- As offered, radio is a good option if other media is available to support it. We had great success on buying 'live' reads from both the Buzz and The Point and used them tactically to support snow events all season. We will try and buy these 'up-front' next season asking for them to be integrated into our overall buy. These reads felt more authentic than canned spots and, oftentimes, we were able to pick the exact drop times which is generally never an option with canned spots.
 - We may also consider increasing the size of our doughnut to give us more promotional space and not feel constrained or rushed in our messaging.
 - We will continue to look for opportunities to integrate trade into our buys. More so than any other media channel, Radio's appetite for trade has manageable upside. While we knocked our trade numbers down this year, it's our suggestion that we bring them back up to more reasonable levels to assure that coverage doesn't wane.
-

- We will continue to use the same v/o in FY07 and our spots will again carry a heavy branding feel while leveraging our affordability position within our drive markets. Our destination spots will sell the level of our real estate and accommodations, our snow message and our affordability position.

Magazines

Situation Analysis

Given the re-branding and re-positioning exercises we went through this season, Magazine advertising continues to be our best channel. It allows us to integrate images and attitudes that resonate: something that we can't really do through b/w print and radio.

For FY07 we will continue to advertise in those publications that have special, strong and direct relationships with their respective readerships—akin to those relationships we have here at the resort, with our guests and community.

In FY06 we bought broadly within Backcountry (5 full page ads) as well as all of our State publications (Vermont Chamber Winter Guide, VSAA Magazine, etc.). We also appeared in Powder, Skiing (for the first time in several years), SBC Skier (in Canada, indexes much better than Ski Canada), and several lifestyle/horizontal publications in both the US and Canada. We would like to be able to buy more thoroughly through other lifestyle/horizontal publications that link up with those that ski and ride Jay Peak (Esquire, Harper's, The Atlantic, Sports Illustrated, to name a few), but budget restrictions being what they are, we will probably be limited to verticals only.

In FY06 we eliminated Freeskier from our list of publications based on poor follow through and performance in FY05 and the declining (un-audited) readership numbers.

Strategies

- We will continue using both our 'Move Up' and 'Would You Know A Great Skier' campaigns through this channel. In year two of the campaign (which has yet to be fully vetted at this writing), we may try and integrate more humor into the tone in an attempt to help generate buzz and viral mentions of the campaign(s).
- We will continue to lighten our presence in Ski Press for FY07. Our plan is to eliminate US advertising altogether as this market almost wholly discounts free publications due to the over-abundance of 'free' guides and material available to this market. Canadian postal regulations are softer than those found in the US but we will continue to buy lightly here.
- Backcountry, Powder, Skiing, and SBC Skier will all be back. We will add Telemarker and, possibly, National Geographic Explorer into the mix for the upcoming season.

- We will also buy a full season of full page ads in N'EAST; a relatively new East-Coast image-heavy magazine created for core-sports enthusiasts. We have, essentially, bought rights to be the official resort of the magazine and will continue to leverage that position to the readership. Going forward, we will look for additional opportunities to partner with core-minded publications and will look for any and each non-traditional ad opportunity that becomes available through them.
- We will continue looking for college and campus based lifestyle magazines to appear in.
- In an effort to continue branding the Jay Peak experience to the UK Market, we will again advertise in The Ski Club of Great Britain's October and January issues that are mailed to more than 700k subscribers. We will also piggy back the State in a limited pay-to-play cooperative piece in December.

Newspapers

Situation Analysis

Newspaper advertising continues to wane with respect to relevance due to cost and appeal. There are simply more affordable and interesting channels to spend our money in. That being said, there are still several situations that merit some coverage within newspapers in both the US and Canada.

Strategies

- Within the Burlington market, we will use Seven Days and The Burlington Free Press to push both College and Retail Season Pass Sales. Specifically, we'll also be using the 'sticky' application that we attached to the front cover of the Free Press before each of the two college deadlines. This tracked well in FY06.
- We will continue using only those papers willing to take a fair amount of trade integrated into the overall buy. We would like to get into the Ottawa Citizen (wanted to in 06, but didn't) with a regular product/deal message and will aim on having this ready by just before the Christmas/New Year's holiday. We will consider weighting Canadian papers (specifically in Ontario) more heavily as we have less destination market competition than in the US.
- We will continue to use locally papers (NDE, The Chronicle, St. Alban's Messenger, The County Courier, etc.. to push tactical messages
- We will buy even broader in the Stowe Report and The Valley Reporter with an eye on stealing market share and strengthening our snow, affordability and attitude angles.

- We will again buy broadly in the Township and this season integrate more Sherbrooke newspaper media with an eye on supporting Season Pass Sales and selling Passports and Family Club Cards.

Electronic/Out Of Home/Strategic Partnerships Situation Analysis

These areas have the most upside with respect to incremental business. Not only are they more affordable (on a scaled basis) than traditional media, but they carry more message-weight with consumers as they aren't immediately devalued the way some ads are.

This year we developed the Buddy Club-a postcard based e-mail application that we sent out periodically pushing distressed inventory and soft periods. On average the pieces worked well and, with media costs only increasing, we need to integrate more of this affordable channel in FY07.

We added a US billboard campaign in FY06, leasing boards on Interstate 91 at Amherst (Northbound after the UMASS exit) for the month of January and February, and along The Mass turnpike at Holyoke for the month of March. Rates were manageable, but only because we waited until the last possible minute and risked losing the location to a higher paying client. We should give consideration to using tactical spots on or near the Champlain Bridge, though costs are prohibitively expensive. We may want to consider leasing Boards just after the bridge but before Bromont/Sutton, as we'd get roughly the same impressions without the aggressive expense.

We covered lots of ground creating partnerships with businesses who had business models that lined up with ours. Specifically, we pushed College Season Pass Sales through Hoagies in both Newport and Essex Junction, Muddy Waters Coffee Shop in Burlington, Miguels Stowe Away on the Stowe Access Road and on Church Street in Burlington and Bove's Authentic Sauces and Pasta in Burlington.

We also created sales and promotional-related relationships with Subway at 41 outlets in Vermont and New Hampshire, Wendy's in Newport and The Outdoor Gear Exchange in Burlington, The Positive Pie in Montpelier, and Chimney Sweeps in Burlington.

Moving forward, these partnerships are one of the most cost-effective, authentic directions we can move. The joining of brands ends up adding credibility to both and reaches an audience that we may not have the opportunity to communicate to otherwise.

Strategies

- Use Hoagies in Essex Junction, Muddy Waters, and City Market to help sell College Passes in Burlington Market by offering incentives when purchased through these outlets. We won't lose any yield as we won't discount, but we'll use partner incentives to get them to buy (eg, buying your pass at City Market gets the purchaser 10% off of his total bill)
-

- Use Bove's new 'Meatball Mobile' to help sell bulk tickets and to help brand the resort. The Mobile will be running daily through the Church Street Marketplace and this brand has built-in credibility.
- Continue existing program with Miguel's selling Jay Peak branded desserts and inserting 2 for 1 midweek coupons for purchasers. Program would be valid all season, non-holiday.
- Wendy's partnership helps keep the Jay Peak message front of mind in our closest backyard and integrates affordable skiing and riding options into a market that can't always find ways to make it up here.
- Consider using Positive Pie as a channel for Bulk tickets in Montpelier. This market remains untapped, given the amount of ski areas that are within driving distance. We will look for additional channels in this market (Capital Grounds being the one in the works now) to continue getting the Jay Brand some noise.
- Use Outdoor Gear Exchange to brand several telemark related events and as a headquarters for Jay Peak Bulk tickets in and around the Church Street Marketplace.
- Expand on campaign executed with the Ottawa Senators in FY06. We integrated 2 for 1 midweek coupons in exchange for branding space at a sold out Ottawa Senators game this past season. Plan on doing this again.
- Need to build some affinity with partners in the Montreal market to accomplish the same things we're doing domestically. May want to consider Mountain Co-Op, Eggspectations (high end breakfast spot with several Montreal locations), and other popular food and entertainment spots within the City.
- Will consider partnering with some national brands (specifically Dunkin' Donuts through Almighty Boston contacts and Tim Horton's via MSSSI contacts) to help get better branding/messaging spread.

**Television
Situation Analysis**

We invested a fair amount of budget on developing a television spot in FY06 that lined up well with the rest of our branding and collateral campaign. As an adjunct, we bought more television than in recent history, buying season long Cable runs in Newport/Derby, Burlington, Montpelier, Waitsfield/Stowe, Rutland and Plattsburgh. In-state we were on WCAX out of Burlington and WPTZ out of Burlington/Plattsburgh. We also bought January through March on the Fox affiliate (Channel 44) in Burlington.

Along with :30 spots, we also purchased the scrolling message bar, on all of the aforementioned cable markets, from Thanksgiving to March 31st

In Canada, we again bought Tele 7 in Sherbrooke, (CHLT), as well as the Francophone business channel affiliate on TVA in Montreal. In Ottawa and eastern Ontario (Cornwall, Kingston, Belleville and Pembroke/Hull) we again bought CJOH from post-Christmas to just before the Ontario Break.

Television can be an affordable medium to support other media running in the same market but like radio, it can't do the job alone. In FY07 we will limit our television exposure to those markets where media is already planned and projected. Despite reports to the contrary, Cable television is by far the most affordable option. What the outlet lacks on 'stickiness', it more than makes up for in spread. Essentially, we can buy a lot of frequency for very little money, virtually assuring us that the market will, eventually, hear our message.

Strategies

- Buy long with Cable again. Same close to home markets, pushing day traffic and attempting to steal share from backyard competitors. If anything, we will buy more Rutland cable and heavy-up during the pre-Christmas, pre-February Break and any of the blacked out periods for Killington and Okemo passholders. This is a great time to sell our Other Mountain Season Passholder message to an audience that will be blacked out at their home resorts.
 - We'll buy the scroller again and buy earlier in Rutland and Burlington as we almost got blacked out in these markets last year.
 - Tele 7 will be part of the overall campaign this year, but we'll be more specific about when we buy and how much frequency we'll purchase.
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EXECUTIVE SUMMARY - MARKETING

The winter season of 2007-2008 will mark our most successful season in Jay Peak's history. Just shy of 210,000 paid skier visits and another 125,000 visits by virtue of nearly 5,000 season passes, pushed us past the 300k skier visit mark for the first time in our history. We experienced the busiest week in our history (19,660 across Dec 31-Jan 1), 5 days over 4,000 paid visits, and had 12 consecutive weeks of plus 5,000 visits for the first time on record.

From an ebitda perspective, total resort-side sales approached \$12m—an increase of nearly \$2.5m over FY07, and the highest contribution in our history. While final labor and expense numbers have yet to be fully audited, it is expected that our final contribution number will still be in excess of \$2m—a 80-100% increase over FY07.

As our Summary and recap will show, this was a result of several factors. Well timed weather and snow (December saw 11 feet versus an average of 80 inches), a recalibration of ski and stay, lift ticket and lodging rates, consolidation of discounted products and further strengthening of the Jay Peak brand as a place where advanced skiers and snowboarders, throwbacks, and traditionalists migrate to, all combined to push us well past both historical and budgeted expectations.

SEASON RECAP

We got out of the gate fast this season with more than 4 feet of natural snow in the month of November. Between Group and Retail Ski and Stay packages, we had outpaced revenue budgets by nearly 250% (\$28,000 budget versus nearly \$100,000 actual), with a good portion of the business originating from the race-camp heavy Ontario region and backyard stays from Vermont and New Hampshire.

Nearly 11 feet of snow in December (including 61" between 12/12-24) helped fill high-yielding Christmas/New Year's beds and resulted in the best Retail December in our history at nearly 1.2m in Ski and Stay package sales. Again, group Sales provided good support in the form of race camps and, although December group revenue was depressed when compared to FY07, nearly 30k of incremental British School group revenue identified an area and a market to tag for future growth.

Despite only roughly 60" of natural snow and 7 days of rain (including 4 consecutive during the first week), January saw Retail ski and stay packages beat FY07 numbers by more than 130% (\$373k in fy07 versus \$862k in fy08), thanks to leveraging good momentum and timely direct mails focused in our backyard and destination core markets. As the first week in January is an Ontario holiday period (with lower rates than the traditional Ontario break period), we've seen migration into this time frame. Given weather vagaries during this week, the weather-proofing is appreciated, even at a discounted anr.

We saw the bulk of our media begin running in early January and allowed viral/word of mouth messages to carry us during December to a large extent. January saw the bulk of our Montreal out-of-home marketing (billboards, a branded website and distribution of rack cards as well as television and radio marketing) begin and day traffic pulsed alongside destination visits. As we closed out the month skier visits were pacing nearly 30% ahead of the previous year; a gap that would stay consistent for the remainder of the season.

February saw roughly 80" of natural snow, 5 days of rain and 3 distinct freeze/thaw events virtually eliminating midweek business outside the traditional holiday weeks. Still, February saw us post retail Ski and Stay revenue numbers of \$1.3m (versus \$1.2 in fy07 thanks to 5 feet of natural snow in 5 days). This was a good example of the positive effect our price calibrations had on revenue. Group business was up marginally thanks to returning groups, more British school group business and holding firm on aggressive rate hikes during this period.

Midweek discounting (both retail lodging packages and midweek day traffic) showed a positive effect during March—on both sides of the border—but mainly from our Canadian side; a result of our jay-p.ca program. Also our busiest Group Sales month, March contributed 300k of Group business (a \$100k jump from fy07) and Retail

sales chipped-in with \$1.1m (a 40% increase over fy07) thanks to regular snow and holding to advertised rates across weekends as well as lots of activity through our Free Gas promotion where we knocked \$100 off of any 4-day midweek stay. In total, this free gas promotion accounted for more than 100 4-day midweek vacations and nearly \$60k in bottom line revenue.

YTD April numbers were a difficult target to hit (nearly 20k visits in fy07) but we finished in a sprint logging more than 18,000 visits for the month (against a budget of 9k) and closing, finally and in the rain, on Sunday May 4th—our latest closing in the history of the Resort.

TICKET PRODUCT SALES HIGHLIGHTS (RETAIL)

Our macro-sales objective here at Jay Peak is to attract people through a combination of brand-reputation and attractive from-pricing, show them a great product and good/personalized service, then walk them up the yield ladder after they've bought into the Jay Peak experience. Several of our sales products verify that this approach, at least in part, is working. The charts on following pages show several categories of sales results across the past few seasons.

A few successes are worth identifying in specific—most notably the expected decrease in Student-priced lift tickets (Less than 7,000 sold in FY08 versus nearly 10,500 in FY05). This is a direct result of conscious price-movement in an attempt to push this segment toward Season Passes (which we will also see have increased dramatically). Also worth highlighting is the decrease in discounting necessary once we get people to buy into the Jay Peak experience. In FY06 we saw redemption of nearly 9,000 2 and 3 for 1 coupons. While these were limited to midweek periods and designed to increase trial, these numbers dropped to 4,800 in FY07 and then to 3,100 in FY08, verifying our beliefs that the market is attracted by brand and pricing but will be willing to pay a premium once they've bought in. While the good snow this season may be looked at as an anomaly, downward pressure on this category is consistent across seasons with varying snow benefits.

Condo/Destination lift tickets have shown steady and dramatic shifts up since FY05, accounting for 12,000 visits in FY05, 13,000 visits in FY06, 15,300 visits in FY07 and nearly 23,000 in FY08. Most notably, the number of 4-7 lift tickets purchased as a result of staying at a Jay peak property has increased from 7,300 to nearly 13,000 in FY08. This is a result of leading with multiple-day vacations and adding value-added promotions (Free Gas, Free Season Pass) to multiple day and midweek vacations over the past few seasons.

Vermonters and Other Mtn Passholder (OMP) tickets continue to gain popularity thanks to aggressive pricing and increases in media support over the past several seasons. Vermonters tickets in FY05 totaled 8,100 with only 125 of those tickets representing anything more than a single day ticket. In FY08, Vermonters tickets topped out at nearly 14,000 tickets with nearly 1,400 of them attributed to 2-5 day tickets.

Single day Junior and Adult OMP tickets accounted for roughly \$175k in ticket revenue in FY05. In FY08, thanks to rate increases and multiple day options, these numbers have jumped to roughly \$225k. It's also worth noting that the Canadian Other Mtn Passholder category, like other CAD pass sales, has seen a downward shift due to the weakening of the US dollar and lack of incentive for Canadians to use CAD cash as a result. Still, the category appears resilient and will receive increases in the upcoming fiscal year as we search for market resistance and price ceilings.

Another highlight has been the increase in beginner-trial here at the Resort. In FY05 we sold roughly 350 Beginner LTS/LTR packages. FY06 saw this number jump to 485, then to 680 in FY07. In FY08 we sold nearly 950 packages for more than \$60k in revenue. We also saw good trial by virtue of a LTS Free Week supported by VSAA across the second week of January—where we taught more than 100 people to ski and ride.

Our single and multiple day window rates continue to see increasing utilization as our need to discount and special-down rates decreases. In the period between FY05-FY07 we sold an average of 21k 1-day window-rate tickets with an average of, roughly, \$625k. In FY08 we saw our sharpest unit jump as we sold nearly 24k units

accounting for nearly \$800k in revenue. This, incidentally, coincided with our sharpest drop in the integration of day specials and ticket discounts-thus strengthening our yields.

Our multiple-day discount card programs, The Family Club and Passport (for families and singles) have both seen increases despite upward pressure on rates across the past 4 seasons. In fy05 Passport and Family Club Card unit sales totaled 790 cards and revenue of \$185k. In FY08 unit sales topped 2,800 with accompanying revenue exceeding \$312k. The softening of 'Blue Voucher/Lodging Establishment' ticket sales to the local lodging community has been the driver of this growth as we have given these cards to the local lodging community for them to integrate into their own ski and stay packages. Not only does this improve our yield (versus traditional Lodging voucher tickets) but it gives consumers a reason to return.

FY08 MARKETING INITIATIVES REVIEW

Brand Imaging

This year saw us continue positioning the Resort away from simple snow messaging toward something more complete and more grounded in the psychological and emotional reasons that people visit Jay Peak. The evolution of our 'If you're not here for the Mtn' campaign included the integration of images and copy suggesting the mountain comes first at Jay Peak. While there was a major tongue-in-cheek element to the direction, this angle supports our core attributes and does so in a way that, we reasoned, forced the reader to stop and pay attention and allowed us to cut through standard media clutter.

As an adjunct, we hired a Canadian marketing agency, Orngin, to focus on drive market/francophone Montreal, reasoning that this market is so geographically and culturally unique that hiring a regional agency to focus on the creative approach made sense. We still picked up tones from our US campaign (authenticity, honest, un-manufactured, etc..), but repackaged them and included a tactical discount to help drive traffic.

Assessment

- Advertised in over a dozen trade, magazine and print publications (vertical and horizontal) using pure-brand messaging and web drivers
- Organized Canadian drive-market campaign integrating website, billboard, rack brochure and television advertising.
- Improved on-campus signage on State and Tramsides. Revamped Long Trail Lounge signage and added way-finding signage to Tram Base Lodge and International Room.
- Created Summer lure piece which delivered prior to February's heavy vacation traffic periods.
- Added 'If you can't hack it/don't hack it) backcountry signage to Customer Service and other high traffic areas.
- Reordered and distributed specialized Jay Peak Glade Guide publication

Increase Vermont and Competitive Market Share

Part of this year's in-season strategy was to compliment organic resort growth with picking off destination guests while they were out-of-market and vacationing in the region. Given our geography and in-state position, trial is critical to growing long-term guests. As a result, creating affordable incentives to 'spend a day at Jay' is an important part of our sales plan.

Given how important Vermont and Vermonters are to our growth-plan, our in-state focus was on getting people here for the first time and getting folks to visit more often by virtue of our pricing approach and brand identifiers.

Assessment

- Partnered with Vermont Ski Area Association in a 'Learn To Ski For Free' effort the second week of January. Most of those fulfilled were Vermonters and we finished 3rd in the state with respect to traffic.
- Modest increase in Vermonter rate ticket still provided affordable skiing and dropped (NUMBER) to our bottom line ticket-revenue number.
- Partnered with City Market in Burlington, integrating 5,000 2 for 1 tickets which were distributed to those buying a Jay Peak branded sandwich.

- Partnered with Onion River Sports and Darn Tough Socks offering 2-1 tickets to those buying two pairs of Darn Tough Socks.
- Partnered with Pearl Street Beverage in Burlington with Bulk ticket sales and point of purchase advertising.
- Partnered with Muddy Waters Coffee through bulk sales and season pass discounts
- Integrated Vermont ticket discount messaging in all in-state branded radio spots across all formats.
- Inserted 2-1 coupons into the Stowe and Sugarbush region through partner channels
- Bought print and television in Killington, Stowe, Sugarbush and Mad River Valley regions, positioning our (OMP) discount.
- Gave free Passport and Family Club Cards to local lodging community as a way to get their guests discounted skiing. These tickets carried a premium to traditional lodging discounts and made it much easier for local lodges to not carry ticket debt.

Improve Penetration into Higher Yielding Destination Markets

Along with stealing share, we focused our organic growth efforts in the Boston and Ottawa markets through television, print/magazine, some limited/tactical radio, and mobile marketing. We also integrated a major direct mail piece into the Boston, Connecticut, Toronto and Ottawa using our Free Gas promotion to create midweek lodging package business.

Assessment

- Created Free Gas promotion (supported through TV) aimed at securing multiple day/midweek package business from destination markets.
- Supported the promotion with 15k piece direct mail piece integrated into the same markets with the same message, identical creative and same calls-to-action.
- Increased Magazine distribution inside Boston's 495 corridor, north shore and south shore markets.
- Significant buy on New England Cable News out of Boston and frequently provided meteorologist Tim Kelly with pictures, sound bites and video.
- Executed mobile-marketing test program into the Boston market to cell phone numbers who showed past lodging activity. Offer was late-season ticket based.
- Significant increase (nearly doubled) in Ottawa-based television marketing with CTV.
- Inserted 10,000 more magazines into PA. market

Expand College Season Pass Reach CAD and US Markets

Our plans this past season included the creation of a Jay-only Season Pass into the CAD college market and an expansion of our successful Double Major Season Pass in the US college market (by adding Mad River Glen to the Bolton Valley/Jay Peak offering from a year ago). By evolving these two products, and by continuing to push the daily College lift ticket discount up, we managed to grow our total college season pass share to nearly \$600k; up from less than 410k a year ago.

Assessment

- Added Mad River Glen to existing Double Major product mix
- Pushed daily college rate up to \$45 (up from \$20 only 3 years ago).
- Created Jay only Pass product in Canadian college market
- Expanded rep program to Sherbrooke with addition of Christian Brulotta
- Added mobile picture taking process in both CAD and US
- Integrated Customer Service staff into Campus Sales processes
- Added Jaycie Putilitz in Burlington market to handle in-market advertising and support responsibilities
- Created tired discount model for UVM Ski and Snowboard Club and free pass program for Club officers.
- Completed successful second year of Battle for Burlington Event-bringing Burlington market skiers and riders together and positioning the resort to the Burlington college crowd
- Expanded group-discounting models to groups of 10 or more buying Season Passes in bulk. (added 60k of this revenue type with little cannibalization from other categories.)

Decrease Weekend Lodging & Package Discounting
Increase Average Length-of-Stay

In an effort to begin moving package yields up (to support our own bottom line as well as that of our homeowner partners), we looked for opportunities to integrate 'add-ons' as opposed to straight discounting across weekend time periods. We knew this would be doable only with the right weather scenarios (if it got bad, we knew we'd have to cut rate). As a result, overall package yields were up over 100% (thanks to a big influx of 4-day midweek packages) and a slight decrease of 2-day weekend packages.

Assessment

- Overall length of stay increased from 2.8 days to 3.6 days across all time periods and seasons.
- Average yield on weekend packages moved up 16% (despite rate increases of less than 10%)
- Almost no tactical discounting through 242. Instead we integrated free Snowsports clinics, meals and other profit center items (free posters during Mardi Gras, t-shirts early season, free gas (\$100 rebate at check out, for multiple-day/midweek packages, etc..)

FY08 FINANCIAL RESULTS ASSESSMENT

Positives

- US Retail Product ticket yield increase of nearly \$3 versus FY07, and \$4 increase versus FY05
- Nearly 25% increase in US Retail ticket products combined with a revenue increase of nearly 30%
- 100% increase of 2-7 day lodging-based lift tickets versus FY05 (22,500 tickets sold in FY08 versus 11,850 in FY05.)
- 30% increase in the number of Ski and Stay packages (5,400 versus 4,000 in FY07) along with a 54% increase in revenue (\$4.8m versus \$3.1m)
- 100% increase in both LTS/LTR packages and associated revenues
- 300% increase in US Jay Peak Passport Card sales (160% increase in ticket redemptions)
- 145% increase in US Jay Peak Family Club sales (50% increase in ticket redemptions)
- 50% increase in US College Season Pass revenue
- 35% increase in Resort wide Season Pass revenue and unit sales
- 95% increase in Canadian College Season Pass sales
- 55% increase in sales of US Bulk tickets
- 125% increase in sales of CAD Bulk tickets
- 85% increase in Gift Card related revenue (\$60k versus \$32k in FY07) and per-certificate yield increases to \$82 from \$68 in FY07.
- Increase in CAD midweek ticket sales (from \$23k in FY07 to \$73k in FY08)
- Overall decrease of 6% across all discounted ticket platforms combined with increase of 8% across all retail ticket products.

Negatives

- Canadian product sales affected by weakening US dollar (accounts for upward movement in US products)
- 10% increase in complimentary lift ticket allocation/redemption
- Decreasing Canadian Wholesaler business
- Marginal increases (4%) in both Canadian and US Destination Group business
- SDC Bus revenue gains are being neutralized by rising gas and general transportation costs
- 2% drop in CAD Big Pass (Jay plus MSSl resorts)
- Overall Group Day business (Direct, Wholesaler, Student, etc..) flat to down.
- 4-yr decline in CAD Passport/Family Club Card sales and redemptions
- Decrease in Vermonter Adult 2-day lift tickets after 3 consecutive years of growth.
- Decrease in Vermonter Junior 2-day lift tickets after 3 consecutive years of growth.

FY09 HIGH LEVEL ASSUMPTIONS

- Early-season snow will normalize after last year's legendary start
- Stronger Border enforcement may result in additional difficulties for crossing Canadians
- MSSJ relationship will play role in sales of Bulk tickets, Season Passes and other combined/discounted products.
- Revamped website will allow for better on-line package reservation process and, potentially, discounted lift ticket sales.
- Strong Bulk sales on both sides of the Border will continue to help insulating business.
- Aggressive upward movement on Student lift ticket rate (\$45 to \$50) will push more local/regional college students into Season Pass product and allow further weather-proofing.
- Improved signage to include savings call-outs across all multi-day and specialty ticket products will increase revenue in these categories
- Performance-based compensation model, scaled to include Hotel Jay Front Desk staff, will improve morale and overall competencies.
- Commission-model developed for data-collection will double our data records (both e-mail and snail mail)
- Base lodge construction may have negative effect on return business/visits-per-skier
- Maestro evolution will allow for product add-ons and help bottom line reservation revenue related to lift tickets, lodging and additional profit centers and departments.
- Integration of new Res-Wave product will increase on-line reservation share.
- Addition of Group Sales Service Coordinator will help sales team focus on 4-season sales goals, up-selling and new market penetration.
- Inexpensive multi-resort season passes in the eastern US market (Boyer and Peak resorts specifically) may begin to erode Season Pass share.
- Later Easter holiday weekend will help extend season.
- Prime holiday periods (Christmas, President's and Ontario Break) will be difficult to replicate in terms of revenue generation and available snow/terrain.

FY09 SALES & MARKETING STRATEGIC POINTS

Our overall plan for FY09 calls for the continuation of several of our longer-term action items. Specifically:

- Continue promoting longer term-stays, multiple-day ticket products, and mid-week ticket and lodging discounts.
- Continue refining online lodging and package reservation's process
- Continue aggressively selling both CAD and US Bulk tickets as a means of weather-proofing
- Continue upward pressure on ticket yield within certain segments by increasing rates (CAD and US Student tickets, OMP/Vermonters tickets, Passport/Fam Club programs) as well as decreasing integration of comp lift tickets as media and partner trade (use LTS/LTR packages here)
- Continue stealing market share from backyard competitors through combining OMP product and brand messaging.
- Continue midweek discounting program in Montreal market aimed at stealing share from Tremblant and MSSJ resorts.
- Continue decreasing integration of 2-1 lift tickets other than those used in accordance with partner-programs (City Market, NECI, Onion River Sports, Trattoria Delia, etc.) Where 2-1's are integrated, limit valid dates to early/late/midweek.
- Grow postage database by 20%
- Grow e-mail database by 20-25%
- Improve on-site merchandising and build on the weekly merchandising meeting established in FY08.
- Continue with US television platform that uses OMP ticket and midweek lodging value-added product across two :15 commercials.
- Continue aggressively pursuing College market with Triple Major product.
- Continue positioning program against resorts where the mtn is not the primary focus

- Continue cookie, poster, sticker/general love program in Customer Service as a means of extending the brand.

NEW INITIATIVES FOR FY09

- Creation of mandatory 2-night stay protocol in Village properties across any weekend vacation.
- Reallocation of activity fees so that lodging portion is getting a higher percentage of share.
- Decrease food costing in Hotel packages to be more competitive with other eastern food-inclusive packages.
- Integration of Snowsports clinics in soft weeks (possibly early/late season) to increase perceived value and help Snowsports revenue lines.
- In-the-box direct mail campaign (e-mail and snail mail) designed to have stimulus in the market every 10-14 days.
- Integration of Jay Peak VIP Program designed to secure multi-day vacations early in the booking season. (Save 15% when you book any 3-7 night stay prior to October 31st).
- Upselling plan created by new Group Services Coordinator designed at increasing f/b, Snowsports and retail profit lines.
- Creation of new website based on smart/learning-database technology.
- Potential creation of unit pricing (plus per person add-ons after 4 adults) to replace pp/pn rate structure.
- Broader integration of travel-partner sites (Orbitz, Travelocity, Hotels.com) to consume distressed midweek inventory).
- Creation of specific Snowsports Marketing Plan aimed at increasing revenues in Mountain Adventures Program as well as within Specialty, Private and Snowboard-specific clinics.
- Redevelopment of existing Real Estate site with permanent-fixtured status on evolved jaypeakresort.com
- Improve signage to include savings-call outs across multiple day discounted ticket products.
- Renewed focus on US and CAD Wholesalers-goal is to increase ticket revenue by 10-15%
- Creation of bounce-back program geared at turning group visitors into retail guests.
- Begin developing story line about new base lodge, and hotel suites.
- Addition of Montreal-based pr firm aimed at story placement and market development in francophone Canada.
- Possible elimination of Buddy Club programming in favor of broader employee/stakeholder-centric approach.
- Better leverage in-market representatives on both sides of the Border to help execute sales plans, message, distribute collateral/posters and to develop additional markets.
- Mine the UK school group lists and create offers for them designed to bring them (and their families) back as retail guests.

FY09 PRICING NOTES

See attached pricing grid of pricing overview and suggested rate structure. Several points are worth noting below.

- Triple Major Season Pass rate will move from \$269 to \$289 to allow for smaller entry point jump next year should we meet with resistance. We will expand secondary rate to \$359 to try and push more sales into the early period.
- Walk up window rate will increase from \$62 to \$63, but discounted rates, in-line with our strategic overview, will be moved up more aggressively. Vermonter and OMP rates will move to \$45 decreasing the rack discount spread to \$18 (it was \$22 in FY08). Multiple day discounts will be given better spreads as you move out from 2-7 days to try and incent more pre-commitment. Two day rate will move to \$79 so that a sub-\$40 per day rate still exists.
- Passport and Family Club Card rates go to \$30 while redemption rates go to \$47 and \$35.
- Student rate moves to \$50 to try and push students into Season Pass product (breakeven moves to just 5.75 days at this rate)
- Beginner Zone Adult/Junior moves to \$30/\$20. LTS/LTR Packages move to \$65/\$45 after freezing rate from FY07-FY08. 3-day package stays at \$159 to give better value-spread against single day rate (Save \$36 and get a Free Zone Pass when you purchase 3 days in advance)

- SDC pricing moves to \$20 for a seat-only (lots of people taking advantage of this product in FY08 and combo rate stays at \$65.)
- Lodging/Blue Vouchers move to \$45 for a single day and \$75 for a two day to try and push them into using Passport/Family Club options. Blackout dates stay the same –Christmas Week and President's Week.
- Toddler rates will stay at \$10 though we may want to consider wiping these costs out (we only made \$7k in FY08) and offering them free when adults buy a multiple day lift ticket. A 2 day Vermonter ticket would save the Adult \$14 plus another \$20 if they have a Toddler.
- Potentially rework activity and internet fee package costs to be more in-line with competitive standards. Also consider integrating Snowsports clinics into additional time periods to help with value perception.
- Create sliding discount scale for Montreal-based ticket product. Full season discounts at \$15 off top rate (net \$48) and \$20 off early-late periods (net \$43).

POSITIONING

Imaging/Competitive Positioning

- Most affordable big-mountain experience in North America
- Home of the most snow in eastern North America (adjust 10-year average based on FY08 snow numbers)
- Un-manufactured, unpretentious, honest and approachable. Unrefined wherever appropriate and whenever we can suggest this angle without suggesting sloppiness.
- Home of hard-corps skiers and riders who put a premium on the mountain experience, lifestyle, snow and value.
- High index of ski in/ski out access.
- Good variety of ski in/ski out options both in offering and price.
- Fastest detachable quad chair in New England
- Only Aerial Tram in Vermont
- Home of the Jay Cloud (orographic uplift)
- The most Vermont-friendly resort in the state.

Emotional Component/Brand Personality

- College market. Jay is affordable, cool and my friends ski and ride there. Appealing to hard-corps and aspirers
- The place to go for reliably deep snow and powder days.
- Married with kids. I feel safe letting my kids go off on their own. I want my kids to be great skiers. Water cooler factor is big with this set.
- Learning/First timer. Great choice as a result of pricing, free pass after lessons and good instructional staff. Maybe not because of hard-corps branding.
- Experts. Jay is where people graduate to.
- Price conscious. No weekend/holiday up-charges, no blackout date on OMP and Vermonter discount programs.
- Skiers versus going-skiing. Those that visit Jay are supremely aware of the distinction.
- Challenges will be adding variations of those things that we gently mocked during FY08 (film festivals, buffets, chemical peels, etc...)

BRAND VISION/DIRECTION

As previously stated, adding those things we market as 'off-brand' will be a challenge going forward. It's important that those off-mtn elements we do add have a uniquely Jay feel/approach (ie, mtn fitness center versus gym, open-seating tables at the new restaurant, affordable prices and value-added options wherever possible, in-state discounts, etc.). We will tow a thin line between hypocrisy and on-brand over the next few seasons as we add bowling alleys and water parks; it's critical that we try and layer the Jay peak brand across these additions at every turn.

"If You're Not Here For The Mountain" will continue in some form across FY09. While it's too early to lay this out in specific, it's worth noting that the campaign has received notice and feedback has been, both appropriately and expectedly, mixed.

We need to extend this brand feel, in a better and broader fashion, to our re-launched website in the Fall of 2008. It's also suggested we extend the reach of our print campaign in better fashion, possibly transferring assets to our own merchandising boards and cross-sell opportunities.

While we have done a good job moving people up the yield-ladder (once they're in the door as a result of affordable lift tickets), we need to focus on pricing and messaging to keep them moving (up) in that direction. As previously stated, we should integrate better 'save' messaging onto ticket boards, into the Magazine and other message areas. Our 14 and under ski and stay free continues to be underrepresented in our messaging and should receive stronger support within marketing materials.

Pre-commitment remains a big focus in weather-proofing our business objectives. Bulk tickets, Passport/Family Club programs, early season booking discounts and more aggressive deposit policies within our Group areas all play a role in securing business against the vagaries of weather. We need to keep this top-of-mind throughout both the retail and group selling seasons.

Market-share theft within our competitors' backyards remains an important part of overall plan. While this sits poorly with the competition, theft is critical in order to maximize media spends (it's cheaper to talk to New Yorkers when they're in the Stowe area than when they're in New York), and to pick off those skiers who index to Jay Peak's brand strengths (hard corps skiers in Stowe, Sugarbush and Killington).

COMPETITOR STATISTICS

TBD

MEDIA PLAN

We will continue to integrate a mix of various media strategies—on both sides of the border and in both destination and drive markets—moving into FY09. These will include traditional buys in radio and television, as well as magazines, internet and some out-of-home (billboards, mobile, non-traditional, etc..) and more traditional direct mail (both postage and internet/database based).

Given the strength of our current branding campaign we will look for additional print opportunities this year—both in magazines, newsletters, online and out-of-home, to tell the Jay Peak story. Almighty, our agency of record in the US, will evolve the existing 'If you're not here for the Mtn' campaign keeping an eye on the fact that we will shortly be adding many of the peripheral vacation elements that, this year, we gently mocked.

We will continue going into only those magazines who support our brand direction and speak (exclusively wherever possible) to our target audience; hard corps skiers and riders who will, in turn, communicate our message. These include Powder, Freeskier, Crux, Backcountry, Telemarker, and, to a lesser extent, Ski Presse. We will continue looking for periodicals in the MTL and francophone Canada markets with an eye on improving day traffic and building/strengthening brand.

On the Canadian side, we will again employ Origin Design out of Montreal to develop an in-tone campaign aimed at the francophone drive markets of Montreal, Sherbrooke and the surrounding communities. We will again attach some sort of ticket discount so that the campaign has immediate (as well as brand related) relevance and so that we can actively measure its success.

In terms of micro-decisions, we will add more weight to our US television buy, by purchasing regional cable on the Comcast system which, in FY08, we stepped away from due to costs and ownership-change that the System.

We will continue refining our radio strategy, eliminating off-brand stations regardless of their wattage or reach. We will add weight to those stations who work with us promotionally, give us on air considerations, develop preferred rates based on historical buys and are relevant to our core audiences.

We will build upon a successful mobile campaign in FY09 using Next Concepts with a broadcast program that accesses our entire database. This past season we directed a program at our US database and our hope is that we can create a solution aimed at both CAD and US guests.

Internet marketing was light in FY09 relying only on several industry sites to help sell season passes (firstracks and alpine zone.com). We will likely consider regional portal sites like Boston.com again this year if we can get favorable rates using Almighty as a broker.

Weekly electronic direct mails were sent through most of the season though, with such favorable retail weather, many of the e-mails contained only rack rate rooms and packages w/discounting almost completely absent- especially during the second half of the season. Given weather averages, we will not be able to rely on this approach with any consistency. We expect to put something into the market (either e-mail, traditional dm or mailed-collateral) every 7-10 days from Thanksgiving through Easter. In order to keep Jay Peak and related packages top-of-mind, it's important we try and stick to this schedule and, more importantly, have this scheduled pre-determined before the start of the FY09 sales season.

Direct Mail

Situation Analysis

- Jay Peak has recently (last 4 years) integrated more of an emphasis on both traditional and electronic direct mail (dm). Given the increase in soft-targeted spam filtering and blockers, permission based web marketing needs to be segmented and targeted using increasingly less shotgun-based strategies.
- Recognizing that the success of any direct mail program is based in the integrity of databases and mailing lists, we will continue an aggressive on-campus data-collection program as well as a web-based program that ties back into our Customer's First database.
- We need to increase the effectiveness of our tracking and origination programs to get a better handle on why our guests are calling and what's motivating them to pick up the phone or log on.
- We will consider integrating more affinity-based sales programs, designed to increase revenue by leveraging relationships we have with our best-spending customers.

Strategies

- Keep the paper weight/type of the Magazine the same (non-gloss/distressed), keep the stories and sidebars germane to the Jay Peak experience as opposed to sales products and specific programs, and increase the number of books direct mailed by 25% (6,000-7,500).
- Work toward more in-frequent mailings, having something in the market no less than every two weeks.
- Create VIP program where early bookers receive best discount on holiday packages. Have this dm hit web and traditional postage no later than end of September-timed to hit market two weeks after Magazine lands.
- Continue to use dm that fall outside of traditional size parameters (5x7) in order to increase awareness and cut through traditionally-sized clutter.
- Create incentive program for Events Director that centers goals on tiers of collection. Possibly extend this permission program to both Hotel and Reservation staff putting a dollar number on new, qualified names added to our databases.
- Have schedule of in-season sales pieces and drop dates configured by early November.
- Augment Reservation's staff incentive program to include collection of clean customer data as well as call-origination info.
- More Canadian focused direct mailings (both day-market Sherbrooke and Montreal as well as destination Ontario)

Brochure Distribution

Situation Analysis

- Jay Peak's brochure distribution has been relegated to using the Magazine in our destination markets and a segmented (and Francophone) Canadian piece aimed at drive-market Montreal/Sherbrooke.
- Even with last year's successful jay-p.ca rack brochure distribution, Canadian brochure distribution has been light-especially considering the potential upside of having more brand presence in Sherbrooke which has north of 200,000 people who index well toward skiing and snowboarding.
- The majority of Jay Peak's collateral that is intended for passive distribution is channeled through consumer ski shows, ski and snowboard shops (through CTM, PPD, AAA and others), information and welcome centers in various states, and through the resort's racks as well.
- Rack brochure designs have recently been reconfigured to take into account rack sizes, and display mechanics-making sure logos are above the rack break-line on all standard collateral pieces.

Strategies

- Re-visit distribution plan through CTM, PPD, AAA and Kingdom Brochure Distribution to make sure all historical outlets are still performing well and that broad coverage is available.
- Use Jaycie Putlitz in Burlington Market to cover non-traditional brochure outlets (Pearl Street beverage, non-PP&D ski and snowboard shops, coffee-shop/bakeries and other spots that are absent any traditional brochure racks.
- Continue to thin out destination-mailings in Vermont and utilize Jay Peak Magazine for markets beyond 3 hours.
- Make sure Magazine timing is synched with suggested VIP brochure mailing.
- Consider producing Merchandising brochure to be distributed here on campus pushing people throughout the town of Jay (with discounts) and supporting shoulder seasons with package deals.
- Hire on more southern Vermont 'Ambassadors' to cover businesses with brochures in the Brattleboro/Bennington and Mount Snow Valley/Wilmington areas.
- Consider hiring Ambassadors to cover White River Junction/Lebanon NH markets—a good confluence of Okemo, Killington/Pico and Sugarbush skiers traveling north from Connecticut.
- Be increasingly conscious of not-dating brochures that we think could have a long(er) shelf life and realize cost-savings by choosing larger print runs.
- Utilize more pro-active approaches to getting Silver and Gold Level Ski/Snowboard shops to carry our collateral, regardless of distributor relationships they have.

ADVERTISING

Web

TBD

The Jay Peak Magazine

Situation Analysis

- We continue to produce the Jay Peak Magazine which stands as the centerpiece of our collateral program. We have recently minimized its heavy sales-focus and, increasingly, have dedicated space to more lifestyle stories and sidebars.
- At present, we direct mail roughly 6,000 pieces on both sides of the US/CAD border. In total, we print roughly 200k pieces and distribute through partners, ski shows, campus racks, and other outlets (along with the direct mail).
- We have used an increasing number of non-traditional images/photographs to tell the real Jay peak story and continue to reason that if the shot isn't clearly Jay Peak (either in form or in tone) than it shouldn't be used.
- Advertising within the Magazine has historically been handled by our resort Special Events Coordinator with ad sales: editorial ratios hovering near 40:60. Rates have not seen much in the way of appreciable increases in 2 years and we have not put much emphasis on package sales.

- Across the last two seasons we have integrated a gear spread, several *major* stories, sidebars, interesting marginalia and a photo-journal spread. We have also told the Jay peak story, increasingly, through our employees, stakeholders and guests.
- We have used Lane Press for the past two seasons and have updated the formerly glossy cover to a non-gloss/textured finish.

Strategies

- Keep the print run at roughly 200k, but plan on increasing dm portion by 25% to 7,500. We will integrate the additional magazines into Ottawa, Toronto and other Anglophone CAD households.
- This year's Magazine will utilize a travel theme, identifying what goes into making the trip to Jay peak for guests on both sides of the border, across different lifestyles, age ranges and perspectives.
- Ad sales will be handled by the Sales Department this year. We will update costs and focus on package sales, as well as securing trade (when it suits our interests) from various partners.
- Continue to include strong Golf, Real Estate and Growth stories and sidebars with an eye on branding our shoulder seasons as strongly and as consistently as possible.
- Aim to have Magazine finished, printed an in-house (and at distribution houses) by September 1st, direct mailed by Friday September 12th and a follow-up postcard on its way by September 26th. A VIP offer would be attached with staggered discounts available to those booking 4-plus day vacations by October 31st, 2008
- Consider more print bids this season, aiming to (at minimum) neutralize any print/paper increases for FY09
- Send books directly to CTM and other distribution outlets to avoid shipping charges from resort.

Radio

Situation Analysis

- Across the past several seasons, we have eliminated all off-brand stations regardless of their size, audience and/or wattage, reasoning that the incremental impressions weren't as valuable as fewer, more targeted impressions.
- We have used branded, in-tone spots with :10-:12 doughnuts where we would integrate information on weather, snow, packages/specials and on-mountain events.
- We have walked away from destination radio, reasoning that, the limited time and inflated costs (along with diminishing audience) wasn't a good vehicle for communicating our destination message.
- Tactical, in-market radio, on the other hand, is affordable and lends itself to day trips and time-sensitive offers and updates.
- Our creative has been with consistent voice, music/soundbed and strategy; to communicate brand and tactical offers through the same spots—supporting whatever campaign (Would You Know a Great Skier/If You're Not here For The mtn).
- We have contracted both Canadian and US radio schedules to run only from pre-holiday December through the second week in March.

Strategies

- We will use some limited form of local radio to communicate events, Move Up/Gift Card sales, and limited ticket specials.
- In the US, we will buy regional Vermont stations where impressions are good (The Buzz), where Vermonters are likely to be congregating (The Vermont Radio Group), our competitors backyard (The Point), and where there is some Canadian crossover (WIZN/Buzz).
- In Canada we will buy MTL based stations that are willing to overvalue our trade to cash ratios and carry our message to Jay skiers/riders. While CHOM does this to some extent, no CAD based radio station carries much share, and we may want to consider reallocating some of our historical buy (especially considering we have, historically, bought 3-4 Am stations)
- We will continue to integrate doughnut messaging within the body of branded spots and will, again, use the voice of whoever w/o's our tv spot to try and extend the campaign.
- We will keep the buy running only from mid December through mid March but will keep a portion of budget to react, tactically, either early or late depending upon when the snow comes and where we are relative to budget.

- We still may want to consider adding some form of Ontario-based radio (Ottawa and/or Toronto) to help support our retail sales initiatives up that way. We have good penetration into that market as it is, and additional media (esp considering the vacation yield) will only help.

TV
TBD

Magazines

Situation Analysis

- Given our last few years of campaigns, this is still the most effective means of communicating brand to our core audience.
- We have limited our insertions to on-brand magazines (Backcountry, Telemarker, Powder, Freeskier, SBC Skier, Ski Presse, Crux and several other smaller, niche books.) and eliminated those books who offer good overall impressions but lack appeal to our core audience.
- Our buys have coincided with *Resort* issues with those publications that run them and run mostly from November through February (newsstand dates)
- While we added Crux into the mix this past year, there are still opportunities in both the francophone/Anglophone market that we are missing—especially in the young adult demo.
- Our Magazine advertising has largely been geared toward brand building with soft drivers to the website.
- We have traditionally over-bought in State publications (VSAA, Vermont Chamber, etc..) with feature/premium spreads because they have good mailing lists, are relatively affordable and have tracked well into package and destination sales.

Strategies

- We will continue to use strategic verticals to push top-of-mind/brand positioning and use horizontals only where we can integrate a heavy trade portion (Vermont magazine, Vermont Life, etc.)
- We will continue using branding-first strategy, but may look for opportunities to integrate offers with special phone numbers, calls-to-action or add-ons that allow us to more effectively track origination.
- Broaden our buy of College-based magazines to include Season Pass sales call-outs (especially in Canada).
- Consider buying into Mirror/Voir publications (Anglophone/Francophone CAD)
- Consider broader buy in British Ski Club supported publications. Given the relative weakness of the US dollar and our penetration into the UK School Group market, this could be a lucrative segment

Newspaper

Situation Analysis

- For the most part, we have stepped away from Newspaper advertising with the exception of local and some regional buys to support events and ticket specials.
- We have pre-bought season long buys locally (Newport Daily Express, The Chronicle), as well as within competitive backyard markets (Stowe Reporter, Valley Reporter, etc..). We also bought the County Courier to promote events and SP deals.
- Regional publications were limited to Seven Days in Burlington, The Sherbrooke Record (where we have historically sponsored the Snow Report section), and The Gazette in Montreal where we ran several Jay Peak Real Estate ads.
- We have done a good job integrating tactical offers with brand assets in our competitive markets.
- Destination market newspaper advertising is too expensive to consider on a regular basis and we have limited our exposure there to trade heavy offers and bundled discounting (getting the Boston Globe thrown in when buying Boston.com)

Strategies

- We will, again, pre-buy our local advertising in the Chronicle and Stowe/Valley Reporters, but possibly shrink back the run-length.
- We will cut the Newport Daily Express buy in half either in size, frequency or possibly both.

- We will consider more frequency in the County Courier only if we can secure heavily discounted pre-buy rates or they allow us to integrate a heavy amount of trade.
- We may buy longer with The Sherbrooke Record depending upon costs and trade integration.

EXECUTIVE SUMMARY – SALES

The FY08 season started off strong for the resort as a whole with day/destination groups booking weekend trips consisting of race teams in need of early season training, due to the fact that Jay Peak had adequate trail coverage from early season snow. When compared to FY07, which saw no November bookings and our first groups in late December, FY08 saw the return of groups prior to Thanksgiving and early December for both the day/destination market places. Groups continue to utilize the Hotel and Slopeside condos with a measurable increase in requests for the Village Condos. Groups such as Elliott Group and Bentley College all upgraded to the Village units based on unit amenities when compared to the Slopeside units. The Hotel continues to be very popular with first time and repeat ski clubs groups who like the convenience of meal plan, distance to lifts, proximity to resort events and most of all, the price.

Because of the strong opening and continued momentum as a result of consistent snow throughout the season we did not encounter many cancellations on the destination side of business. Most of the destination group business was secured prior to the beginning of the season through attendance at group specific shows. With many of the Ski Clubs in the US, overall participation was lower than in years past with clubs commenting that they have been seeing a decline in overall club numbers, more specifically the difficulty of attracting new members. Clubs such as Buck Ridge and Holmdel only brought half the number of people when compared to FY07 while non club groups such as DC Events and Ski the Peak grew.

Day group business increased for FY08 in both the US & CDN markets (70% US & 75% CDN). Groups monitored weather and resort conditions and typically booked a couple of weeks before arrival. As mentioned, snow was consistent throughout the season and many cancellations were due to extreme cold and wind. Classic Ski Tours and Boston Ski & Sports had measurable increases in frequency of day trips and the number of buses they brought to the resort. Price points allowed for US tour operators to aggressively market their planned trips to Jay Peak through direct mailings and the web, cutting into other resorts group business. Because of higher gas prices and the US/CDN exchange rate, skiers/riders were looking for alternatives to get to Jay Peak, via bus, and having the whole day's expense with lift ticket and transportation under \$75.00.

Bulk ticket sales continued to increase since the introduction of the program in FY04. FY08 sales (\$159,066 US & \$138,428 CN) as compared to FY07 sales (\$111,574.44 US & \$71,148.56 CN). The addition of Pearl Street Beverage and repeat business from Billet de Ski.com and Tommy and Lefebvre helped push sales with an increase of business in the US of 45% and 94% in Canada. The addition of better signage, word of mouth, and the use of representatives to help manage accounts, accentuated the program resulting in better information about the discounted vouchers and more companies, ski clubs, and Hotels buying into the program. Tracking of orders/refunds has improved since the inception of the program, but still needs to be streamlined due to the increase in voucher sales and addition of new accounts. More attention will need to be focused on making sure all accounts are in order, especially with timely returns at the end the season.

The College Season Pass sales for FY08 were stronger than ever before with a marked increase compared to FY07 of 49% US & 93% CDN. The US college season pass was renamed in the "Triple Major" (Jay Peak, Bolton Valley, and the addition of Mad River Glen). The pass was well received by students at each of their respective universities, with our competitors offering only one mountain choice, restrictions, and a price point that was in some cases, substantially more than our \$269 price. The sales staff continued to have hands on approach with attendance at university functions such as freshmen orientations, activities day, ski club kick-off parties and film premiers. For the first time in the US market place, the sales staff was able to set up a remote link at for mentioned events, and sell/print season passes on the spot. Continued support from qualified campus representatives helped with sales and was the voice for Jay Peak when the sales team was not on campus. These representatives were a great asset because they were able to inform the sales staff of any events and happenings on campus that would allow us to help promote the sale of college season passes in both US and Canada.

With a large percentage of Canadian students only wanting to ski and ride Jay Peak, a Jay Peak only pass was offered in addition to the CDN Big Pass in FY07. The Jay only pass did well in the Townships area for such universities as Bishops and Sherbrooke. The Big Pass included all the St. Sauveur resorts and this did not appeal much to those students who had no intention of visiting the other MSSl resorts. This was more relevant in the outlying areas off the island of Montreal and more specifically in the Townships. At a \$219 price point for the Jay only pass and \$289 for the Big Pass, we were able to attract new students to the resort based on the fact that many of them only wanted the Jay Peak product.

For FY09, we will continue with strategies that have work in the past and explore new innovative ways to get the group products in front of our customers. Continued presence at Ski Club/ Council specific shows (MTS, Spring Group) offering aggressive pricing for early/late & midweek business, massaging existing accounts who frequent Jay Peak every season, and contacting past groups who have not been to Jay Peak in the last 5 years. To help with increased revenue and overall yield, the sales team will continue to adhere to set pricing which proved to be successful for FY08 (college season pass, destination packages, and day tickets), only deviating when absolutely necessary due to other resorts competing for the same piece of business or when there are extra soft periods at the resort.

DIRECT AND WHOLESALE DAY GROUPS

| Combined Revenue, Sales | FY06 | FY07 | FY08 | % change FY07 - FY08 |
|---|--------------------|-----------------------|-----------------------|-------------------------|
| Day Groups | | | | |
| US | \$68,846 | \$57,722.40 | \$98,520.34 | 70% |
| Canadian | \$35,983 | \$19,100 | \$33,528.94 | 75% |
| Wholesalers | | | | |
| US | \$20,065 | \$24,972 | \$31,525 | 26% |
| Canadian | \$120,444 | \$69,181 | \$63,321.64 | -8% |
| Bulk Tickets | | | | |
| US | \$38,515 | \$111,574.44 | \$159,066.32 | 42% |
| Canadian | \$22,469 | \$71,148.56 | \$138,428.11 | 94% |
| 6-Pak, US and Canadian | \$20,718 | ? | \$5,629.91 | ?% |
| US/Canadian Destination Ski Pkgs (lodging, lifts, meals, lessons, rentals) | \$789,520 | \$1,070,000 | \$1,140,316.70 | 4% |
| College Season Pass Sales | | \$372,345 | \$578,041.73 | 55% |
| US | \$201,015 | \$317,000 | \$471,287.89 | 49% |
| Canadian | \$37,670 | \$55,345 | \$106,753.84 | 93% |
| TOTAL REVENUE (USD) | \$1,355,244 | \$1,796,043.40 | \$2,248,378.50 | 25% |

Day group business continues to be an integral part of the overall group revenue for the resort. Total number of day groups for the 07-08 season dropped slightly from 139 groups to 119 groups. The majority of the groups who visited Jay Peak were from Canada and more specifically as part of a wholesale group.

As much as the total number of groups fell just a little over the course of the last 2 seasons, the overall revenue increased from \$170,975.40 to \$221,266. The add-ons and extras such a food and beverage components, rentals, lessons, and snowshoe tours, along with increased pricing on our US group rates helped revenue total exceed that of fy07. The increase in revenue of \$50,291 represents a 29% increase from fy07.

Due to the strong Canadian dollar, the group rate pricing structure for both wholesale and day groups needed to be adjusted. Canadian rates remained the same from fy07 while US rates went up to equal that of the Canadian rates. The average increase in the US rate was approximately \$3.00 per ticket.

Canadian day group traffic continues to be an integral part of the group business in both retail and wholesale. Wholesalers such as Rod Roy and Voyage Skier continues to be the driving force for the Canadian group business. On the US side of group business, Classic Ski Tours and Boston Ski and Sports prove to be the leaders in group travel here at Jay Peak. Both US of the above US wholesalers volume increased compared to fy07 while the only other US wholesalers who brought groups to Jay Peak was White Mountain Express with a total of one group.

Direct Day group business revenue increased significantly from fy07 where the total revenue amounted to \$76,822.40 to \$126,419.37 in fy08. The increase represents \$49,596.97 or 64.5%

The day group market continues to come from Quebec, Ontario and New England. The US wholesalers attract groups from PA, MD, VA and house their groups in Burlington and Saint-Albans doing day trips from there.

A number of factors play a part in the overall number of groups going down this past season. Despite weather being quite good fy08 there were certain large groups who happen to book on the few days where poor weather was an issue and were forced to cancel as a result.

Border issues and crossing procedures continue to be an impending factor for some Canadian groups. The actual crossing was quite good this year but with changing laws and new mandatory requirements for crossing there was a sense of fear or complication which hindered sign up and participation on the Jay Peak trips.

Certain wholesalers, notably Sportvac, Vobe, Club Aventure Jeunesse and most importantly Auberge Estrimont sent far less group to Jay Peak than in fy07 drastically affecting the overall number of groups who visited Jay Peak in fy08.

Situational Analysis

- Group pricing continues to be very aggressive both on the retail level and wholesale. US rates were adjusted closing the gap between the US and Canadian dollar. Canadian rates remained as they were from fy07 and US rates were raised to equal that of the Canadian. Despite the increase, rates are very competitive on both sides of the border and groups continue to find value in our product.
- There was a small drop in the overall number of groups who visited Jay Peak fy08 compared to fy07, however the revenue did increase. Both rate increase and less discounting can be attributing factors to this.
- There was a significant increase in Direct Day groups for fy08 while Wholesale groups remained close to neutral from fy07. Direct day groups represented \$126,419.37 in revenue while Wholesale groups were \$94,846.64. The big jump in business came on the side of direct groups where the increase represents a 64% rise in revenue.
- We continue to foster the relationships we have with the major wholesalers in both Canada and the US. Efforts are made to simplify their travels to and from Jay Peak giving added value and service. We continue to send customs manifests of passengers to ease the crossing, coordinate with customs details about groups arrivals, plan for multiple options as to where buses should cross to expedite their wait time and crossing. Sending tickets in advance to an offsite location where groups are staying is a common practice with certain partners. The servicing of our customers is handled quite well but getting them to increase traffic to Jay Peak is not always easy.
- Group travel is not like it used to be. As a result of the increasing cost of fuel the school market and other groups who traditionally use bus transportation have either decided to do less bus trips to distant locations and stay local or they have decided not to go at all. With student and junior passes becoming ever so affordable, pass sales at many resorts are on the rise possibly affecting the signups for school trips at other resorts.
- Efforts were made to stimulate repeat group business offering certain groups an incentive to return for a second trip. This was offered to Rod Roy and Voyage Skier who barely took advantage of this deal. From what the Wholesalers are saying, travel is limited and schedules are made long in advance.

- Aside from the groups who visited through a wholesaler, it was the school groups who filled a bus and came for the day. Most other groups were less than 40 people and only a handful stayed for multiple days. Those who did were staying off property and the length of stay ranged from 2 to 5 days. Ex. Huron Heights from Ontario who stayed at the Inglenook and skied for 5 days, pre-purchased lunch coupons, and did a snowshoe tour.
- Repeat visits for any group were limited.
- Rod Roy continues to visit Jay Peak several times throughout the season with both their ski school program and with groups. The bulk of the revenue we take in from Rod Roy is a direct result of the ski school program. ¼ of the entire revenue from Rod Roy was because of the ski school. Their volume is large but the frequency is low. Rod Roy does not bring the regular groups to Jay as once before as the main focus is concentrated on the Rod Roy Ski School program.
- Voyage Skier continues with the Express Bus which frequented Jay Peak more than in past years. This was partly due to the weather which resulted in no cancellations and multiple buses on each express visit. This year unlike the past we opened up Saturdays as new dates on the Express Calendar boosting their volume. Voyage Skier remains as Jay Peak's #1 wholesaler bringing in \$32,068.00 fy08 in revenue up from \$19,539.00 fy07 representing 39% increase. We had the same amount of Express days on their calendar as in previous years but the fact that Saturday is now an option, more people signed up resulting in more buses on each Express day at Jay Peak. Traditionally Express trips were restricted to mid week and certain Sundays. Aside from the Express bus, the majority of their groups are from Quebec High Schools.
- Sportvac Tours from Montreal has been bringing groups to Jay Peak for many years. Volume has never been high but they accounted for close to 9K fy07 and down to 1.6K fy08. The reason for such drop has to do primarily with one particular school that has been coming to Jay Peak using their services for the last 2 years. They were scheduled to come this season but the trip had to be cancelled due to weather and re-scheduling was not possible. This one group represented \$6155.00 in fy07.
- Auberge Estrimont in Magog has recently gone through some major changes. First, a major renovation was done which eventually led to higher rates for groups. Once the renovations were completed, a large scale fire destroyed the facility. Since the rebuilding of Auberge Estrimont they have changed their focus to more of an upscale property pushing away groups who were looking for an affordable option. In fy08 Auberge Estrimont did close to \$888.00 in business with Jay Peak which is significantly down from fy07 where they brought in \$13877.00. This piece of business is hard to replace and was a important part to overall wholesale revenue. It's not that the groups are going elsewhere in the area; they are simply not coming this far North due to the fact that Estrimont used to pick up groups from such places as PA, NY, VA.
- Flag and Club Aventure Jeunesse are wholesalers who do the occasional trips to Jay Peak. Both companies numbers dropped significantly over the last year. Flag who is based out of Sherbrooke focuses on Eastern Township schools dropped close to 100% since fy07 and Club Aventure Jeunesse even more, 800% by bringing only one very small group to Jay this year. Both of these Wholesalers work primarily with High Schools and more specifically the Francophone market. From what we hear from the wholesalers, these schools are staying in Quebec as a result of border crossing.
- Voyage Paradis from Quebec City used to bring groups to Jay Peak several years ago and stopped doing so last season. After early discussions before the season started, an attempt was made to see if we get them back on board. Up from no groups fy06, Voyage Paradis brought 2 groups to Jay Peak totaling close to \$2500.00.
- US Wholesalers represent 1/3 of the total wholesaler business with Jay Peak representing \$30,037.00. This figure is a combined total from Boston Ski and Sports and Classic Ski Tours. This is an increase of 23% from fy07 where combined they brought in \$20,022.00 in revenue. Both wholesalers went up in revenue and volume. Pricing remained aggressive as we are over 3.5 hours from Boston and the competition with other New England Resorts remains a challenge. As a result of aggressive pricing and brand awareness in their area people are making the trip North slowly realizing that distance is not such a impeding factor. As well, Classic Ski Tours uses Saint Albans as their hub and visits Jay Peak from there. They do both 1 and 2 day trips.
- Brandywine Ski Tours is no longer operating and groups who used to travel via them contacted us directly and special rates were given to keep them coming back on a direct level.
- As mentioned earlier, Quebec and US Wholesalers bring just over 50% of the groups to Jay Peak. They are receiving such aggressive rates from competing resorts that in order to stay competitive our rates need to remain within range of the competition. Their margin or profit is a major factor in their decision making process.

Revenue in US dollars (lift ticket, rental, lesson)

| | FY06 | FY07 | FY08 | % Change FY07 - FY08 |
|------------------------------|------------------|-----------------|-----------------|-------------------------|
| Voyage Skier | \$36,401 | \$19,539 | \$32,068 | 64% |
| Rod Roy | \$46,448 | \$24,541 | \$27,586 | 12% |
| Auberge Estremont | \$16,839 | \$13,877 | \$888 | -94% |
| Sportvac | \$3,627 | \$8,578 | \$1,671 | -80.5% |
| Club Aventure Jeunesse | \$4,798 | \$2,469 | \$270 | -89% |
| Flag | \$5,584 | \$3,249 | \$1,616 | -50% |
| Vobe | \$6,747 | | | |
| Voyage Paradis | | | \$2,439 | |
| CDN Wholesalers TOTAL | \$120,444 | \$95,276 | \$96,575 | 1.3% |
| Classic Ski Tours | \$6,941 | \$12,407.00 | \$15,094.00 | 21.6% |
| Boston Ski and Sports | \$3,862 | \$10,615.00 | \$15,087.00 | 42% |
| Brandywine Ski Tours | \$0 | | | |
| White Mountain Express | \$1,300 | | \$1,344.00 | |
| CMSG | \$2,423 | | | |
| Ski 93 Tours | \$753 | | | |
| 2First Tracks | \$300 | | | |
| Riteway Travel | | | | |
| US Wholesalers TOTAL | \$15,579 | \$23,022 | \$31,525 | 37% |

Major Strategies

- Create program to encourage groups to return a second time as most if not all only visit once a year. We can look at offering 1/10 comp to groups on their second visit; give incentives for reaching targeted goals. Ex. Free pizza's or lunch coupons for additional trips during the season.
- Contact groups who have visited in the past and update them with current pricing and any other special we have. Create a master list of these groups and start making the calls or emails by November.
- Be more in touch with group leaders checking to see how trip is selling, making sure they're still coming and basically offering them a more personalized touch to their ski day. Create a plan where a phone call is made 1 week prior to the trip for each group on the forecast. Update numbers after this to get a more accurate count for that day. While doing this, check to see if there is anything extra that they would like to have on the day of arrival. Ex. Pizza, snowshoe, lunch. As well, provide information on return visit as a group or as individuals.
- Work on group sales webpage and provide more useful information other than just pricing. Customs crafting packages, destination info, bulk info etc..
- Take a look at pricing and see about increasing rates for certain periods.
- Bounce back program should be considered for retail return visits. Tracking this will be important to see how effective it is and whether it's worth continuing.
- Fam days should be coordinated with wholesalers where they bring perspective group leaders to Jay so that we can show them the resort and how we manage groups before they arrive and while they are here. This might make a school teacher or company representative more at ease about bringing their group/school to a US resort. Work with partners such as Classic ski tours, Voyage Skier, Rod Roy, Flag, Club Aventure Jeunesse and Sportvac.
- Get in touch with all groups who have visited Jay Peak by virtue of staying at Auberge Estrimont and send out a proposal to them to visit Jay Peak for a extended stay. These groups who stayed at Estrimont would stop at Jay while on route back home. They know the Jay Peak product and might want to come stay here while possibly

visiting another nearby resort in either Canada or the US as their trends point to a multi resort vacation. We can find names of groups in Sales and in past forecast sheets.

- Corporate trips seem to be on the decline in both Direct and in Wholesale markets. By reviewing all the groups who visited Jay Peak this season, only a small handful were corporate outings. The Bank of Montreal returned to Jay Peak and where they had an all inclusive day totaling \$2400. There was a food and beverage component to the package along with lift tickets. A new group Club Social RTC from Quebec visited under the corporate flag and came once this season. Moving into fy08, the group sales team needs to spend more time visiting, calling and trying to reach out to more corporate companies with both day group corporate info as well as bulk ticket program info.
- Establish goals for key partners to reach levels that we think are manageable and reward them with either financial kickback or something else tangible.
- Create rates for fy09 and have them ready for release by July 1st.
- Mailings with new pricing should go out to group database before end of July.

Bulk Voucher Program

For the FY08, the Bulk voucher program continued to see measurable gains in both the US & CDN marketplace. Because of a season that saw early and continued snow, vouchers ordered before the start of the season were redeemed and most accounts continued to reorder to keep up with customer demand.

Our pricing for the FY08 season only saw a 4% increase when compared to FY07 resulting in a positive response from our customers. The program offered savings to our customers ranging from 40%-50% to retail depending on the amount of vouchers purchased. The voucher program had a good majority of participants from FY07 continue with the program for FY08 and the addition of accounts such as Pearl Street Beverage and WAX in Quebec were quite successful with multiple orders throughout the season. Additions such as Pearl Street Beverage and other smaller accounts can be attributed to the help from our Burlington rep., Jaycie Puttlitz, who was brought on to help with management of new and existing accounts.

The addition of signage at participating ski shops, stores, and corporate stores added to the branding of the program helping push sales for the FY08 season. The sales department was able to get professionally designed banners and cashier placards produced for the voucher program that increased the amount of skiers/riders who were informed of the program.

Also because the bulk voucher program was in it's third year, the public became more aware that there was avenues to purchase lift tickets at a discounted rate. The "word of mouth" was helpful in getting customers to ski shops and stores offering our bulk voucher program.

The simplicity of the bulk program in both the US & CDN for orders and returns continued to be the pitch for the sales department resulting in continued participation.

Situation Analysis:

- Combined US adult & Jr. vouchers sales saw an increase when compared to FY07 of 42% and 94% increase in the CDN market.
- In the US market place the top five accounts were: Pearl Street Beverage (\$19,000), Comfort Inn (\$22,150), IBM (\$14,850), UVM Staff Council (\$13,775), & Mylan Tech. (\$13,200).
- In the CDN market place the top five accounts were: Tommy and Lefebre (\$35,000), WAX (\$6565), Crevier (\$19,350), Billets De Ski (\$24,850), & Momo Sports (\$9,875).
- The top five US accounts were provided with a \$33 adult ticket for their number of vouchers purchased exceeding 200+ vouchers. Jr. rates were also provided with a rate of \$29. The overall total of adult vouchers redeemed, faired much higher with 4520 adult and 434 for the Jr. vouchers.
- The top five CDN accounts were provided with a (\$35-\$37) adult lift ticket for their number of vouchers purchased exceeding 200+ vouchers. Jr. rates at (\$32). Overall total of vouchers redeemed, Adult 3331 and 501 for Jrs.

- Most accounts typically only ordered once at the beginning of the season with a min. order of 25 vouchers. Ski clubs such as Schenectady Wintersports, EISCL, NY Metro Ski Council, and NJ Ski Council re-ordered through the season as their members dictated.
- Pearl Street Beverage stood out as our most active account in the US with the most vouchers sold. Pearl St. allowed for a large presence in their store with one large Jay Peak banner, cashier placards, and a Long Trail/Jay Peak display in the storefront window. Jay Peak was also offered advertising space on their cashier digital display. All customers going through the cashier line were able to see the Jay advertising for discounted vouchers when purchasing items. As the season progressed, word got out to the Burlington area that Pearl St. Beverage was the place to purchase discounted bulk vouchers.
- Hotels & Inns such as Comfort Inn, Hampton Inn, & La Quinta offered ski/stay packages through their respective websites and direct mail pieces. Each package has a Jay Peak lift option for both adults and Jrs. Since the inception of the Jay Peak bulk program, the Comfort Inn continues to increase the amount of adult & Jr. purchased each season. For FY08 the Comfort Inn redeemed 700 vouchers. 200 of these vouchers were for an early season special at \$20 per voucher. The early season special tends to attract the diehard skiers/riders wanting to make their first turns of the season, due to Jay's typical early openings.
- While corporations like Mylan & IBM continue to participate in the bulk voucher program, their number of vouchers had decreased for FY08. IBM was going through a change in management at their employee store and therefore the account was not managed well and Mylan HR department said they just didn't have the normal traffic at their employee store as they did in years past. IBM & Mylan decreased their total order by 100 vouchers each for the FY08 season when compared to FY07.
- Groups that initially called for Day Group rates and did not meet the 20 or more requirement were often informed about our bulk voucher program. Typically these groups consisted of 10 or more people and were going to ski multiple days. With this option we did not lose potential business. This program allowed for another option and different way of viewing a group.
- Tommy and Lefebvre in Ottawa continue to support Jay Peak at all 6 of their stores across the Ottawa region. Jay Peak's effort at the Ottawa Ski Show helped drive people to their stores with coupons being given away at the door of the show. General awareness has grown in the Ottawa region as the sale of discounted vouchers at T&L is now into its 3rd year. (FY07 556 vouchers, \$18,701.84) & (FY08 1084 vouchers, \$41,540.00)
- Billets de ski.com is an on line outlet for discounted tickets. Jay Peak was the most purchased voucher from this website and sales exceeded close to 25K. This was the second year working with Billets de Ski.com and sales continue to move up. (FY07 146 vouchers, \$4,386) & (FY08 700 vouchers, \$20,700.00)
- WAX ski shop in Mansenville is a new customer for fy08 and sales at the shop went well. The owner of Wax also let the local Inns and B&B's in the area that he had discounted vouchers and acted as the central purchaser for everyone. The vouchers penetrated into the local Owls Head market giving locals an affordable option to Jay.

Major Strategies:

- Estimated launch date of FY09 Bulk Voucher Pricing and marketing pieces would need to be completed before the start of the Fall show season, providing enough time for ski clubs/councils to get information to members for annual kick-off parties. Suggested date Oct 1st 2008.
- Utilize reps such as Jaycie, to help with kick-off of FY09 bulk program: up-to-date information about existing accounts, excel list of potential accounts with proper contacts and areas to focus efforts.

- Clarify requirements of who qualifies to participate in the bulk program for FY09. Cleansing of "non" qualified bulk accounts from the last 3 seasons based on too many returns and skier/riders taking advantage of the program's discounts.
- Continue nurturing of existing accounts with timely orders & refunds as well as providing adequate and appropriate signage at each location.
- Leverage our relationships with ski clubs/councils through our attendance of Group Shows and kick-off parties to inform about our bulk program is a great way to ski/ride Jay Peak at a discounted rate.
- Create a list of all the ski club/council home addresses in the surrounding area including, Southern VT and Northern NH. Use addresses to get information about the bulk program via direct mailing or visit from Jay Peak rep.
- Schedule training sessions for front line employees of lodging establishments, so they can be better versed on the Jay Product.
- Target new areas in Quebec such as Bromont, South Shore of Montreal and Saint Jean sur Richelieu. As urban sprawl moves further outside Montreal, many of the residents will now choose not to cross the Champlain Bridge and go north.
- Visit the Bromont Techno Park and schedule meeting with companies like IBM, GE Electronics and Dalsa for both day group business and the bulk voucher program.
- Make the deadline more visible on the order form so there are no excuses from the customer. Make it mandatory that a minimum of 25 vouchers be used. No refunds should be issued to any order who does not consume at least 25 vouchers. Create an email database of all contact names for each order and plan or sending a general email to them all 1 month prior to deadline.

GROUP DESTINATION US/CDN

Destination groups who visited Jay Peak were a key component to total group sales revenue fy08. The overall number of groups that visited Jay Peak fy08 was 84 totaling \$1,11,547.7. in overall revenue. This is up 15% in revenue and 11 groups from fy07 representing \$45,477.90 in increased revenue fy08. The average group expenditure was \$13,279.60.

Group rates were adjusted fy08 due to some inconsistencies in rates for certain periods of the year. Certain periods pricing needed to be raised while others reduced. It proved to be good for the Feb-March periods where we noticed both increases in the number of groups who visited Jay Peak and also the revenue during those months. Late season rates were scaled up compared to fy07 which in the end proved to be a mistake. When creating the group rates they were adjusted off of the rates from the previous year. As the season moved on retail rates were created for early/late season that were actually less than the group rates that we were using. As we noticed this, the group rate was adjusted by giving a 15% reduction in price for groups choosing early/late season packages.

Due to MTS attendance and greater presence in new markets such as Ohio, Louisville and the UK, average length of stay is increasing. Each stay was for 5 days and just this segment of destination groups represents \$244,064 in revenue for fy08. The time of year that these groups visited Jay Peak is equally as important as the length of stay as these groups were here during the softer times of the season where their business was critical.

Pinnacle Tours from the UK is proving to be a great partner and is pushing more and more groups to Jay Peak as opposed to other New England resorts. Our package price is good and when putting four kids per hotel room we are maximizing our profits. All departments are involved in the weeks that the UK kids are here each and all departments are gaining from them being here. Rentals, ski school, food and Beverage, retail are all seeing the results of working with them. Aside from the 2-3 mid season UK groups, the majority come early season, late March and into April.

Race camps from Canada primarily came from Ontario while at in the US they came from the mid-west and locally. We received support from industry leaders like Swix, Elan and Dalbello who brought with them coaches for on slope and also for off. We are putting together a great program that clubs like and that are affordable. With an exceptional product as we had this past December the interest for fy09 should be exciting.

Many of the groups this season were repeat guests who have been visiting Jay Peak for several years. Most of the repeat groups come to Jay Peak for multiple nights and some visit for the weekend only. What has been important with these regular groups is to increase their package price without pushing them away. Repeat late season groups such as Clarkson, Eichler, Paul Smiths College continue to come each year for Beach Party weekend and after. The late season pricing along with spring skiing is what is attracting these particular groups. They are of a younger age and are looking for good times to compliment the skiing and riding.

After years of working with the Florida Ski Council, we have decided to stop attending the council meeting. In the last 5 years, we have successfully hosted one group from the council (Jacksonville Ski Club). They are in fact looking to return fy09 but it remains clear that the other clubs do not have much interest in New England.

Situation Analysis

- Holding true or staying close to set pricing has largely helped in the increase in revenue in destination group business.
- Rates for key periods went down slightly while periods that were traditionally the "cheaper" times to come (January) went up slightly. There was not much hesitation towards our pricing fy08, especially the incredibly low group pricing for early/late season.
- Early season revenue, particularly November gave us a cushion going into December and beyond. With good snow and the demand for early season race camps December was strong and even posted an increase to fy07 totaling \$3000.
- Ski the Peak group from New Jersey visited Jay Peak more frequently than in years past. A total of 4 separate trips were taken from Tom Trout and his group Ski the Peak. This particular group brought in \$87,899 in revenue in January representing close to 1/3 of all group revenue that month. There were other groups of mention in January especially those who visited for 5 days. Baltimore Ski Club, Holmdel, Port Authority, Amish Ski Club, Trodder group, and Queens University who visits Jay Peak each year with large numbers over the weekend.
- Pricing in January has historically been very aggressive. Fy08 was no different as many of the above groups who visited were here on MTS specials, group show specials or like in the case of Ski the Peak volume and frequency played a part in rate structure.
- The volume of total groups who visit in February has not traditionally been the greatest when compared to other months, however the average trip costs is much greater due to holiday periods and we also host our largest group of the year at the beginning of the month. Our month started off with Jay Peak's largest group of the year DC Events. The number of people on this trip went up to the highest level ever to Jay Peak (485 people) and revenue climbed \$20K from fy07 to fy08 totaling \$92,865. This particular group set the month off flying and represented just shy of 1/3 of all group business in February.
- The UK schools had a holiday week in February and 2 schools booked into the Hotel mid-week.
- The trend in February seems to be that groups who visit Jay Peak during this month prefer mid-week over the weekend. Looking at the clubs who did visit, only 3 of them, including the UK kids were school trips. Most of the groups were adults and likely had the time to take off during the week.
- The real highlight in March is the early part of the month and the late. We started off the month with a strong group of clubs from the mid-west who totaled close to \$65K in revenue. They came to Jay Peak as part of the Ohio Valley Ski Council which our bid was selected amongst all Eastern Resorts. As this is relatively new business their stay at Jay Peak was important. Throughout the middle part of March there were several clubs who paved the way for the end. High Park, Cedar Springs and OC ski club.
- Moving towards the later part of the month, the next wave of UK schools arrived and flooded the resort. One particular week we hosted 4 different schools and had close to 150 kids in ski school and on a meal plan. It was a challenging week for all departments but the experience and good times the kids had while here were amazing. Total revenue from UK schools in March was \$78,301.

- Despite revenue going down for the month of April we hosted 8 groups total. It was the Pinnacle groups from the UK who were the bulk of the revenue for April. Out of \$63,655 in total revenue for the month, Pinnacle's portion was \$55,640.
- Groups other than Pinnacle who visited in April had booked at a rate that was more than what eventually was on the contract. As pricing needed to be adjusted to reflect a 15% debate off of retail, contracts needed to be updated with the new pricing so as not to charge more than retail. Some groups even wrote back questioning the new and lesser cost but in actuality the new pricing was even better than previous years. Some of the April groups were repeat guests but their overall contracts were less due to the revised pricing.

Major Strategies

- Continue to move up some of the clubs who have been bringing groups on the cheap because they received ridiculously low rates years ago.
- Push hard to fill mid week periods in January to ski clubs that are looking for a deal.
- Work on group rates so that they are consistent with retail after applying discount. Continue to offer an affordable early/late season package.
- Ski Club/Race Club early season training specials. Send these out to all Ontario Ski/Race Clubs and to as many US ones as well. Getting this out early will be important as race schedules are prepared in advance so available training dates should be known as well.
- Create a University special targeting slow periods and get this out to as many Universities/Colleges in both the US and Canada. Incentivize club member with attractive offer to work on group outing with their school.
- Follow up on MTS and spring group leads as soon as possible
- Have rates for upper scale lodging options at Jay Peak, i.e. Village Condos.
- Replace Florida market with that of the Eastern Provinces of Canada. Nova Scotia, New Brunswick. There are Universities, corporate and other avenues to work on for future group business. Coming from that side of the continent, Jay Peak is no longer the furthest away. Right now Sunday River and Sugarloaf receive the bulk of the skiers and riders from this area. It might be worth spending some time developing an East Coast program and even possibly attend some meetings, functions that might possibly culminate a group.
- Focus on how we can better serve our guests. Work with other departments and inform them on what they can do to give a better experience to the customer.
- Continue to over communicate with all departments involved in the groups stay. Make sure everything is covered and all parties are aware of what is to come.
- Try and have weekly or even bi-weekly meetings with all departments to go over the groups to come and those who left. It might be good to go over a past groups experience so that we can repeat a successful vacation or fix one that had problems.
- Knowing past history of groups, make sure to be prepared for usual request well ahead of time. Presenting something to them before them asking will go a long way in preparation of their arrival and it will show great customer awareness.
- Group guidelines need to be revamped with updated policies for cancelation, payment, room list etc. We have been using one for the last several seasons when we should have something fresh, to the point and what works for Jay Peak.
- Continue to work closely with the different councils and clubs. When donation requests come in, we need to send learn to ski and ride certificated ONLY so that the message of attracting new members gets driven in.
- Support the clubs in a recruit a new member campaign. Jay Peak can be a title sponsor of the program offering something special to clubs who bring a new member. Follow up with media advertisement in clubs brochure in exchange for offering.
- Work closely with group service person to plan for each group and the various needs of each. Plan and be prepared well in advance as soon as groups make an official booking. Create a "play book" with all items that need to be arranged and flag any ones that might take more time than others.
- Keep up to date with forecast sheets and continue to pursue any group who has rooms on hold without a deposit.
- Release any rooms that are on hold for a group that has cancels. Be more in touch with reservations department making sure this gets done and set a guideline that we adhere to.
- Work on Group Sales webpage making it more attractive and informative for potential groups to visit and play around on.

COLLEGE PROGRAM*Canada*

The college pass program continues to grow in both total numbers and revenue. New Jay Only College pass in the Canadian market gave students the option to choose Jay Peak without having to commit to the other MSSJ resorts when they had no intention of using their product. It also created a new pass that was even more affordable and that challenged the ultra-low pass price at places like Bromont where a pass can be purchased for less than \$100.

The Jay Only College Pass pulled in close to 55K in revenue representing 256 passes.

The major gain in this area comes from the Sherbrooke region as we pushed hard on the various University and College campuses. Our reps on each campus held a number of events where other students were able to purchase the pass at an even more reduced price, \$219 tax included.

Off campus events at local student bars in Sherbrooke and Lennoxville pulled in close to 30 passes in one night. These particular bars are close to campus and are the most frequented student establishments in each town. Events will be held at both places again next season.

The Jay only pass was more popular in the Eastern Townships as most if not all people only planned on skiing riding Jay. The Montreal students took more to the Big Pass as the ability to use MSSJ resorts only 45 minutes away was something that they would possibly use. Overall Big Pass sales went down from 267 in fy07 to 196 in fy08.

The Rep program in Canada was the driving force behind the distribution of info on campuses and around the city. Louis Fortin managed the reps in Canada and made sure they all had ample supplies and directed them in the ways that are most effective.

Situation Analysis

- The demand for a Jay Only Pass in Canada was evident. After bringing back the Jay only pass there was significant demand for the product. This was clearly noticeable in areas around the townships where this is where the majority of the passes were sold.
- The number of Big Passes fy08 dropped slightly from fy07 likely due to the Jay Only pass that was now available.
- No urgency was created with the purchasing of the Big Pass as no deadline was established to secure the price of \$289.
- Overall revenue for Canadian College Passes increased largely from fy07. The number of passes in Canada went up from 267 in fy07 to 452 in fy08. The increase in revenue went from \$55,345 in fy07 to \$106,753 in fy08 represented a positive gain of 93%.
- In addition to the Quebec schools, the Jay Only pass was offered to Clarkson University in NY and Lyndon State College as part of a discounted group purchase.
- The Canadian reps were given posters, tear off pads, magazines, and banner role to promoted the college passes.
- At the various events that they organized or attended, Jay Peak provided giveaways ranging from hard goods, season passes, and lodging stays at the resort. Events were well attended and were successful in terms of pass sales.
- Christian Bulota who represented Jay Peak in fy07 took charge of the Sherbrooke market again this year. He was very involved and creative in his ways of promoting the pass. He worked closely with the schools and off campus events in that area. A total of 35 Jay only passes were sold in that area representing close to 8.5K in revenue.
- Reps were hired at all the major schools in Montreal and surrounding area. A list was generated by school using our database of past season pass holders. We contacted them via email and asked all past season passholders if they were interested in working for Jay Peak in exchange for free pass and other swag ranging from lodging packages, food and beverage at the resort, ski shop vouchers, and other hard goods.
- Several reps were hired for the larger campuses such as Concordia and McGill.

| College Season Pass | FY06 | FY07 | FY08 | % Change FY07 - FY08 |
|------------------------------|------------------|------------------|------------------|----------------------------|
| Student Jay Only CDN | \$30,369 | n/a | \$52,306 | |
| Student All MTN CDN/Big Pass | \$7,301 | \$55,345 | \$54,447 | -1.6% |
| Student Jay Only US | \$196,329 | n/a | n/a | |
| Student All Mountain US | \$4,686 | n/a | n/a | |
| Double Major/Triple Major | | \$317,000 | \$471,287 | 49% |
| TOTAL | \$238,685 | \$322,345 | \$578,040 | 79% |

Major Strategies

- Continue promoting the Jay Only pass in the Eastern Townships and focus more on Montreal and South Shore with this pass. Cegep to Granby and Cegep Haute Richelieu are two schools that need more attention.
- Work with Christian Bulota and prepare a program for the Sherbrooke market that should be ready for August 1st. Continue to work this area as there are close to 20K students in this area.
- Work on a new pass similar to the "Passe Passe" targeting young adults who might have recently graduated. There were several people asking why Jay Peak didn't sell this pass.
- Make sure to have all sales material for reps ready and in house before August 1st.
- Keep pricing for the Jay Only pass as aggressive as possible and consider going up from \$219 fy08 to \$229 fy09.
- Contact reps from fy08 and see who will be on board for fy09. Replace those who will be graduating or who cannot continue with the job. Try and establish a complete list of reps and try and have a meeting with them before they return back to school in September.
- Create a deadline for the Big Pass where after this date the price moves up.
- Media support in Sherbrooke on major radio stations and in print. With over 20K students and only one hour from Jay Peak, this is a market with a great deal of potential.

US

In the US, the Triple Major season pass rolled out with a price point of \$269.00. The pass offered Jay Peak, Bolton Valley, & Mad River Glen with no restrictions. The Triple Major product was branded and marketed as FY07 Double Major season pass.

The pass was sold through many avenues such as campus events, ski and outdoor adventure clubs, movie premiers, and campus representatives. Each campus had 2-6 rep. selling the Triple Major and promoting skiing/riding at Jay Peak.

The approach of "in your face" selling continued in FY08 as proving successful over the past 3 years with the steady increase in overall season pass sales. At most events the aggressive selling was supplemented by the raffling of I-Pods, t-shirts, and free one night stays in the hotel. Pricing was held at the advertised rate which in turn created better yield per pass than in previous years. The feedback from the students was positive due to price point and variety of resorts being offered with the Triple Major. The Triple Major when compared to other resorts such as Stowe, was \$200 less.

Situation Analysis

- The amount FY08 revenue generated from college season pass sales was \$471,287, increase of \$100,000 when compared to FY07. The strong holding to price resulted in a higher yield while only increasing the number of passes from 1735 in FY07 to 1817 in FY08.
- Attended events such as the UVM Freshmen's Picnic in late August selling 90 passes in 3 hours. For the first time the sales team brought down a pass printer and we were able to get the passes to the students on the spot. At the event t-shirts were handed to all students who bought passes and three I-Pods were raffled off.

- The ability to print passes on the spot had its positives and negatives. Positives being able to help reduce season pass lines at Customer Service and allowing data from each pass purchaser to be inputted in the system at the time of purchase. The negatives are that we only had access to one camera and computer for pictures, causing a long line of people waiting for extended times. Events such as the UVM Ski & Snowboard Club membership meeting and the Davis Center "Jay Days" were prime examples with over 400 students purchasing passes.
- Events at St. Mike's such as the Ski/Snowboard Club's Kick-off Party, allowed Jay Peak to host a BBQ before the meeting enabling the sales team to talk up Jay Peak and inform the students about the Triple Major season pass. The event proved to be successful with 65 passes sold. At these events, we noticed little or no effort on the part of MGR and Bolton Valley. Due to their lack of effort and attendance at this particular event and at several others, Jay Peak was able to pull in most of the sales.
- The only discounting that occurred was with the UVM Ski/Snowboard Club. To help stimulate a membership of 1200 students, the Triple Major pass was reduced by \$25 to help members cover their \$25 membership fee. Also the club acted as a sales point for the Triple Major providing another opportunity for students to purchase the Triple Major when Jay Peak was not hosting or in attendance at campus events.
- The Ski/Snowboard club was successful in capturing a share of 450 passes Jay Peak sold to the club members but due to accounting procedures by the club, there were some discrepancies in the number of passes, purchased and timely payment.
- Representatives at each campus were required to sell a certain amount of passes and help at all on/off campus events. The UVM, Johnson State and Lyndon State reps were successful in getting on campus poster, scheduling "Jay Days", and movie premiers at local bars and amphitheatres.
- Representatives that sold a determined amount of passes each, received a free season pass. In Canada representatives were rewarded with a tier system. The more passes sold the more rewards such as lodging packages, day tickets, and discounts in the ski shop. US college reps were not a tier system and only received a season pass.
- Representatives proved to help the sales team stay in touch with the heartbeat of a campus. This was evident with our Plattsburgh reps who did absolutely nothing to increase sales or actively promote Jay Peak and the Triple Major. Due to poor representation at the Plattsburgh campus, the Plattsburgh market has significantly dropped from 200 passes back in FY02, to less than a 100 passes in FY08.

Major Strategies

- Continue to be innovative with our college season pass, offering a product such as the Triple Major, with the continued support from Bolton and Mad River Glen.
- Schedule specific dates at colleges for "Jay Day" utilizing representatives for reserving booth space where the Jay sales team can take season pass pictures and input all season pass applications. The budgeting for an extra computer and camera to help ease lines at events.
- At UVM, continue to sponsor exclusively the Freshmen Picnic, schedule Davis Center "Jay Days" prior to the students return in August, and participation at the Activities Day street fair.
- Plan a meeting with the Ski/Snowboard officers prior to their Summer vacation, addressing the issues Jay Peak had with the club selling college season passes for FY08 and how we might better streamline the process through better record keeping/accounting.
- Look for events such as the Battle For Burlington to help promote the Jay brand and season pass sales. Incentives for participants and spectators such as purchasing next year's season pass at FY08 pricing or special savings off of FY09 pricing.

- Have more of a presence at campuses such as Lyndon State, Johnson State, and Plattsburgh. Our imprint on these campuses can be increased with reps that are true Jay fanatics.
- Generate a list of all returning reps contact information for access during the Summer months to relay pricing, upcoming scheduled events, and delivery of marketing materials such as season pass applications, posters, brochures, banner, and stickers.
- Schedule a date up a Jay Peak in Late August for all reps so they can be informed about FY09 season pass pricing and the partnership with all other participating resorts. The sales team can update on resort happenings for the upcoming season and address any questions the reps might have.
- Work with the marketing department in regards to using our website for listing of scheduled "Jay Days" when we will be on campus selling and taking pictures for season passes.
- Work on a new pass that targets College Graduates who have recently completed their schooling or create a pass that targets young adults all together. The pass price could be somewhere in the middle of the adult pass and that of the student.

SDC BUS SALES PLAN

The SDC bus program from Montreal completed five years of operation this past year and ran with very few hitches and posted the best year on record.

The program operates on a weekend only basis and runs for a total of 10 weeks. Most if not all buses were full when visiting Jay Peak. The average amount of passengers on the bus each trip was 48 in fy08 compared to 46 in fy07. The program generated \$37,598 in revenue which is up from fy07 where we posted a total of \$32,879. This represents an increase of 14.3% from fy07.

Pricing for the SDC services increased from fy07 which is the main reason that overall revenue went up as well. Adult combo rate went up from \$59 in fy07 to \$65 fy08. Junior combo rate went up from \$43 in fy07 to \$45 fy08. Seat only price remained the same.

Adult combo was the most popular item sold with 456 sold in fy08 compared to 418 in fy07. Seat only was next in popularity with 426 sold in fy08 and 364 in fy07. Junior combo was the only item that posted a decline from fy07 with a total of 85 sold compared to 110 in fy07.

The service from Montreal is well received by the passengers when the bus is on time and when the delay at customs is minimal. Unfortunately this is the major problem when taking a bus with 55 other people. Situations arise that are beyond our control and the bus sometimes has to be delayed for a number of reasons. They range from the time it takes to process a non resident of Canada or the US, passengers who do not have proper requirements or simply because someone cannot cross the border.

As the service is only on the weekends, regular car traffic along with other bus groups can also slow down the SDC bus at customs thus retarding its arrival at the resort. On average the SDC arrived at Jay Peak between 10:00am and 11:00am. Most passengers are accepting of a 10:00am arrival but as soon as it goes beyond 10:30am it becomes a long morning for them. It is impossible to ensure a 10:00am or earlier arrival due to the uncertainties that can arise from point of pickup to Jay Peak.

The reservation system for SDC worked well for the most part but did have a few faults along the way. Many of the glitches from last season were fixed and we did not have the problems that we once had and refunding passengers never occurred this year.

The major issue we encountered was with the confirmation process. When a reservation was made on line a confirmation letter is generated automatically. The problem arose when the bus was full and people continued to try and book a seat or a combo, they were continuing to receive the confirmation letter. Some people showed up the bus stop early morning only to find out that their name was not on the list and that the bus was full.

On the very rare occasion, the resort needed to be closed due to weather. Passengers were of course upset upon arrival as they were not able to ski or ride. The problem here is that we are not able to contact the passengers or the bus company before we know this news. As this only happened once this past season it should be treated as an isolated event.

Bus prices went up slightly from \$875 in fy07 to \$900 in fy08. Profit margin increased due to the fact that we raised the cost of the combo package and the increase in bus cost went up only a small amount.

| Pre-Sales | 2006/2007 | | | 2007/2008 | | | Visit Growth | Revenue Growth |
|------------------------|------------|-----------------|----------------|------------|-----------------|----------------|--------------|----------------|
| | Quantity | Revenue | Yield | Quantity | Revenue | Yield | | |
| SDC Adult Combo CDN | 448 | \$23,256 | \$55.60 | 456 | \$27,962 | \$61.32 | 9% | 20% |
| SDC Junior Combo CDN | 110 | \$4,463 | \$40.57 | 85 | \$3,608 | \$42.45 | 23% | 19% |
| SDC Bus Seat CDN | 364 | \$6,160 | \$14.52 | 426 | \$6,028 | \$14.16 | 17% | 7% |
| Total Pre-Sales | 892 | \$32,879 | \$36.86 | 967 | \$37,598 | \$38.88 | | |

Strategy for 2008+09

- Better placement on the Jay Peak website. The SDC link was buried in the ticket deals section which through many people off when looking for it.
- The French site needs to have the same info and should be as visible as on the English site. Many if not most of the passengers are Francophone and were calling when they could not find it on the French site.
- Plan to have a group service person visit the bus before 4:00pm and distribute to the passengers bounce back offers for individual travel. We should be able to track the offer so that we know it was generated from the SDC bus.
- Increase the average visit per trip to 50 and increase overall visits to 1000.
- Request from the bus company to have the same driver as much as possible. This will help ensure consistency and punctuality.
- Test and re-test reservation system and have it ready to go for December.
- Continue to work with Autobus Metropolitan/Auger as both pricing and service has been great.
- Use group service person to meet/greet and hand out tickets in bus parking lot as it pulls out. This person can welcome buses as they arrive and even distribute tickets to groups who are receivables.
- Speak to Bus Company and get Jay Peak decals and logos on the bus. Encourage the bus company to use the same bus for SDC program each week.
- Work on keeping rates the same or close to what they were for next season and speak to bus company about advertising in Jay Peak magazine.

CONSUMER SHOWS

Again in FY08 Jay Peak attended the major consumer shows starting with the Toronto Show in October and ending with the Boston Show in late November. The Toronto Show continues to be the strongest show with a large amount of attendees doing some serious shopping for extended stays at Jay Peak especially during the times of Ontario Break in March and Holidays for their families. The US market place consumer shows didn't nearly see the amount of serious shoppers as in Toronto. The majority of US show attendees tended to come by the Jay booth to pickup the new material for FY08 that included brochures, posters, and stickers. Specials were offered on ski and stay packages (3 and 5 Day) in both our Hotel and Village condos(US/CDN). Typically rates were reduced for these shows by 25%-30% when compared to retail.

Golf and real estate was represented through our banner display and accompanying collateral highlighting real estate and golf future plans at Jay Peak.

Situation Analysis:

Toronto Ski Show

24 boxes of brochures, 3 & 5 Day Hotel/Village Condo Specials

Ottawa Ski Show

20 boxes of brochures, 3 & 5 Day Hotel/Village Condo Specials

Albany Ski Show

10 boxes of brochures, 5 Day Hotel/Slopeside Condo Specials

DC Ski Show

10 boxes of brochures, 5 Day Hotel/Village Condo Specials

Boston Ski Show

22 boxes of brochures, 3 & 5 Day Hotel/Village Condo Specials

- For the Toronto Ski Show we continued to book directly at the show. Attendees had the opportunity to book and put deposits on planned FY08 trips to Jay Peak through Reservations agent (Tracy Wing) who was equipped with a computer hooked up to our reservation software via the internet.
- Bookings were brisk with over \$100,000 in business booked for the FY08.
- At the Ottawa Ski Show, attendees of the show were provided with a coupon that could be redeemed at Tommy & Lefebvre for a \$35 day voucher at Jay Peak.
- Data collection at all shows was little or non-existent a sharp decline from FY06 when customer data was captured through our Family and Passport cards we provided for free as an incentive for attending the show.
- There was no new resort videos produced for the FY08 consumer shows. The video we did run was two years old and simply is out dated when compared to our new marketing theme and branding.

Major Strategies:

- Continue With the same major show schedule, offering attendees lodging/lift ticket deals to strengthen Jay skiers/riders loyalists and potential new customers.
- Examine bringing back free comp. Family & Passport Club cards for all attendees that visit the Jay booth during these major shows, to acquire customer data, for future marketing programs directed at our retail guests.
- Due to the success of "at show bookings" in Toronto, consideration of bringing a person to Boston and Ottawa for the sole purpose handling at show bookings which has not been done before.
- Update booths to reflect Jay's current marketing and branding campaign. For the past 6 years Jay has been using the same look/feel with use of tents and booths which has become tired and needs to be revamped for a new modern look.
- Supply a season pass printing machine to help with the selling of on spot pass sales.

EXECUTIVE SUMMARY – TICKET SALES

The culmination of the 2007/2008 season saw in excess of 200,000 skier visits, more than 30,000 visits ahead of last year at 170,329. Due to the Canadian exchange rate we saw a decrease in the use of Canadian funds to purchase ticket products. We saw a significant increase in destination skier visits, especially in the 4 through 7-day products, as a result of specific marketing campaigns such as the free season pass giveaway in 2006/2007 when purchasing into one of these packages and the free gas promotion of this season. We also saw increases in multi-day ticket sales across the board in US products, and in the discount card programs, a result of incentivizing products through ticket windows and better communication of savings through these products with customers.

The 2007/2008 season in review seemed to run efficiently in comparison with prior seasons. In accordance with the plans from the FY06 Marketing Plan to create training and orientation fundamentals, we have a procedure in place that has proved competent over the past two seasons. Ticket products were purposely streamlined, such as the VT and OMP products, ticket sellers and Customer Service representatives were trained and prepared in their areas, and having ticket sellers who were familiar and confident in their familiarity with products allowed us to create a more sales-oriented position that allowed us to implement up-selling and pre-commitment into Passport Cards, Family Club Cards and 3-Step Learn to Ski/Ride programs that guaranteed their return. We were met with the same obstacle of employee turn-over percentage as last year, with the exception of one Customer Service representative, which was extremely helpful in allowing us to train efficiently and still run Customer Service, while completing various pre-season tasks such as signing on shops for the Shop Program. Throughout the year we were able to run a few promotions that allowed ticket points of sale to up-sell products and in return receive an award for their efforts. Going forward, this may prove to be a valuable tool in enlisting previous employees to return for another season, which is essential in meeting our customers' demands because they are thoroughly familiar with the Sales program and products.

The staffing structure in Customer Service was solid, and would have benefited from another representative on Saturdays, Sundays and holiday periods. During these times we relied on the support of Group Sales, Brian and Karen. Our objective going forward would be to fill the position that they were supplying, but to keep 3 full time positions in the same scheduling format as this season.

There were several drawbacks during the 2007/2008 season that were centralized around faulty equipment and lack of local IT support and/or service. During December we were fortunate to have 2 functioning printers for season passes, Family Club cards, and Passport cards. By the end of the season we were down to one semi-functioning machine on a good day. Ticket printers were shelved due to printing errors that we could not fix by calibration with MSSJ over the phone. **We are also facing a growing number of skier visits with the same point of sales configuration as a decade ago, which proved arduous on more than one occasion and will continue to do so until the footprint is reconsidered.**

With the increase of Passport card and Family Club card holders, we have seen mounting interest from customers to include a multi-day product for these items. We have seen success with the creation of multi-day tickets for Vermonters, Other Mountain Pass holders, Students, Seniors and Toddlers, which while it ensures skier visits and gets the customer on the mountain with minimum hassle, it also relieves the stress on points of sales. This, coupled with ideas to somehow get the cards into the hands of previous card holders prior to the season would alleviate, to some extent, the strain card printing places on Customer Service.

With respect to the production of discount cards, which was one of the major kinks in Customer Service this season, we produced 2,022 cards (not including season passes) over last year's 945. Area lodges began giving out complimentary cards in 2005/2006, and the number has grown over the past 2 seasons; there is no monetary commitment for the lodge owners as with the lodging vouchers, and we encourage lodges to use the coupons because the ticket yield on a Family Club or Passport Adult ticket is higher, at \$45, rather than \$40 per ticket with lodging vouchers. Additionally, customers who were prior holders of Passport/Family Club cards through this complimentary coupon return the following season looking for the same deal even if they are not staying at the

same lodge. At the beginning of the season Customer Service had two functioning card printers which allowed us to vend season passes and discount cards simultaneously. By the end of the season, due to printers breaking down and needing to be sent to Toronto to be serviced, we were still vending discount cards but on only one printer that was not properly working, if at all. The office, as a result of our total lack of IT and/or support and services, was ill-equipped to handle the influx of card holders.

KEY PROGRAM PROMOTIONS – SUMMARY

Passport Sales

Passport card holders increased this year by 148%. The influx can be accredited to the lodges giving out complimentary coupons for this product to guests at their establishments, as well as up-selling through points of sales. Passport visits were up by 145% for US adults and 146% for US juniors.

Family Club Sales

We saw an increase of 43% for Family Club cards vended. Visits were up 48% for adults and 49% for juniors. Any family with 2 adults and at least 1 junior benefited from purchasing this card even for a single day's use, and up-selling was straightforward and allowed us to gather more customer information for our database. Feedback from families who had not been aware of the card and were up-sold into the product was wholly positive, except for those families not willing to wait for the card printing.

Jay-P.ca

This promotion replaced the Jay 2-pour-1 coupon of 2006/2007 and the Stretch Ticket of 2005/2006. The Jay-P.ca coupon was again a web-based promotion that gave the customer a \$20 discount on a full priced Adult or Junior lift ticket on any day except Saturdays, and was marketed to Canadian clientele, especially in Montreal, with billboards, a Jay-P.ca specific brochure, and a co-branded website. An added feature this year was the obligatory data a customer was required to provide to receive the coupon and we were able to capture over 2,660 unique data files.

"2 for 1" Coupon Promotions

This season there was a conscious effort made to reduce the amount of discounted products and to streamline our specials. Our overall goal was to introduce customers to a lower yield product such as the 2 for 1, and then migrate customers up the yield ladder; we saw success in this marketing tactic this season with the Jay-P.ca, which was a 2 for 1 web coupon last season. Historically, 2 for 1 coupons have been dispersed through passive distribution in drive markets, at gas stations, restaurants, ski shows, through the 6 Pack promotion, etc. This season the focus was to work with specific partners, such as City Market and Trattoria Delia in Burlington, Onion River Sports in Montpelier, and other 'on-brand' businesses that attract a high index of core-skier traffic. The result was a decrease of 64% of 2 for 1 coupons redeemed. We did see an increase in the Mobil 2 for 1 promotion, in which a customer who fills up for gas three times at participating Mobil gas stations can send in their receipts for a coupon that is valid at a number of ski areas in New England. Even with the increase in Mobil 2 for 1 coupons, the amount of tickets sold under all 2 for 1 categories (which include the Mobil 2 for 1, the Otter Creek 2 for 1, the regular 2 for 1 coupons that we distribute, etc.) were down 42% for this season where we vended just over 5700, compared to the 2006/2007 season that saw close to 10,000 tickets sold under this discount.

Vermont Product Sales

Vermont single day and multi-day products, saw an increase across the board despite an increase in rates; the only anomaly is the 2-day product, which saw a decrease. This season, the other mountain pass holders were also eligible for this discount as a multi-day product and in subsequent seasons it would be beneficial to separate these categories for tracking purposes to gauge the success of one versus the other.

Other Mountain Passholder Sales

We saw an increase in the number of US Other Mountain season pass holder tickets sold, but a significant decrease in the number of CDN Other Mountain pass holder tickets; this led to an overall decrease in the amount

of OMP tickets sold during the 2007/2008 season. This can be attributed to the fact that Canadian residents used US cash or credit cards, but it is more likely that the Jay-P.ca discount was more heavily advertised than this product, and Canadian customers were drawn to and more aware of the Jay-P.ca coupon. This was an advantage for us because the yield on a Jay-P.ca adult ticket at \$42 was higher than other mountain pass holders at \$40. It could also mean that we have been successful in moving a portion of these clients into other higher commitment products such as season passes.

Student Ticket Sales

Despite an increase in per day rates, US student ticket sales are up, as are sales of Triple Major season passes to the US college market. This is the first increase in US student visits we have seen since the rate of the ticket went up in 2004/2005. As a whole, student ticket sales are down when looking at the US and CDN products together over the past 4 years. Looking forward to 2008/09 there will be a conscious effort to move those students purchasing multiple-day student tickets into the college season pass market by increasing day rates once again.

Learn to Ski/Ride Packages

Beginner packages this season were up 93% over last season, in spite of less key coverage and advertisement in promotional brochures. 3-Step packages also saw an increase of 76%. This success is in part due to a promotion that VSAA implemented that invited beginner skiers and riders from Vermont to participate in a free Learn to Ski or Ride package to any resort in Vermont. We in turn offered those enrollees interested in Jay Peak a reduced rate 3-Step Package upon completion of their 1-day package.

KEY PROGRAM PROMOTIONS – IMPROVEMENTS

Mobile season pass printing, both for staff and for college students, helped ease congestion in Customer Service early this season. We were able to schedule Customer Service staff to be available for department staff meetings prior to the start of the season, as well as setting up several days at UVM where we sold and printed season passes on the spot. The response that we received from UVM students was overwhelming, and proved that we would see an even greater response in the college sales market by making our pass printing available to more students for a greater amount of time even at venues outside of UVM. Not only is this critical in relieving Customer Service congestion and meeting the needs of the college student demographic, it locks in college pass sales and protects these sales from migrating to Bolton Valley or Mad River Glen.

We saw a more proficient staffing structure in Customer Service this season. With the return of one of our full-time staff from last year, and the addition of 1 other full time position, representatives were more familiar with the Sales program and the inner-workings of the office. We had a better handle on Accounts, Group procedures, and trouble-shooting.

Major Strategies

- Going into the 2008/2009, the following plans for the Points of Sales department include:
- Ensuring that we have functioning equipment as well as back up equipment and equipment servicing available that are more practical than shipping equipment to Toronto when a card printer is not working
- Hiring a resort-wide IT support and service manager, as it stands general MSS1 turnaround time is upwards of 30-60 minutes, even after calling the emergency line.
- Allowing Group Sales to vend both group tickets and bulk vouchers from their own sales points to ease congestion in Customer Service and to ensure that they are responsible for their Accounts and accounting
- Additional equipment in Customer Service to handle increase in Season Pass, Passport and Family Club Card holders.
- Additional equipment for mobile season pass sales, including a 3rd card printer connected to 2 laptops and a mobile credit card machine, that can be used during increase traffic times in Customer Service or as an alternate point of sales in another location

-
- A program that allows us to offer Passport and Family Club cards to previous card holders prior to the beginning of the season that can be pre-printed and sent directly to the customer to alleviate gridlock in Customer Service; could be a direct mailer that funnels such customers to a page on the website to purchase cards or receive them for free for a limited time.
 - Using "middle-man" marketing such as Liftopia and Billetdeski.com to our fullest capabilities and creating a platform for competitive ticket pricing
 - Creation of a "head" ticket seller position to train/meet/assist other ticket sellers
 - Creation of a payment program through the UVM Ski & Snowboard Club

EXECUTIVE SUMMARY – RESERVATIONS**MAESTRO**

Staff has adjusted well to the Maestro system this year. There are still some items they need to get used to and things we need to start using for example, Work Orders. There will be a new feature introduced in the next Maestro release that will allow work orders to be sent to maintenance cell phones. This will allow work orders to be entered into Maestro for every incident and be tracked while still allowing us to contact maintenance quickly. During the summer months it would be a good idea to familiarize Virgil and his staff with work orders and have them well under way for next season.

There are still modifications that could be made to help Linda Gosselein operate housekeeping more efficiently. She would need to give me a clear definition of how she needs reports (all items she needs on them) as well as how they should print(by zone or by teams) to make that department run smoother. Now is the time to make requests to Maestro for any changes we feel are needed or desired. There are still upgrades to be completed but we put them off until winter season is completed. With still two days left at the users conference I have already seen many changes that are coming with the next release of Maestro that will improve functionality and user friendliness.

COMPUTER NETWORK

We need a clear idea of who will manage computer network, hardware and software for upcoming season, so we can plan appropriately for interfaces associated with Maestro. The remote phone system does not work as well as the one we had previously, seems to have more limitations and interruptions in service. May need to look at a change or upgrade for that software. Maestro server needs to be looked at, the interface computer needs to be looked at. We are short many computers for reservations and front desk.

STAFFING FOR RESERVATIONS

If a new position in sales is created for the group liason then this will free up some time that was occupied by one person in reservations doing group envelopes and bookings (not a lot of time but some) For next season I would plan for 4 full time res agents and 4 part-time.

REPORTING FOR THE PHONE SYSTEM

I am not aware of any reports for the incoming 800 number, if we have them I would like to know how to access them for perhaps a better idea of when to schedule staff. If we do not have any can we purchase some, it would give us a better way of tracking busy periods and maybe avoid having too many res agents on at anytime or having too few agents on. Need clarification on how calls in queue are handled to avoid people staying on hold for long periods of time.

RATES FOR WINTER

It would be very helpful if we could again take a look at creating unit rates for condos or at least a base unit rate and then add-on amounts for over 4 people. With the new functionality in rate management in Maestro we could look at further consolidating the number of rates we have, allowing the res. Agents to more efficiently quote rates, given the current slowness of the system. We can still do packaging but start with unit rates and add items from there. This will give owners a better (easier) understanding of what they can expect to see for nightly income during any given time period. Would be good to have rates completed by early to mid September at the latest. Should give thought to a two adult minimum in all 2-3 bedroom units and a 4 adult minimum in all 4-5 bedroom units. As well look at specific arrival days or minimum night stays during holiday periods to cut down on the number of "holes" in inventory during these periods.

IN-SEASON DISCOUNTING

There was not a huge need for discounting this past season as it was a great season. However when it was used it seemed to generate calls and bookings quite well. The freegas promo went very well.

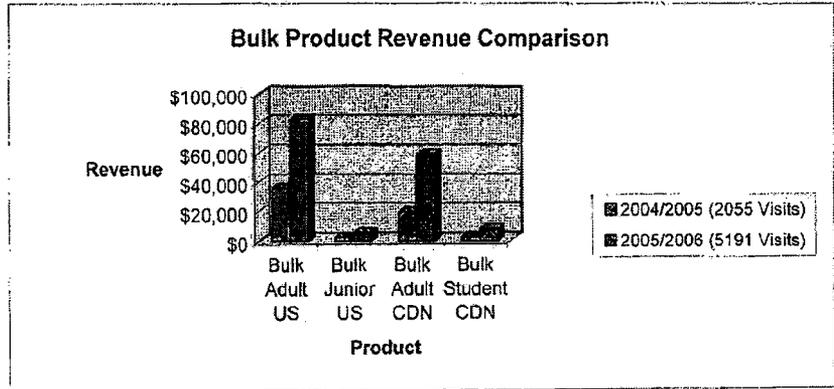
OFFICE MANAGEMENT

Even with seasoned res. Agents there will still be a need for more reservation review policies to be put in place. We have focused mainly on deposits, and credit cards but more time will need to be spent reviewing the reservation in its entire state. We need to look for e-mail addresses, complete mailing addresses, proper spellings of all data entry. Perhaps a script needs to be put into place for the res. Agents reminding them to go over cancellation policies, reminding them to confirm dates with guest before hanging up, confirm number of adults, children etc. etc. etc. The way the reservation process is set up in Maestro it forces you to gather information in the correct order however getting the correct information entered into the system by the agent seems in some cases to be a challenge. Definitely need to work on accuracy and efficiency. Perhaps an incentive based on res. Accuracy (as Steve mentioned earlier in the season) would ensure proper reservation process. Some of the qualifying factors would be proper rate, credit card, deposit, accuracy of package description and inclusions to the guest(just some ideas)
New accurate site maps, bedding info etc. are desperately needed for res. Office. Also in need of new pictures for on-line bookings that are more realistic to each actual unit type.

RESEZE

Keeping this interface functional throughout the season has been a challenge. Largely in part to our hardware configuration and somewhat due to the stability of the software. There is a new product coming out from Maestro called ResWave. This will be a much more robust on-line booking engine with many added features over reseze. Reswave will allow for "shopping cart" booking. Basically the guest can choose a lodging package and add-on items from there.

| | 2004/2005 | 2005/2006 (5191 Visits) | Bulk Total | |
|-------------|-----------|-------------------------|------------|-------------------------|
| | | | 2004/2005 | 2005/2006 (5191 Visits) |
| Bulk Adult | \$36,111 | \$83,249 | \$61,015 | \$156,649 |
| Bulk Junior | \$2,435 | \$5,698 | | |
| Bulk Adult | \$19,682 | \$59,472 | | |
| Bulk Stude | \$2,787 | \$8,230 | | |

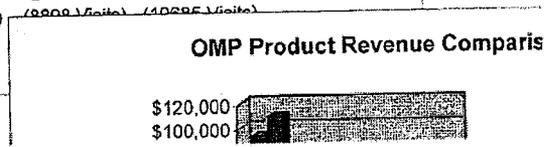
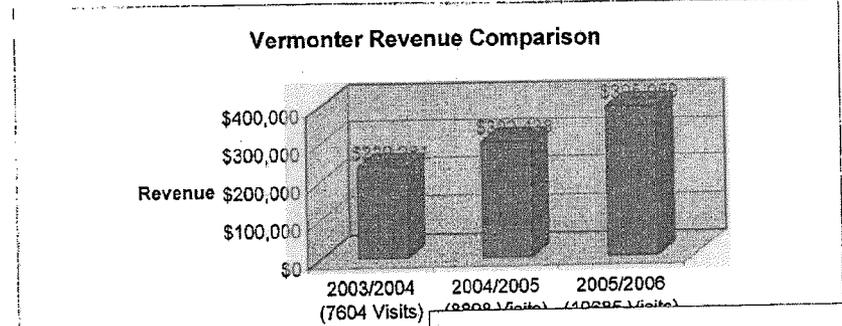


Condo/Destination

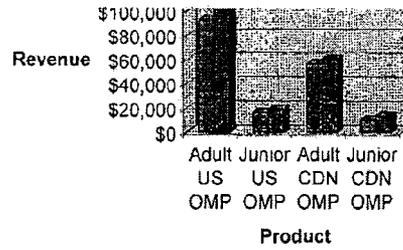
| 2003/2004 | 2004/2005 | 2005/2006 |
|-----------|-----------|-----------|
| | 12038 | 13415 |

Vermonter

| 2003/2004 (898 Visits) | 2004/2005 (10685 Visits) | 2005/2006 |
|------------------------|--------------------------|-----------|
| \$239,281 | \$302,438 | \$395,959 |

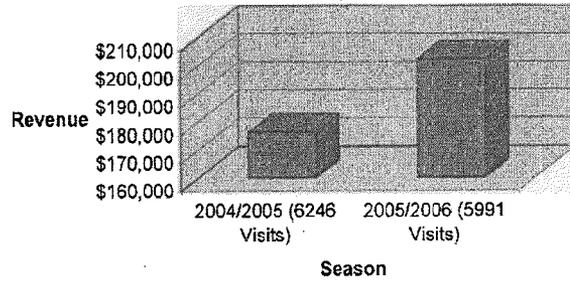


| OMP | 2004/2005 | 2005/2006 (5991 Visits) |
|------------|-----------|-------------------------|
| Adult US C | \$92,995 | \$109,402 |
| Junior US | \$16,100 | \$18,560 |
| Adult CDN | \$56,695 | \$60,618 |
| Junior CDN | \$10,465 | \$13,773 |
| | 176,255 | \$202,352 |



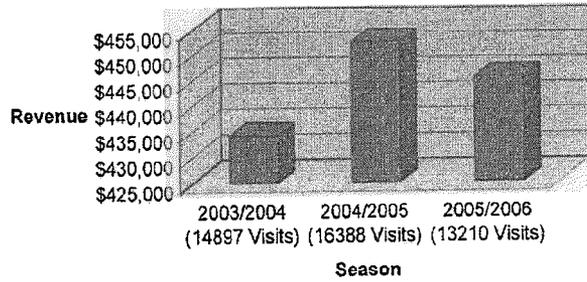
| OMP | 2004/2005 | 2005/2006 (5991 Visits) |
|-----|-----------|-------------------------|
| | \$176,255 | \$202,352 |

OMP Total Revenue Comparison



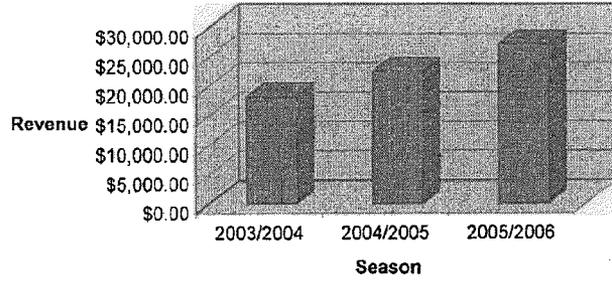
| Student | 2003/2004 | 2004/2005 | 2005/2006 (13210 Visits) |
|---------|-----------|-----------|--------------------------|
| | \$434,197 | \$452,582 | \$445,556 |

Student Total Revenue Comparison

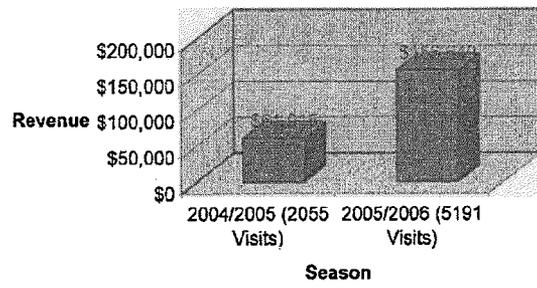


SDC
2003/2004 2004/2005 2005/2006
\$18,225.00 \$22,564.00 \$27,221.00

SDC Total Revenue Comparison



Bulk Total Revenue Comparison



mparison

■ 2004/2005 (6246 Visits)

■ 2005/2006 (5991 Visits)

| US Retail Products | 2004/2006 | | | | 2005/2006 | | | | 2006/2007 | | | | 2007/2008 | | | |
|--------------------------|-----------|-------------|----------|--------|-------------|----------|----------------|--------------|-----------|-------------|----------------|--------------|-----------|-------------|----------------|--------------|
| | Visits | Revenue | Yield | Visits | Revenue | Yield | Revenue Growth | Visit Growth | Revenue | Yield | Revenue Growth | Visit Growth | Revenue | Yield | Revenue Growth | Visit Growth |
| Adult 1 Day | 21,202 | \$920,901 | \$43.44 | 21,753 | \$991,896 | \$45.60 | 2% | 2% | 21,372 | \$851,298 | \$39.87 | -2% | 20,871 | \$779,107 | \$37.33 | -12% |
| Adult 2 Day | 657 | \$68,646 | \$104.34 | 1,063 | \$22,251 | \$21.03 | 17% | 17% | 1,825 | \$19,718 | \$10.81 | 80% | 2,302 | \$17,264 | \$7.49 | 43% |
| Adult 3 Day | 274 | \$4,712 | \$17.19 | 293 | \$9,950 | \$33.96 | 16% | 16% | 279 | \$9,750 | \$35.00 | -3% | 261 | \$7,322 | \$27.67 | -26% |
| Adult 4 Day | 50 | \$6,630 | \$132.60 | 76 | \$13,260 | \$174.47 | 9% | 9% | 73 | \$9,231 | \$126.44 | -3% | 83 | \$14,060 | \$168.69 | 16% |
| Adult 5 Day | 140 | \$7,403 | \$52.88 | 168 | \$15,954 | \$94.96 | 31% | 31% | 198 | \$11,130 | \$56.21 | 2% | 170 | \$7,366 | \$52.15 | -14% |
| Adult Zone | 1,444 | \$21,493 | \$14.88 | 1,948 | \$27,205 | \$14.02 | 22% | 22% | 1,927 | \$24,905 | \$12.92 | 0% | 1,716 | \$27,471 | \$15.99 | 19% |
| Adult VT 1 Day | 6,441 | \$21,193 | \$32.90 | 6,488 | \$19,432 | \$29.81 | 60% | 60% | 6,929 | \$49,846 | \$71.63 | 18% | 6,011 | \$42,071 | \$70.00 | -13% |
| Adult VT 2 Day | 2 | \$1,216 | \$608.00 | 63 | \$8,586 | \$136.29 | 182% | 182% | 118 | \$12,644 | \$106.65 | 87% | 222 | \$22,933 | \$103.30 | 87% |
| Adult VT 3 Day | 4 | \$353 | \$88.25 | 36 | \$4,493 | \$124.81 | 702% | 702% | 38 | \$3,643 | \$95.84 | 13% | 64 | \$7,852 | \$122.69 | 102% |
| Adult VT 5 Day | 14 | \$2,422 | \$172.87 | 34 | \$5,603 | \$164.79 | 143% | 143% | 69 | \$7,750 | \$112.17 | 0% | 96 | \$9,132 | \$95.23 | 2% |
| Adult Up-Grade | 11 | \$226 | \$20.55 | 15 | \$264 | \$17.60 | 36% | 36% | 1 | \$20 | \$20.00 | -100% | 18 | \$34 | \$18.89 | 1700% |
| Senior 2 Day | 751 | \$9,461 | \$12.60 | 618 | \$11,845 | \$19.17 | 5% | 5% | 784 | \$12,458 | \$16.03 | -10% | 536 | \$19,408 | \$36.21 | 50% |
| Senior 3 Day | 21 | \$476 | \$22.67 | 15 | \$435 | \$28.99 | 20% | 20% | 70 | \$1,039 | \$14.84 | 367% | 18 | \$681 | \$37.83 | 273% |
| Senior 4 Day | 4 | \$136 | \$34.00 | 6 | \$270 | \$45.00 | 60% | 60% | 7 | \$397 | \$56.71 | 17% | 9 | \$1,022 | \$113.56 | 189% |
| Senior 5 Day | 2 | \$81 | \$40.50 | 6 | \$489 | \$81.50 | 300% | 300% | 0 | \$0 | \$0.00 | -100% | 9 | \$446 | \$49.56 | N/A |
| Student | 10,486 | \$28,194 | \$27.76 | 9,514 | \$28,938 | \$30.52 | -5% | -5% | 5,995 | \$2,955 | \$49.29 | 37% | 6,917 | \$290,136 | \$42.10 | 18% |
| Student 2 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 422 | \$4,720 | \$11.19 | N/A | N/A | \$32,218 | \$75.91 | 1% |
| Student 3 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 38 | \$4,680 | \$122.63 | N/A | N/A | \$14,901 | \$392.37 | 246% |
| Student 4 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 38 | \$4,680 | \$122.63 | N/A | N/A | \$14,901 | \$392.37 | 246% |
| Student 5 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3 | \$200 | \$66.67 | N/A | N/A | \$5 | \$1.67 | 30% |
| Student 6 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 3 | \$200 | \$66.67 | N/A | N/A | \$5 | \$1.67 | 30% |
| Junior 1 Day | 5,073 | \$41,324 | \$81.48 | 3,705 | \$120,056 | \$32.42 | 6% | 6% | 3,126 | \$108,785 | \$34.80 | -10% | 4,582 | \$145,002 | \$31.64 | 46% |
| Junior 2 Day | 316 | \$12,521 | \$39.60 | 320 | \$21,725 | \$68.05 | 5% | 5% | 344 | \$13,059 | \$37.67 | 25% | 264 | \$23,957 | \$90.75 | 62% |
| Junior 3 Day | 44 | \$4,788 | \$108.82 | 52 | \$5,120 | \$117.69 | 10% | 10% | 65 | \$8,194 | \$126.05 | 4% | 58 | \$11,977 | \$206.85 | 41% |
| Junior 4 Day | 56 | \$6,882 | \$122.84 | 61 | \$6,080 | \$117.69 | 12% | 12% | 54 | \$6,800 | \$126.11 | 4% | 66 | \$9,721 | \$177.61 | 43% |
| Junior 5 Day | 791 | \$7,421 | \$9.38 | 615 | \$9,740 | \$15.84 | 2% | 2% | 646 | \$12,838 | \$19.72 | 4% | 721 | \$19,266 | \$26.72 | 43% |
| Junior Zone | 1,577 | \$46,644 | \$29.64 | 2,101 | \$56,126 | \$26.73 | 33% | 33% | 1,846 | \$12,838 | \$19.72 | 11% | 2,071 | \$19,266 | \$26.72 | 10% |
| Junior VT 1 Day | 28 | \$1,611 | \$57.54 | 155 | \$7,764 | \$50.09 | 454% | 454% | 339 | \$15,689 | \$46.28 | 119% | 232 | \$13,774 | \$59.37 | 37% |
| Junior VT 2 Day | 12 | \$960 | \$80.00 | 79 | \$6,900 | \$87.34 | 40% | 40% | 77 | \$5,820 | \$75.57 | 10% | 126 | \$10,600 | \$84.13 | 84% |
| Junior VT 3 Day | 4 | \$271 | \$67.75 | 20 | \$2,320 | \$116.00 | 400% | 400% | 28 | \$3,248 | \$116.00 | 69% | 30 | \$4,094 | \$136.47 | 26% |
| Junior VT 4 Day | 4 | \$1,478 | \$369.50 | 30 | \$4,050 | \$135.00 | 237% | 237% | 46 | \$6,128 | \$133.43 | 57% | 35 | \$4,603 | \$131.57 | 26% |
| Junior VT 5 Day | 485 | \$8,162 | \$16.73 | 1,000 | \$29,000 | \$29.00 | 107% | 107% | 900 | \$10,991 | \$12.21 | -100% | 699 | \$14,361 | \$20.40 | 27% |
| Junior Foundation | 0 | \$0 | \$0.00 | 12 | \$118 | \$9.83 | 0% | 0% | 0 | \$0 | \$0.00 | 0% | 0 | \$0 | \$0.00 | 0% |
| Junior Up-Grade | 1,219 | \$7,534 | \$6.18 | 688 | \$7,008 | \$10.19 | -27% | -27% | 768 | \$1,829 | \$2.38 | -15% | 828 | \$7,441 | \$9.10 | 5% |
| Toddler 1 Day | 22 | \$278 | \$12.64 | 30 | \$444 | \$14.80 | 15% | 15% | 18 | \$282 | \$15.67 | -25% | 48 | \$681 | \$14.40 | 15% |
| Toddler 2 Day | 13 | \$219 | \$16.85 | 7 | \$234 | \$33.43 | 56% | 56% | 16 | \$108 | \$6.75 | 33% | 11 | \$419 | \$38.09 | 37% |
| Toddler 3 Day | 5 | \$165 | \$33.00 | 4 | \$165 | \$41.25 | 200% | 200% | 5 | \$165 | \$41.25 | 0% | 6 | \$217 | \$43.40 | 18% |
| Toddler 4 Day | 4 | \$165 | \$41.25 | 4 | \$165 | \$41.25 | 0% | 0% | 4 | \$165 | \$41.25 | 0% | 6 | \$217 | \$43.40 | 18% |
| Toddler 5 Day | 4 | \$165 | \$41.25 | 4 | \$165 | \$41.25 | 0% | 0% | 4 | \$165 | \$41.25 | 0% | 6 | \$217 | \$43.40 | 18% |
| Total US Retail Products | 61,161 | \$1,331,343 | \$21.77 | 62,265 | \$1,651,488 | \$26.52 | 2% | 2% | 43,809 | \$1,788,927 | \$40.62 | -5% | 50,446 | \$2,274,556 | \$45.09 | 18% |

| CDN Retail Products | 2004/2006 | | | | 2005/2008 | | | | 2006/2007 | | | | 2007/2008 | | | | | |
|---------------------------|-----------|-----------|------------|--------------|----------------|----------|--------------|----------------|-----------|----------|-------|--------------|----------------|--------|-----------|-------|--------------|----------------|
| | Visits | Revenue | Yield | Visit Growth | Revenue Growth | Yield | Visit Growth | Revenue Growth | Visits | Revenue | Yield | Visit Growth | Revenue Growth | Visits | Revenue | Yield | Visit Growth | Revenue Growth |
| Adult 1 Day | 14,892 | \$422,224 | \$28.04 | 0.957 | \$518,168 | \$33.02 | -24% | 10,787 | \$362,419 | \$33.57 | 17% | 12% | 14% | 4,338 | \$154,177 | \$35 | -80% | -85% |
| Adult 2 Day | 174 | \$12,844 | \$74.02 | 277 | \$15,123 | \$86.93 | 17% | 612 | \$38,617 | \$63.13 | 15% | 12% | 12% | 274 | \$17,435 | \$63 | -89% | -85% |
| Adult 3 Day | 40 | \$4,428 | \$113.21 | 48 | \$5,160 | \$129.26 | 14% | 38 | \$5,041 | \$132.66 | 10% | -13% | 13% | 11 | \$2,435 | \$221 | -56% | -57% |
| Adult 4 Day | 1 | \$1,641 | \$1,641.00 | 17 | \$2,666 | \$156.80 | 69% | 8 | \$1,371 | \$171.38 | 50% | 163% | 227% | 7 | \$1,165 | \$166 | -89% | -90% |
| Adult 5 Day | 1 | \$2,561 | \$2,561.00 | 6 | \$1,032 | \$172.00 | 69% | 17 | \$3,323 | \$195.46 | 27% | 173% | 15% | 69 | \$1,826 | \$261 | -85% | -87% |
| Adult 6 Day | 210 | \$3,047 | \$14.51 | 205 | \$3,689 | \$17.60 | -2% | 182 | \$4,137 | \$22.73 | -17% | -17% | 15% | 69 | \$1,826 | \$261 | -85% | -87% |
| Adult Up-Grade | N/A | N/A | N/A | 0 | \$0.00 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Senior | 568 | \$5,486 | \$11.03 | 529 | \$0,398 | \$11.99 | N/A | 474 | \$1,309 | \$15.42 | 10% | 10% | 10% | 24 | \$34 | \$34 | N/A | N/A |
| Senior 2 Day | N/A | N/A | N/A | 5 | \$98 | \$19.20 | N/A | 28 | \$294 | \$10.50 | 46% | 46% | 41% | 6 | \$5 | \$5 | -100% | -100% |
| Senior 3 Day | N/A | N/A | N/A | 5 | \$98 | \$19.20 | N/A | 28 | \$294 | \$10.50 | 46% | 46% | 41% | 6 | \$5 | \$5 | -100% | -100% |
| Student | 4,879 | \$128,871 | \$26.42 | 3,695 | \$116,018 | \$31.45 | 11% | 2,783 | \$101,081 | \$36.21 | -25% | -25% | -14% | 1,186 | \$50,113 | \$42 | -81% | -83% |
| Student 2 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Student 3 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Student 4 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Student 5 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Student 6 Day | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Junior 1 Day | 3,704 | \$98,480 | \$26.58 | 2,511 | \$68,466 | \$27.26 | -29% | 1,863 | \$58,163 | \$31.23 | -18% | -18% | -13% | 925 | \$29,533 | \$32 | -50% | -55% |
| Junior 2 Day | 36 | \$7,831 | \$217.25 | 28 | \$2,232 | \$83.25 | 28% | 20 | \$2,576 | \$128.80 | 0% | 0% | 15% | 9 | \$294 | \$33 | -71% | -76% |
| Junior 3 Day | 17 | \$1,033 | \$60.76 | 13 | \$1,414 | \$108.77 | -24% | 5 | \$522 | \$104.40 | 0% | 0% | 17% | 0 | \$0 | \$0 | -100% | -100% |
| Junior 4 Day | 16 | \$1,034 | \$64.62 | 10 | \$1,280 | \$128.00 | -38% | 24 | \$3,491 | \$145.46 | 140% | 140% | 8% | 40 | \$542 | \$14 | -63% | -66% |
| Junior 5 Day | 121 | \$677 | \$5.64 | 195 | \$1,584 | \$13.09 | 39% | 107 | \$1,459 | \$13.64 | -35% | -35% | 0% | 0 | \$0 | \$0 | -100% | -100% |
| Junior 6 Day | N/A | N/A | N/A | 1 | \$8 | \$8.00 | N/A | 1 | \$8 | \$8.00 | 0% | 0% | 0% | 0 | \$0 | \$0 | -100% | -100% |
| Junior Up-Grade | 406 | \$1,483 | \$3.65 | 230 | \$1,458 | \$6.33 | 44% | 170 | \$1,391 | \$8.18 | 50% | 50% | 14% | 2 | \$18 | \$9 | 100% | 100% |
| Toddler 1 Day | N/A | N/A | N/A | 2 | \$28 | \$14.00 | N/A | 13 | \$108 | \$8.31 | -10% | -10% | -10% | 0 | \$0 | \$0 | -100% | -100% |
| Toddler 2 Day | N/A | N/A | N/A | 2 | \$28 | \$14.00 | N/A | 13 | \$108 | \$8.31 | -10% | -10% | -10% | 0 | \$0 | \$0 | -100% | -100% |
| Toddler 3 Day | N/A | N/A | N/A | 2 | \$28 | \$14.00 | N/A | 13 | \$108 | \$8.31 | -10% | -10% | -10% | 0 | \$0 | \$0 | -100% | -100% |
| Toddler 4 Day | N/A | N/A | N/A | 2 | \$28 | \$14.00 | N/A | 13 | \$108 | \$8.31 | -10% | -10% | -10% | 0 | \$0 | \$0 | -100% | -100% |
| Total CDN Retail Products | 24,045 | \$682,842 | \$28.40 | 17,512 | \$48,824 | \$2.84 | -28% | 11,486 | \$38,232 | \$33.30 | 1% | 1% | 3% | 7,972 | \$26,843 | \$34 | -38% | -37% |

| Comps | 2004/2005 | | 2005/2006 | | 2006/2007 | | 2007/2008 | |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--|
| | Visits | Visits | Visit Growth | Visits | Visit Growth | Visits | Visit Growth | |
| Administration | 952 | 540 | -43% | 445 | -18% | 613 | 63% | |
| Real Estate | 32 | 24 | -25% | 38 | 58% | 7 | -82% | |
| Operations Construction | 251 | 123 | -51% | 62 | -50% | 53 | -15% | |
| Operations Ski Patrol | 12 | 133 | 1008% | 213 | 80% | 236 | 11% | |
| Ski Shop | 27 | 20 | -26% | 35 | 75% | 0 | -100% | |
| Destination Sales | 123 | 83 | -33% | 11 | -87% | 23 | 109% | |
| Marketing Promotion | 2,026 | 2,507 | 24% | 2,898 | 16% | 2,681 | -7% | |
| Mktg. Special Events | 461 | 410 | -11% | 401 | -2% | 276 | -31% | |
| Marketing Media | 599 | 136 | -77% | 480 | 253% | 634 | 32% | |
| Faveur S.A.C. | 0 | 0 | 0% | 34 | 0% | 21 | -38% | |
| 5th Grade Passport | 60 | 86 | 43% | 86 | 0% | 86 | 0% | |
| VSAA Gold Card | 44 | 66 | 50% | 81 | 23% | 89 | 10% | |
| VSAA VIP | 556 | 696 | 25% | 594 | -15% | 761 | 28% | |
| NSAA Gold Medal | 11 | 10 | -9% | 26 | 160% | 11 | -68% | |
| VSAA Passport | 55 | 24 | -56% | 5 | -79% | 30 | 500% | |
| St. Albans Reporter | 64 | 12 | -81% | 68 | 467% | 178 | 162% | |
| SnoCountry | 57 | 86 | 51% | 70 | -19% | 103 | 47% | |
| Pelican | 33 | 35 | 6% | 46 | 31% | 47 | 2% | |
| VSAA 3/5 Pack | 82 | 231 | 182% | 136 | -41% | 271 | 99% | |
| Nesac Card | 20 | 31 | 55% | 20 | -35% | 16 | -20% | |
| Ski Shop VIP | 606 | 525 | -25% | 559 | 6% | 790 | 41% | |
| Descente | 19 | 15 | -21% | 21 | 40% | 13 | -38% | |
| Straight A Students | 334 | 232 | -31% | 321 | 38% | 210 | -35% | |
| FNDTN School Chap. | 499 | 487 | -2% | 485 | 0% | 537 | 11% | |
| Farmer Day | 340 | 267 | -21% | 0 | -100% | 321 | 100% | |
| Ski Reporters | 272 | 292 | 7% | 262 | -10% | 166 | -37% | |
| Emergency Service | 7 | 18 | 157% | 26 | 44% | 33 | 27% | |
| Recruit a Newbie | 115 | 116 | 1% | 31 | -73% | 64 | 106% | |
| Passport Free Ticket | 322 | 125 | -61% | 117 | -6% | 159 | 36% | |
| Family Club Toddler | 157 | 83 | -47% | 87 | 5% | 93 | 7% | |
| Snowcheck | 748 | 511 | -32% | 497 | -3% | 593 | 19% | |
| Shaw's | 0 | 192 | 100% | 248 | 29% | 302 | 22% | |
| Group 1/10 | 201 | 128 | -36% | 137 | 7% | 161 | 18% | |
| Group 1/20 | 244 | 235 | -4% | 164 | -30% | 126 | -23% | |
| Magazine Insert Comp | 0 | 0 | 0% | 182 | 0% | 0 | -100% | |
| Total Comps | 9,419 | 8,479 | -10% | 8,886 | 5% | 9,904 | 11% | |

| Condo/Destination | 2004/2005 | 2005/2006 | | 2006/2007 | | 2007/2008 | |
|--------------------------------|---------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | Visits | Visits | Visit Growth | Visits | Visit Growth | Visits | Visit Growth |
| Adult 1 Night | 150 | 88 | -41% | 219 | 149% | 351 | 160% |
| Adult 2 Night | 774 | 1,060 | 37% | 1,540 | 45% | 2,387 | 155% |
| Adult 3 Night | 3,061 | 3,383 | 11% | 3,885 | 15% | 5,672 | 146% |
| Adult 4 Night | 1,823 | 2,304 | 26% | 2,109 | -8% | 3,281 | 156% |
| Adult 5 Night | 844 | 1,102 | 31% | 980 | -11% | 1,958 | 200% |
| Adult 6 Night | 1,267 | 1,526 | 20% | 2,273 | 49% | 2,722 | 120% |
| Adult 7 Night | 824 | 468 | -43% | 439 | -6% | 816 | 186% |
| Junior 1 Night | 38 | 81 | 113% | 81 | 0% | 96 | 119% |
| Junior 2 Night | 176 | 228 | 30% | 409 | 79% | 472 | 115% |
| Junior 3 Night | 559 | 704 | 26% | 821 | 17% | 1,215 | 148% |
| Junior 4 Night | 832 | 879 | 6% | 774 | -12% | 1,298 | 168% |
| Junior 5 Night | 522 | 593 | 14% | 608 | 3% | 933 | 153% |
| Junior 6 Night | 760 | 690 | -9% | 853 | 24% | 1,112 | 130% |
| Junior 7 Night | 408 | 309 | -24% | 316 | 2% | 454 | 144% |
| Total Condo/Destination | 12,038 | 13,415 | 11% | 15,307 | 14% | 22,767 | 49% |

| Condo/Destination | 2004/2005 | 2005/2006 | | 2006/2007 | | 2007/2008 | |
|------------------------------|-----------|-----------|--------------|-----------|--------------|-----------|--------------|
| | Visits | Visits | Visit Growth | Visits | Visit Growth | Visits | Visit Growth |
| Total 4 through 7-Day Visits | 7,280 | 7,871 | 8% | 8,352 | 6% | 12,574 | 51% |

| Day Groups | 2004/2005 | | | | 2005/2006 | | | | 2006/2007 | | | | 2007/2008 | | | |
|------------------------|-----------|----------|----------|----------------|-----------|-----------|----------|----------------|-----------|-----------|----------|----------------|-----------|-----------|----------|----------------|
| | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth |
| Adult US 1 Day Direct | 516 | \$12,056 | \$23.16 | -12% | 478 | \$13,388 | \$28.01 | 7% | 323 | \$7,880 | \$23.60 | -23% | 778 | \$10,434 | \$24.95 | 141% |
| Adult US 2 Day Direct | 70 | \$4,120 | \$58.86 | 65% | 150 | \$7,676 | \$51.18 | 78% | 242 | \$5,242 | \$34.52 | -28% | 242 | \$11,213 | \$46.34 | 120% |
| Adult US 3 Day Direct | 49 | \$3,824 | \$78.04 | -48% | 72 | \$1,832 | \$25.44 | -51% | 78 | \$1,542 | \$19.77 | -36% | 12 | \$1,140 | \$27.85 | -57% |
| Adult US 4 Day Direct | 0 | \$0 | \$0.00 | -85% | 9 | \$48 | \$5.33 | -81% | 0 | \$0 | \$0.00 | -100% | 1 | \$15 | \$15.00 | N/A |
| Adult US 5 Day Direct | 54 | \$4,414 | \$81.74 | -87% | 317 | \$4,585 | \$14.43 | -82% | 68 | \$2,485 | \$36.24 | -59% | 265 | \$7,808 | \$29.72 | 212% |
| Adult US 6 Day Direct | 25 | \$1,177 | \$46.68 | -18% | 31 | \$3,527 | \$114.62 | -18% | 20 | \$887 | \$44.30 | -5% | 11 | \$623 | \$56.63 | -45% |
| Adult US 7 Day Direct | 8 | \$261 | \$32.63 | -100% | 0 | \$0 | \$0.00 | -100% | 3 | \$142 | \$47.27 | N/A | 0 | \$0 | \$0.00 | -100% |
| Adult US 8 Day Direct | 13 | \$1,549 | \$119.15 | -100% | 0 | \$0 | \$0.00 | -100% | 9 | \$349 | \$69.82 | N/A | 5 | \$402 | \$80.39 | 0% |
| Adult US 9 Day Direct | 0 | \$0 | \$0.00 | -100% | 0 | \$0 | \$0.00 | -100% | 0 | \$0 | \$0.00 | -100% | 0 | \$0 | \$0.00 | -100% |
| Adult US 10 Day Direct | 574 | \$10,694 | \$18.81 | -39% | 340 | \$7,811 | \$22.97 | -39% | 518 | \$12,658 | \$24.43 | -48% | 471 | \$11,140 | \$23.65 | -9% |
| Adult US 11 Day Direct | 5 | \$147 | \$29.44 | 60% | 38 | \$1,554 | \$40.86 | 60% | 0 | \$0 | \$0.00 | -100% | 63 | \$1,881 | \$29.85 | N/A |
| Adult US 12 Day Direct | 1,881 | \$25,242 | \$13.41 | -16% | 1,416 | \$27,209 | \$19.43 | -16% | 1,050 | \$22,648 | \$21.57 | -28% | 610 | \$17,892 | \$19.74 | -13% |
| Adult US 13 Day Direct | 156 | \$5,739 | \$36.79 | 187% | 447 | \$17,042 | \$38.13 | 187% | 802 | \$23,438 | \$34.93 | 35% | 138 | \$5,057 | \$36.64 | -77% |
| Adult US 14 Day Direct | N/A | N/A | N/A | N/A | 0 | \$0 | \$0.00 | N/A | 48 | \$2,642 | \$55.04 | -29% | 0 | \$0 | \$0.00 | -100% |
| Adult US 15 Day Direct | N/A | N/A | N/A | N/A | 23 | \$2,681 | \$117.00 | N/A | 0 | \$0 | \$0.00 | -100% | 0 | \$0 | \$0.00 | -100% |
| Adult US 16 Day Direct | N/A | N/A | N/A | N/A | 106 | \$1,816 | \$17.13 | 163% | 0 | \$0 | \$0.00 | -100% | 0 | \$0 | \$0.00 | -100% |
| Adult US 17 Day Direct | 15 | \$4,725 | \$315.00 | -100% | 4 | \$1,514 | \$378.50 | -100% | 0 | \$0 | \$0.00 | -100% | 0 | \$0 | \$0.00 | -100% |
| Adult US 18 Day Direct | 128 | \$18,620 | \$145.51 | -15% | 263 | \$18,293 | \$119.01 | -15% | 600 | \$18,672 | \$31.12 | -3% | 656 | \$15,855 | \$24.17 | -18% |
| Adult US 19 Day Direct | 20 | \$2,687 | \$134.35 | -52% | 20 | \$2,190 | \$109.50 | -52% | 63 | \$4,850 | \$77.14 | 1475% | 58 | \$5,968 | \$102.89 | 60% |
| Adult US 20 Day Direct | 68 | \$8,864 | \$129.91 | -58% | 27 | \$3,450 | \$127.78 | -58% | 57 | \$3,420 | \$59.82 | 5% | 61 | \$5,145 | \$101.75 | 65% |
| Adult US 21 Day Direct | 502 | \$13,229 | \$26.35 | -62% | 791 | \$5,307 | \$23.46 | -62% | 307 | \$7,770 | \$25.31 | 38% | 381 | \$10,822 | \$28.40 | 24% |
| Adult US 22 Day Direct | 85 | \$3,671 | \$43.07 | -77% | 69 | \$2,174 | \$31.64 | -77% | 43 | \$1,727 | \$40.17 | -31% | 24 | \$1,977 | \$82.38 | -44% |
| Adult US 23 Day Direct | 64 | \$3,601 | \$56.27 | -89% | 1 | \$7 | \$7.00 | -89% | 0 | \$0 | \$0.00 | -100% | 49 | \$5,647 | \$113.21 | 0% |
| Adult US 24 Day Direct | 0 | \$0 | \$0.00 | -100% | 45 | \$5,400 | \$120.00 | -100% | 0 | \$0 | \$0.00 | -100% | 0 | \$0 | \$0.00 | -100% |
| Adult US 25 Day Direct | 568 | \$3,242 | \$5.71 | -2% | 591 | \$2,114 | \$3.58 | -2% | 591 | \$2,114 | \$3.58 | 47% | 61 | \$1,721 | \$18.37 | -89% |
| Adult US 26 Day Direct | 47 | \$2,128 | \$45.28 | -100% | 0 | \$0 | \$0.00 | -100% | 2,263 | \$46,233 | \$20.43 | -20% | 2,171 | \$45,938 | \$20.82 | N/A |
| Adult US 27 Day Direct | 168 | \$3,170 | \$18.87 | -2% | 378 | \$6,178 | \$16.34 | -2% | 0 | \$0 | \$0.00 | -100% | 52 | \$1,298 | \$24.96 | -7% |
| Adult US 28 Day Direct | 0 | \$0 | \$0.00 | -100% | 31 | \$4,690 | \$150.97 | -100% | 31 | \$5,853 | \$189.45 | -100% | 31 | \$5,278 | \$169.94 | 14% |
| Adult US 29 Day Direct | N/A | N/A | N/A | N/A | 48 | \$1,059 | \$21.85 | -71% | 48 | \$1,059 | \$21.85 | -71% | 88 | \$1,008 | \$11.34 | 78% |
| Adult US 30 Day Direct | N/A | N/A | N/A | N/A | 255 | \$1,983 | \$7.77 | N/A | 255 | \$1,983 | \$7.77 | N/A | 85 | \$2,784 | \$32.76 | -97% |
| Adult US 31 Day Direct | N/A | N/A | N/A | N/A | 14 | \$260 | \$18.57 | N/A | 14 | \$260 | \$18.57 | N/A | 45 | \$1,671 | \$37.13 | 57% |
| Adult US 32 Day Direct | N/A | N/A | N/A | N/A | 105 | \$1,451 | \$13.82 | N/A | 105 | \$1,451 | \$13.82 | N/A | 68 | \$2,205 | \$32.59 | 52% |
| Adult US 33 Day Direct | N/A | N/A | N/A | N/A | 8,445 | \$330,763 | \$39.17 | 1% | 8,445 | \$330,763 | \$39.17 | -10% | 7,639 | \$210,307 | \$27.53 | -37% |

| Foundation School Visits | 2006/2005 | | | | 2005/2004 | | | | 2004/2003 | | | | 2003/2002 | | | | 2002/2001 | | | | |
|----------------------------------|-----------|----------|---------|----------------|-----------|----------|---------|----------------|-----------|----------|---------|----------------|-----------|----------|---------|----------------|-----------|----------|---------|----------------|-----|
| | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth | |
| St. Vincent's | 2,169 | \$22,470 | \$8.29 | 3% | 2,145 | \$23,180 | \$8.76 | 3% | 2,217 | \$16,850 | \$5.37 | -15% | 2,648 | \$22,320 | \$8 | 15% | 2,026 | \$18,464 | \$7.14 | 14% | |
| St. Joseph's | 753 | \$5,024 | \$6.67 | 10% | 676 | \$6,078 | \$8.99 | 14% | 700 | \$5,072 | \$7.25 | -14% | 808 | \$6,464 | \$8 | 15% | 743 | \$5,472 | \$7.37 | 14% | |
| St. Ignace | 615 | \$9,240 | \$15.00 | 2% | 627 | \$9,400 | \$15.00 | 2% | 540 | \$5,776 | \$10.70 | -14% | 524 | \$6,175 | \$11.78 | 2% | 494 | \$4,431 | \$9 | 6% | |
| Non-Foundation School via Remits | | | | | | | | | 43 | \$802 | \$18.43 | N/A | N/A | 73 | \$1,008 | \$14 | 70% | 67% | \$1,008 | \$15 | 67% |
| Total Foundation School Visits | 4,039 | \$37,734 | | 1% | 4,068 | \$39,485 | | 5% | 3,590 | \$34,461 | | -12% | 4,229 | \$40,388 | \$10 | 18% | 3,274 | \$35,477 | \$11 | 17% | |

| Beginner Packages | 2004/2005 | | | | 2005/2006 | | | | 2006/2007 | | | | 2007/2008 | | | |
|-------------------------|-------------|-------------|-------------|----------------|-----------|----------|----------|----------------|-----------|---------|----------|----------------|-----------|----------|----------|----------------|
| | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth | Visits | Revenue | Yield | Revenue Growth |
| US Beginner 1 Day LTR | 310 | \$11,205 | \$35.18 | 5% | 332 | \$14,852 | \$44.73 | 33% | 29 | \$1,673 | \$48.07 | 26% | 11 | \$56.27 | \$56.27 | 85% |
| US Beginner 1 Day LTR | inc. in LTR | inc. in LTR | inc. in LTR | inc. in LTR | 210 | \$9,257 | \$44.06 | 0% | 122 | \$5,242 | \$41.88 | -22% | 352 | \$18,693 | \$56.27 | 185% |
| CDN Beginner 1 Day LTR | 36 | \$7,491 | \$42.31 | -40% | 57 | \$3,057 | \$53.63 | -57% | 57 | \$3,057 | \$53.63 | 307% | 0 | \$0.00 | \$0.00 | 100% |
| CDN Beginner 1 Day LTR | inc. in LTR | inc. in LTR | inc. in LTR | inc. in LTR | 9 | \$425 | \$47.20 | N/A | 6 | \$269 | \$53.60 | -44% | 0 | \$0.00 | \$0.00 | -100% |
| US Beginner 3-Sess LTR | N/A | N/A | N/A | N/A | 77 | \$10,369 | \$134.65 | N/A | 52 | \$5,009 | \$154.46 | -55% | 43 | \$9,248 | \$151.77 | 23% |
| US Beginner 3-Sess LTR | inc. in LTR | inc. in LTR | inc. in LTR | inc. in LTR | 41 | \$5,698 | \$139.00 | N/A | 19 | \$2,644 | \$169.00 | -61% | 62 | \$7,248 | \$141.93 | 185% |
| CDN Beginner 3-Sess LTR | N/A | N/A | N/A | N/A | 1 | \$195 | \$0.00 | N/A | 1 | \$143 | \$144.56 | N/A | 0 | \$0.00 | \$0.00 | -100% |
| CDN Beginner 3-Sess LTR | inc. in LTR | inc. in LTR | inc. in LTR | inc. in LTR | 2 | \$270 | \$135.00 | N/A | 2 | \$268 | \$144.50 | N/A | 0 | \$0.00 | \$0.00 | -100% |
| Total Beginner Packages | 384 | \$12,686 | | 84% | 688 | \$41,627 | | 228% | 48 | \$9,924 | | -25% | 825 | \$63,202 | | 51% |

SCHEDULE 3.28 b)

SKI PASSES

See attached.

JAY PEAK
 SEASON PASS ANALYSIS
 FROM 08/01/2007 THRU 01/27/2008

SCHEDULE 2.3 a)

| Category | Description | CURRENT | | COMPARATIVE | | DIFFERENCE | |
|---------------------|--------------------------|------------------|----------------|-----------------|----------------|------------------|----------------|
| | | # | \$ | # | \$ | # | \$ |
| PASSECASIE | SEASONAL LOCKER US | 54 | \$6,439 | 63 | \$7,726 | (9) | (\$1,287) |
| | SEASONAL LOCKER CDN | 9 | \$1,104 | 4 | \$618 | 5 | \$486 |
| | Sous-Total | 63 | \$7,542 | 67 | \$8,344 | (4) | (\$802) |
| PASSECND | ADULT ALL ACCESS (13-54) | 13 | \$5,052 | 40 | \$12,708 | (27) | (\$7,656) |
| | ADULT Jay Only (18-54) | 8 | \$4,158 | 0 | \$0 | 8 | \$4,158 |
| | MID-WEEK | 9 | \$2,871 | 14 | \$4,534 | (5) | (\$1,663) |
| | SENIOR (55-69) | 4 | \$1,836 | 9 | \$4,284 | (5) | (\$2,448) |
| | SENIOR Jay Only (70+) | 15 | \$2,415 | 0 | \$0 | 15 | \$2,415 |
| | SENIOR Jay Only(55-69) | 30 | \$12,107 | 0 | \$0 | 30 | \$12,107 |
| | STUDENT Jay Only (18-25) | 184 | \$38,058 | 0 | \$0 | 184 | \$38,058 |
| | BIG PASS (6-25) CND | 120 | \$30,631 | 140 | \$25,838 | (20) | \$4,793 |
| | JUNIOR Jay Only (6-17) | 7 | \$1,793 | 0 | \$0 | 7 | \$1,793 |
| | FAMILY ADULT (18+) | 6 | \$3,574 | 10 | \$4,783 | (4) | (\$1,209) |
| | FAMILY (6-17) | 6 | \$1,418 | 16 | \$3,547 | (10) | (\$2,129) |
| | COUPLE Jay Only | 10 | \$5,145 | 0 | \$0 | 10 | \$5,145 |
| | FAMILY ADULT Jay Only | 16 | \$8,544 | 0 | \$0 | 16 | \$8,544 |
| | FAMILY Jay Only(5-UNDER) | 3 | \$387 | 0 | \$0 | 3 | \$387 |
| | FAMILY Jay Only(6-17) | 19 | \$4,211 | 0 | \$0 | 19 | \$4,211 |
| | PASS MSS CDN | 0 | \$0 | 21 | \$0 | (21) | \$0 |
| | ZONE PASS Jay only | 0 | \$0 | 0 | \$0 | 0 | \$0 |
| | SENIOR (60-69) | 0 | \$0 | 24 | \$9,333 | (24) | (\$9,333) |
| | SENIOR (70+) | 0 | \$0 | 19 | \$2,919 | (19) | (\$2,919) |
| | JUNIOR 6 - 17 CDN | 0 | \$0 | 4 | \$797 | (4) | (\$797) |
| | CHILD (5-UNDER) | 0 | \$0 | 1 | \$0 | (1) | \$0 |
| | COUPLE | 0 | \$0 | 8 | \$4,441 | (8) | (\$4,441) |
| Sous-Total | 450 | \$122,199 | 306 | \$73,184 | 144 | \$49,015 | |
| PASSEEMPL | ADULT | 135 | \$569 | 109 | \$0 | 26 | \$569 |
| | STUDENT (6-21) | 194 | \$285 | 164 | \$229 | 30 | \$56 |
| | TODDLER | 37 | \$70 | 29 | \$0 | 8 | \$70 |
| | STAFF MANAGER | 27 | \$0 | 0 | \$0 | 27 | \$0 |
| | STAFF FULL TIME | 39 | \$0 | 60 | \$0 | (21) | \$0 |
| | STAFF WINTER FULL TIME | 284 | \$0 | 193 | \$0 | 91 | \$0 |
| | STAFF WINTER PART TIME | 210 | \$0 | 219 | \$0 | (9) | \$0 |
| | Sous-Total | 926 | \$923 | 774 | \$229 | 152 | \$694 |
| | PASSEGRP | BROTHERS GROUP | 154 | \$45,448 | 0 | \$0 | 154 |
| PARE GROUP | | 16 | \$7,984 | 0 | \$0 | 16 | \$7,984 |
| TEPPER-ADULT | | 40 | \$17,822 | 0 | \$0 | 40 | \$17,822 |
| NC SKI CLUB-ADULT | | 40 | \$9,160 | 0 | \$0 | 40 | \$9,160 |
| SENECAL -ADULT | | 12 | \$4,188 | 0 | \$0 | 12 | \$4,188 |
| IBM -ADULT | | 22 | \$8,778 | 0 | \$0 | 22 | \$8,778 |
| CRAFTSBURY -ADULT | | 5 | \$1,995 | 0 | \$0 | 5 | \$1,995 |
| GEHM -ADULT | | 30 | \$10,470 | 0 | \$0 | 30 | \$10,470 |
| TEPPER-JUNIOR | | 3 | \$597 | 0 | \$0 | 3 | \$597 |
| NC SKI CLUB -JUNIOR | | 10 | \$1,990 | 0 | \$0 | 10 | \$1,990 |
| IBM -JUNIOR | | 4 | \$796 | 0 | \$0 | 4 | \$796 |
| CRAFTSBURY -JUNIOR | | 4 | \$796 | 0 | \$0 | 4 | \$796 |
| Sous-Total | 340 | \$110,024 | 0 | \$0 | 340 | \$110,024 | |
| PASSEREG | ADULT Jay Only (18-54) | 308 | \$114,014 | 408 | \$124,520 | (100) | (\$10,606) |
| | ADULT All Access (18-54) | 29 | \$6,610 | 9 | \$2,016 | 20 | \$4,594 |
| | VIP GROUP All access | 10 | \$0 | 0 | \$0 | 10 | \$0 |
| | VIP GROUP Jay only | 7 | \$0 | 1 | \$0 | 6 | \$0 |
| | BEGINNER ZONE PASS | 49 | \$3,041 | 41 | \$3,614 | 8 | (\$573) |
| | MID-WEEK All Access | 103 | \$31,600 | 2 | \$638 | 101 | \$30,962 |
| | SENIOR Jay Only(55-89) | 150 | \$57,873 | 69 | \$26,534 | 81 | \$31,339 |

| | | | | | | |
|---------------------------|-------------|------------------|-------------|------------------|-------------|-----------------|
| SENIOR Jay Only (70+) | 35 | \$4,414 | 31 | \$3,427 | 4 | \$987 |
| SENIOR All Access(55-69) | 5 | \$998 | 5 | \$2,365 | 0 | (\$1,367) |
| SENIOR All Access(70+) | 2 | \$498 | 0 | \$0 | 2 | \$498 |
| TRIPLE MJR College US | 1816 | \$471,709 | 1730 | \$369,561 | 86 | \$102,148 |
| JUNIOR Jay Only (6-17) | 289 | \$48,626 | 307 | \$48,424 | (18) | \$202 |
| JUNIOR All Access(6-17) | 12 | \$2,312 | 10 | \$2,391 | 2 | (\$79) |
| CHILD Jay Only(5 UNDER) | 9 | \$657 | 12 | \$1,208 | (3) | (\$551) |
| CORPORATE Jay Only | 72 | \$2,498 | 47 | \$6,814 | 25 | (\$4,316) |
| CORPORATE All Access | 3 | \$1,299 | 1 | \$969 | 2 | \$330 |
| COUPLE Jay Only | 144 | \$71,767 | 188 | \$89,777 | (44) | (\$18,010) |
| FAMILY ADULT Jay Only | 216 | \$86,348 | 254 | \$92,331 | (38) | (\$5,983) |
| FAMILY Jay Only(6-17) | 256 | \$51,673 | 255 | \$40,045 | 1 | \$11,628 |
| FAMILY Jay Only(5-UNDER) | 21 | \$1,737 | 34 | \$2,944 | (13) | (\$1,207) |
| FAMILY ADULT All Access | 8 | \$4,818 | 17 | \$6,758 | (9) | (\$1,941) |
| FAMILY All Access(6-17) | 10 | \$2,605 | 24 | \$4,752 | (14) | (\$2,147) |
| MID-WEEK Jay only | 0 | \$0 | 107 | \$30,923 | (107) | (\$30,923) |
| SENIOR Jay only(60-69) | 0 | \$0 | 74 | \$21,641 | (74) | (\$21,641) |
| SENIOR All access(55-69) | 0 | \$0 | 5 | \$1,945 | (5) | (\$1,945) |
| COUPLE All Access | 0 | \$0 | 4 | \$2,218 | (4) | (\$2,218) |
| FAMILY All access(5-) | 0 | \$0 | 1 | \$0 | (1) | \$0 |
| Sous-Total | 3554 | \$965,096 | 3626 | \$885,915 | (72) | \$79,181 |

| | | | | | | |
|--------------|-------------|--------------------|-------------|------------------|------------|------------------|
| Total | 5333 | \$1,205,785 | 4773 | \$967,672 | 560 | \$238,113 |
|--------------|-------------|--------------------|-------------|------------------|------------|------------------|

46% Revenus From Nov,20 thru Jan 27, 2008 \$554,661
54% Revenus From Jan,28 thru April 2008 \$651,124

MSSI (CND \$- WEBSITE)
SEASON PASS ANALYSIS
FROM 08/01/2007 THRU 01/27/2008

SCHEDULE 2.3 a)

| Catégorie | Description | CURRENT | | COMPARATIVE | | DIFFERENCE | |
|--------------|---------------------------|------------|------------------|-------------|------------------|------------|------------------|
| | | # | \$ | # | \$ | # | \$ |
| PASSEJAY | ADULT All Access (13-54) | 6 | \$4,194 | 16 | \$11,184 | (10) | (\$6,990) |
| | ADULT Jay Only (18-54) | 12 | \$6,918 | 0 | \$0 | 12 | \$6,918 |
| | MID-WEEK | 11 | \$3,509 | 10 | \$3,590 | 1 | (\$81) |
| | SENIOR All Access (55-69) | 12 | \$5,628 | 12 | \$7,068 | 0 | (\$1,440) |
| | SENIOR All Access (70+) | 1 | \$249 | 0 | \$0 | 1 | \$249 |
| | SENIOR Jay Only(55-69) | 24 | \$9,816 | 0 | \$0 | 24 | \$9,816 |
| | STUDENT Jay Only (18-25) | 70 | \$16,290 | 0 | \$0 | 70 | \$16,290 |
| | BIG PASS (18-25) | 77 | \$22,253 | 127 | \$35,433 | (50) | (\$13,180) |
| | JUNIOR All Access(6-17) | 5 | \$1,445 | 6 | \$1,674 | (1) | (\$229) |
| | JUNIOR Jay Only (6-17) | 4 | \$996 | 0 | \$0 | 4 | \$996 |
| | FAMILY Jay Only(5-UNDER) | 1 | \$129 | 0 | \$0 | 1 | \$129 |
| | COUPLE All Access | 2 | \$1,258 | 26 | \$16,107 | (24) | (\$14,849) |
| | FAMILY ADULT All Access | 3 | \$1,887 | 27 | \$16,833 | (24) | (\$14,946) |
| | COUPLE Jay Only | 24 | \$12,448 | 0 | \$0 | 24 | \$12,448 |
| | FAMILY ADULT Jay Only | 19 | \$10,291 | 0 | \$0 | 19 | \$10,291 |
| | FAMILY (6-17) | 7 | \$1,963 | 29 | \$7,831 | (22) | (\$5,868) |
| | FAMILY Jay Only(6-17) | 22 | \$5,138 | 0 | \$0 | 22 | \$5,138 |
| | SENIOR (60-69) | 0 | \$0 | 20 | \$8,580 | (20) | (\$8,580) |
| | SENIOR JAY ONLY (70+) | 0 | \$0 | 1 | \$169 | (1) | (\$169) |
| | CHILD All Access(5-UNDER) | 0 | \$0 | 1 | \$179 | (1) | (\$179) |
| | Sous-Total | 300 | \$104,412 | 275 | \$108,648 | 25 | (\$4,236) |
| PASSEREG | PASSE ADULTE MSS | 0 | \$0 | 1 | \$699 | (1) | (\$699) |
| | ETUDIANT 6-25 ans | 0 | \$0 | 1 | \$279 | (1) | (\$279) |
| | Sous-Total | 0 | \$0 | 2 | \$978 | (2) | (\$978) |
| Total | | 300 | \$104,412 | 277 | \$109,626 | 23 | (\$5,214) |

46% Revenus From Nov,20 thru Jan 27, 2008 \$48,030
54% Revenus From Jan,28 thru April 2008 \$56,382

1.007 Cnd rate as of Jan.27

| | |
|---------------|--------------------|
| TOTAL TO MSSI | \$603,027 |
| | \$707,901 |
| | \$1,310,928 |

JAY PEAK INC.
HOLDERS OF SKI PASSES
DURATION GREATER THAN ONE YEAR

A- DEBENTURES

| | | <u>Number</u> | <u>Amount</u> |
|----------------|---|---------------|---------------|
| ADM,ÉDOUARD | 9, rue Gélinas | Série V | 6,500.00 \$ |
| ADM,KARIM | Chomedey(Québec) H7M 3J2 | Série V | 6,500.00 \$ |
| GIONET,RAYMOND | 3735 Réal Béland # 6 Boisbriand (Québec) J7H 1J7 | Série V | 6,500.00 \$ |
| SINCLAIR,MARY | 200, ave des Sommets, app. 1801 Verdun (Québec) H3E 2B4 | Série V | 6,500.00 \$ |

B- CONDO OWNERS

V442 - Francois Gaouette & Martin Roberge (SKI 10 years 4 adults & 6 junior & GOLF 4 01
V447 - Caroline Laliberte & Jean-Denis Roy (SKI 10 years 4 adults & 6 junior & GOLF 4 01
V453 - Andrew & Susan Townsend (SKI 10 years owner & family GOLF 2 adults/10

C- MSSI SHAREHOLDERS

Schedule 3.28 b)

Expiration

November 2009
November 2009

November 2009

November 2009

100\$/ 10 years)
100\$/ 10 years)
years)

SCHEDULE 3.29 a)

TRAM AND SKI LIFT INCIDENT

On February 29, 2008, there was a downhill accident involving a 13-year-old female, Sophie Thibaudeau from Montréal. She was skiing on an open trail and lost control, hit a tree and was fatally injured. Post accident investigation showed no Jay Peak liability. The family of the deceased have 1 year from the time of the accident to make a claim against Jay Peak, Inc.

SCHEDULE 3.29 b)

TRAM AND SKI LIFT DEFECTS

N/A

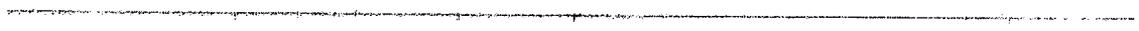
SCHEDULE 8.6

TRADE NAMES AND LOGOS

See attached.

SCHEDULE 8.6
LOGOS & TRADEMARKS





B

EXHIBIT B

B

JAY PEAK INC.

| ASSETS | As per Term sheet January 2008 signed - March 2008 | June 2008 |
|---|---|--------------------------|
| Current Assets | | |
| Account receivable | 1 358 824 | 1 014 055 |
| Inventories | 709 422 | 453 438 |
| Proprieties held for the sale | 1 151 130 | 961 077 |
| Construction in progress - proprieties | 1 187 705 | 754 330 |
| Prepaid expenses | 1 074 879 | 399 034 |
| | <u>5 481 960</u> | <u>3 581 934</u> |
| Long term Assets | | |
| Transferred plus value to Jay Peak | 9 989 280 | 9 989 280 |
| Fixed Assets | 13 510 720 | 13 469 062 |
| | <u>23 500 000</u> | <u>23 458 342</u> |
| Total Assets | <u><u>28 981 960</u></u> | <u><u>27 040 276</u></u> |
| LIABILITIES AND STOCKHOLDER'S | | |
| Current liabilities | | |
| MSSI- Bank operation | 442 480 | 1 957 981 |
| MSSI -Construction margin | 858 882 | 554 084 |
| Due by MSSI | - | (301 000) |
| Due to MSSI | <u>1 301 362</u> | <u>2 211 065</u> |
| Account payable and accrued liabilities | 4 206 319 | 1 492 267 |
| | <u>5 507 681</u> | <u>3 703 331</u> |
| Long term liabilities | | |
| Long- term debt | 9 164 692 | 8 539 741 |
| Less negotiated long term debt | (664 692) | (664 692) |
| | <u>8 500 000</u> | <u>7 875 049</u> |
| Stockholder's equity | | |
| Capital stock | 14 974 279 | 14 974 279 |
| Profit for the period - January 28 to June 22, 2008 | - | 487 616 |
| | <u>14 974 279</u> | <u>15 461 895</u> |
| Total liabilities and stockholder's | <u><u>28 981 960</u></u> | <u><u>27 040 276</u></u> |

NON OPERATING CASH OUTLAYS - Jan. 28 to June 22, 2008

Monthly repayments of long term debt: 624,950\$

Capital expenditures/ addition to fixed assets: 490,405\$

| | Cash Adjustment |
|--|---------------------------|
| Purchase Price | 23 500 000 \$ |
| Adjustment at Closing | 2 211 065 \$ |
| <u>Less payments and assumptions</u> | |
| Chittenden bank A) | (2 630 236) \$ |
| US debt assumptions B) | (3 171 945) \$ |
| Payment by Qresorts C) | (20 500 000) \$ |
| | <u>(591 116) \$</u> |
| Repayment of HSBC leasing D) | 552 143 \$ |
| Payment- Management fees E) | 150 750 \$ |
| Interest on mortgage to MSSI F) | 69 046 \$ |
| Legal fees - golf fines Devine, Millimett & Branch G) | (192 376) \$ |
| BALANCE DUE BY PURCHASER Sept.2' | <u>(11 554) \$</u> |

EXHIBIT C

C

JAY PEAK HOTEL SUITE LLP
JAY PEAK DIVISION
Investors

| 2006-2007 | | Hotel Suites | | |
|-----------------------|-------------|--|--|--|
| Period | Name | Minority Interest 15-0101-101000 | Incorporation 15-0102-600103 | Minority Interest 15-0800-930100 |
| 12 | Goulding | 500,000.00 | 50,000.00 | 550,000.00 |
| | Korda | 500,000.00 | 50,000.00 | 550,000.00 |
| | Razzaq | 500,000.00 | 50,000.00 | 550,000.00 |
| | Waters | 500,000.00 | 50,000.00 | 550,000.00 |
| | Koneru | 500,000.00 | 50,000.00 | 550,000.00 |
| April 30, 2007 | | 2,500,000.00 | 250,000.00 | 2,750,000.00 |

| 2007-2008 | | Hotel Suites | | |
|-------------------------|--------------|--|--|--|
| Period | Name | Minority Interest 15-0101-101000 | Incorporation 15-0102-600103 | Minority Interest 15-0800-930100 |
| 2 | Mann | 500,000.00 | 50,000.00 | 550,000.00 |
| | Darchiville | 500,000.00 | 50,000.00 | 550,000.00 |
| 3 | Sutton | 500,000.00 | 50,000.00 | 550,000.00 |
| 4 | Cason | 500,000.00 | 50,000.00 | 550,000.00 |
| 5 | Faldo | 500,000.00 | 50,000.00 | 550,000.00 |
| | Khabbazi | 500,000.00 | 50,000.00 | 550,000.00 |
| | Connors | 500,000.00 | 50,000.00 | 550,000.00 |
| | Hobden I-526 | 500,000.00 | 50,000.00 | 550,000.00 |
| January 27, 2008 | | 4,000,000.00 | 400,000.00 | 4,400,000.00 |

TOTAL as of Jan.27, 2008 **6,500,000.00** **650,000.00** **7,150,000.00**

| | |
|-------------------------------|--------------|
| Sale Price / Investor | 51 428.57\$ |
| Cost Price / Investor | 12 570.00\$ |
| Legal fees / Investor | 4 410.28\$ |
| Incorporation fees / Investor | 50 000.00\$ |
| Minority interest / Investor | 500 000.00\$ |

EXHIBIT D

D

JAY PEAK

Due to affiliates

1/27/2008

\$ US

| | | <u>2008</u> |
|---------------|---|------------------|
| 8-0502-850100 | Interco - Mont Saint-Sauveur International inc. | 8,118,420 |
| 8-0502-850200 | Interco - Saint-Sauveur Valley resorts inc. | -2,121,388 |
| 8-0502-850300 | Interco - Condominiums Mont Saint-Sauveur inc. | 174,581 |
| 8-0502-850700 | Interco - Water World Hot Springs ltd | -1,292 |
| 8-0502-850900 | Interco - Jay Peak Hotel Suite LLP | 0 |
| | | <u>6,170,322</u> |