UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): February 27, 2006

Vail Resorts, Inc.
(Exact name of registrant as specified in its charter)

Delaware	1-9614	51-0291762
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

137 Benchmark Road Avon, Colorado	81620
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (970) 845-2500

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:
[ ] Written communications pursuant to Rule 425 under the Securities Act
[ ] Soliciting materials pursuant to Rule 14a-12 under the Exchange Act
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Item 1.01. Entry into a Material Definitive Agreement.

Appointment of Chief Executive Officer

On February 28, 2006, Vail Resorts, Inc. (the "Company") announced that Robert A. Katz had been named the Company's new chief executive officer, effective immediately. In addition, in connection with Mr. Katz's appointment, the Company announced that former chief executive officer Adam Aron had relinquished his positions as chief executive officer and chairman of the Company's board of directors. A copy of the press release announcing Mr. Katz's appointment as chief executive officer is attached as Exhibit 99.1 to this current report.

In connection with the Company's appointment of Mr. Katz as chief executive officer, the Company and Mr. Katz entered into an employment agreement, dated as of February 28, 2006, which provides for the following:

- a starting base salary of $815,000 annually
- a target bonus of 80% of base salary
- a grant of 30,000 shares of restricted stock of the Company which shall vest in equal monthly installments over a period of three years
- a grant of 300,000 stock-settled stock appreciation rights with a ten year term which shall vest in equal monthly installments over a period of three years
- a payment of $69,917 for services performed by Mr. Katz prior to the effective date of the agreement.

In the event of a change of control of the Company (as defined in the agreement), all of Mr. Katz's rights with respect to stock appreciation rights and restricted shares will vest immediately. In addition, upon either his termination following a change of control or a termination by the Company without cause, or by Mr. Katz for good reason, Mr. Katz is entitled to receive certain benefits. Such benefits include (i) payment of Mr. Katz's then current base salary through his final date of employment and for a period of twenty-four months thereafter (or through the end of the remaining term of the agreement, if greater), (ii) a prorated bonus (provided that performance targets are met) for the portion of the year in which the termination occurs and (ii) immediate vesting of all stock appreciation rights and restricted shares. Mr. Katz is also entitled to certain benefits upon termination of his employment as a result of death or disability. In addition, Mr. Katz is entitled to annual membership in any clubs owned or managed by the Company and certain ski related privileges for him and his immediate family. The agreement also provides for gross-up payments to Mr. Katz for the amount, if any, that "golden parachute" excise taxes imposed on him are increased due to his prior service as a non-employee director of the Company. Mr. Katz is subject to a 24-month non-compete clause upon termination.

The foregoing description of Mr. Katz's employment agreement is qualified in its entirety by reference to the agreement attached as Exhibit 10.1 to this current report.

In connection with the appointment of Mr. Katz as chief executive officer, on February 27, 2006, the Company entered into a separation agreement with Mr. Aron. Pursuant to the separation agreement, the Company will pay Mr. Aron full payment of any amounts owing to him in respect of his base salary for services rendered through February 27, 2006 on March 3, 2006. In addition, Mr. Aron will receive $1,508,795 on August 31, 2006 and $1,141,000 on September 20, 2006. The separation agreement also contains a mutual release and waiver by both parties for matters pertaining to or arising out of Mr. Aron's employment. In connection with the separation agreement, Mr. Aron's employment agreement was terminated.

The foregoing description of Mr. Aron's separation agreement is qualified in its entirety by reference to the agreement attached as Exhibit 10.2 to this current report.

Amendment of Credit Facility

On March 2, 2006, The Vail Corporation ("Vail Corp."), a wholly-owned subsidiary of the Company, entered into an amendment (the "Amendment") of its existing Fourth Amended and Restated Credit Agreement ("Credit Agreement") between Vail Corp., Bank of America, N.A., as administrative agent, U.S. Bank National Association and Wells Fargo Bank, National Association as co-syndication agents, Deutsche Bank Trust Company Americas and LaSalle Bank National Association as Co-Documentation Agents and the Lenders party thereto.

The Amendment aligns the covenant on Distributions under and as defined in the Credit Agreement with the limitation on Restricted Payments under and as defined in the indenture governing the Company's
6 ¾% Senior Subordinated Notes due 2014.

The foregoing description of the Amendment is qualified in its entirety by reference to the Amendment, which is attached as Exhibit 10.3 to this current report.

Adoption of Restricted Stock Award and Stock Option Agreements

The Company has adopted a form of Restricted Stock Award Agreement and a form of Stock Option Agreement to be used in connection with grants of restricted stock and stock options under the Company's incentive plans. The restricted stock and stock option award agreements are attached as Exhibits 10.4 and 10.5 to this current report. Each of these agreements may be used for future grants of stock options and restricted stock to the Company's employees.

On March 2, 2006 the Company and Jeffrey Jones, the Company's chief financial officer, signed a restricted share agreement and a stock option letter relating to the Company's previously disclosed grant on September 30, 2005 of 40,000 shares of restricted stock and 100,000 stock options to Mr. Jones. Mr. Jones' agreements are substantially similar to the form of restricted stock award agreement and form of stock option agreement recently adopted by the Company for all of its employees except that, as disclosed to Mr. Jones on the grant date, Mr. Jones' agreements provide that his stock options and shares of restricted stock all vest on the third anniversary of the grant as opposed to vesting in one-third annual increments. However, if Mr. Jones is terminated without cause or terminates his employment for good reason prior to the third anniversary of the grant, his options and restricted stock awards will accelerate such that he will become vested in the grants in one-third annual increments. In addition, Mr. Jones' agreements provide for the automatic vesting of all his stock options and shares of restricted stock in the event of a change in control (as defined in the agreements) unless (i) there is no control party (as defined in the agreements) with respect to the Company after the change in control and Mr. Jones remains as the chief financial officer of the Company, or (ii) there is a publicly traded control party with respect to the Company after the change in control and Mr. Jones is the chief financial officer of such control party. Mr. Jones' restricted stock and stock option award agreements are attached as Exhibits 10.6 and 10.7 to this current report.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On February 28, 2006, the Company announced the appointment of Robert A. Katz as the Company's chief executive officer, as described under Item 1.01 above, which description, along with the description of Mr. Katz's employment agreement, is incorporated by reference into this Item 5.02.

Mr. Katz, 39, was appointed a director of the Company in June 1996 and, until his appointment as chief executive officer, had been designated by the Board as the Lead Director and had served as a member of the Company's compensation and audit committees. Since 1990, Mr. Katz has been associated in various capacities including as a Senior Partner of Apollo Management, L.P. Mr. Katz is a director and member of the compensation committee of iPCS, Inc.

As previously disclosed by the Company, in fiscal 2005, the Company paid a fee of $83,000 to Apollo Advisors, L.P., an affiliate of Apollo Management, L.P (Mr. Katz was formerly associated with Apollo Management, L.P.)., for management services and expenses related thereto. The original management fee of $500,000 per year was approved by the Company's board of directors in March 1993 and was terminated effective October 1, 2004.

There are no family relationships between Mr. Katz and any of the Company's directors or officers.

On February 28, 2006, the Company announced that Mr. Aron, the Company's former chief executive officer, had resigned as chief executive officer and as a member of the Company's board of directors, as described under Item 1.01 above, which description is incorporated by reference into this Item 5.02. Mr. Aron had been chairman of the board of directors and a member of the executive committee. No disagreement between Mr. Aron and the Company that would require disclosure under Item 5.02(a) of Form 8-K has occurred.

Item 9.01. Financial Statements and Exhibits.

Exhibits. The following exhibits are filed herewith:

Exhibit No.	Description
10.1	Employment Agreement, dated as of February 28, 2006, between Vail Resorts, Inc. and Robert A. Katz.
10.2	Separation Agreement and General Release, dated as of February 27, 2006, between Adam M. Aron and Vail Resorts, Inc.
10.3	Second Amendment to Fourth Amended and Restated Credit Agreement among The Vail Corporation, the Required Lenders and Bank of America, as Administrative Agent.
10.4	Form of Restricted Share Agreement
10.5	Form of Stock Option Agreement
10.6	Stock Option Letter Agreement between Vail Resorts, Inc. and Jeffrey W. Jones.
10.7	Restricted Share Agreement between Vail Resorts, Inc. and Jeffrey W. Jones.
99.1	Press Release dated February 28, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: March 3, 2006		Vail Resorts, Inc.
	By:	*/s/* Martha D. Rehm
		Martha D. Rehm
		Executive Vice President and General Counsel

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (the "Agreement") entered into as of February 28, 2006, by and between Vail Resorts, Inc., a Delaware corporation with its principal office in Avon, Colorado (the "Company"), and Robert A. Katz ("Executive").

WHEREAS, the Company wishes to employ Executive as its Chief Executive Officer and both parties desire to enter into an employment agreement to reflect Executive's new capacity upon the terms and conditions set forth herein:

NOW, THEREFORE, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Employment. The Company hereby employs Executive as its Chief Executive Officer. Executive shall also serve as a member of the Company's Board of Directors (the "Board") and its Executive Committee. Executive shall also serve as Chairman of each of the Company's principal subsidiaries. Executive hereby accepts such employment and agrees to perform his duties and responsibilities in accordance with the terms, conditions and provisions hereinafter set forth. The Company may have a non-executive Chairman of the Board.

1.1. Employment Term. The term of Executive's employment under this Agreement shall commence as of the date hereof (the "Effective Date") and shall continue until February 28, 2009; *provided*, however, that on and after March 1, 2007, the Agreement shall automatically renew with the term of the Agreement always being at least two years. Notwithstanding the foregoing, Executive's employment and this Agreement may be terminated in accordance with Section 5 hereof. The period commencing on the Effective Date and ending on the date on which the term of Executive's employment under the Agreement shall terminate is hereinafter referred to as the "Employment Term."

1.2. Duties and Responsibilities. Executive shall serve as the Company's Chief Executive Officer and in such other senior positions, if any, to which he may be elected by the Board during the Employment Term. During the Employment Term, Executive shall perform all duties and accept all responsibilities incident to, and not inconsistent with, such positions as may be reasonably assigned to him by the Board.

1.3. Extent of Service. During the Employment Term, Executive agrees to use his best efforts to carry out his duties and responsibilities under Section 1.2 hereof and, consistent with the other provisions of this Agreement, to devote substantially all his business time, attention and energy thereto except to the extent required by Executive's outside board directorships, civic or charitable activities. Executive agrees not be become engaged in any other business, civic or charitable activity which, in his reasonable judgment, is likely to materially interfere with his ability to discharge his duties and responsibilities to the Company. Executive agrees to resign from or discontinue any other business, civic or charitable activity which, in the reasonable judgment of the Board, is likely to materially interfere with his ability to discharge his duties and responsibilities to the Company.

1.4. Base Salary. For all the services rendered by Executive hereunder, the Company shall pay Executive a base salary ("Base Salary"), commencing on the Effective Date, at the annual rate of $815,000, payable in installments at such times as the Company customarily pays its other senior level executives (but in any event no less often than monthly). Executive's Base Salary for each fiscal year of the Company commencing after the Effective Date (beginning with the first salary review by the Board in 2006) shall be reviewed for appropriate adjustment (but shall not be reduced in any case) by the Board pursuant to its normal performance review policies for senior level executives. For services rendered by Executive to the Company prior to the Effective Date, the Company shall pay Executive the sum of $67,917, payable on the date the Executive receives the first installment payment of Base Salary after the Effective Date.

1.5. Retirement and Benefit Coverages. During the Employment Term, Executive shall be entitled to participate in all (a) employee pension and retirement plans and programs ("Retirement Plans") and (b) welfare benefit plans and programs ("Benefit Coverages"), in each case as made available to the Company's senior level executives as a group or to its employees generally and as such Retirement Plans or Benefit Coverages may be in effect from time to time. In addition, Executive shall be entitled to (i) the Company's regular holiday and vacation policy, (ii) annual membership in any clubs owned or managed by the Company (which shall terminate concurrently with the date of termination of the Employment Term), and (iii) at no cost to Executive (A) an annual ski pass for Executive and his immediate family members at each of the Company's resorts, (B) the use of up to 2 ski instructors when Executive or his immediate family members are at a Company ski resort; (C) lodging in the Company's hotels (up to 2 rooms) and condominiums (up to a three-bedroom unit) for Executive and his immediate family members; and (D) up to $10,000 per year of discretionary spending at the Company's properties for Executive's personal use.

1.6. [Reserved].

1.7. Annual Incentive/Long-Term Incentive Program. Executive shall be entitled to participate in a short-term or long-term incentive compensation program established by the Company for its senior level executives generally. Payments under such programs shall depend upon achievement of certain business performance targets specified and approved annually in advance by the Board (or a Committee thereof) in its sole discretion; *provided*, however, that Executive's "target opportunity" under the annual bonus incentive program for each year shall be at least 80% of the Executive's Base Salary, if the Company's budget is fully achieved for such year. The parties hereto further agree to negotiate annually in good faith a sliding scale of varying payouts based on varying levels of performance. However, Executive acknowledges that the annual bonsuses shall depend upon achieving the specific business performance targets set in advance of each fiscal year by the Board in its sole discretion, or by the Committee acting in its stead. For fiscal year 2006 of the Company, Executive will be entitled to a pro rated bonus for five months, and such pro rated bonus shall be paid on the same basis as bonuses paid to other senior executives of the Company. For the avoidance of doubt, no bonus shall be guaranteed to the Executive. Executive's short-term and long-term incentive compensation shall be paid to him in the same form and at the same times that such compensation is paid to the Company's senior level executives generally. Executive specifically acknowledges that a portion of such incentive compensation may be deferred subject to subsequent year financial performance of the

Company, if such a provision is consistent with the Company's then-existing compensation program for other senior level executives.

1.8. Restricted Stock. Executive shall be entitled to receive, as of the Effective Date, 30,000 restricted shares of the Company's common stock, $.01 par value (the "Restricted Stock"). The certificates representing the Restricted Stock shall be retained by the Company until such shares have vested. Except as provided in Sections 5 and 6 below, Executive's right to such shares shall vest in 36 equal monthly installments over 3 years, beginning on the first monthly anniversary of the Effective Date. Prior to vesting, Executive shall be entitled to vote the shares of Restricted Stock and to be credited with any dividends attributable to such shares; *provided*, however, that no payment of such dividends shall be made unless and until, and only to the extent that, the related shares are vested. Upon termination of the Employment Term for any reason, that portion of the Restricted Stock that is not vested (after giving effect to any acceleration of vesting pursuant to Sections 5 and 6) shall be forfeited by Executive. Executive will be eligible to receive additional grants of restricted stock, as determined by the Board or Compensation Committee from time to time.

1.9. Share Appreciation Rights. Executive shall receive, as of the Effective Date, share appreciation rights with respect to 300,000 shares of the Company's common stock ("SARs") pursuant to the Company's 2002 Long Term Incentive and Share Award Plan (the "Plan"). The exercise price of the SARs will be equal to the fair market value per share of the Company common stock on the date of grant, as determined under the Plan. Except as provided in Sections 5 and 6 below, the SARs shall vest and become exercisable in 36 equal monthly installments over 3 years, beginning on the first monthly anniversary of the Effective Date. Upon exercise, the SARs will be settled with shares of Company common stock. Upon termination of the Employment Term for any reason, unvested SARs (after giving effect to any acceleration of vesting pursuant to Sections 5 and 6) shall expire and be forfeited. The SARs shall have a 10 year term; *provided*, however, that in the event of earlier termination of the Employment Term, the SARs shall expire 90 days after the date of such termination if such termination is pursuant to Sections 5.3 or 5.6, and shall expire nine months after the date of such termination if such termination is for any other reason. Subject to compliance with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), Executive shall be credited with any dividends attributable to shares covered by the SARs other than regular dividends paid out of the Company's current earnings in accordance with a multi-year dividend policy adopted and consistently applied by the Board (it being understood that, since the Company's current policy is not to pay regular dividends, the payment of dividends under a new dividend policy that is intended in good faith to result in periodic dividends over a multi-year period shall be deemed regular dividends). Subject to compliance with Section 409A of the Code, payment of such credited dividends shall be made at the time of, and only if and to the extent that, the SARs become vested and are exercised. Executive will be eligible to receive additional grants of SARs, as determined by the Board or Compensation Committee from time to time.

1.10. Reimbursement of Expenses. Executive shall be reimbursed for customary travel, entertainment and other out-of-pocket expenses reasonably incurred by him on behalf of the Company in the performance of his duties hereunder, which reimbursement shall be made in accordance with the Company's normal reimbursement policies.

2. Confidential Information. Executive recognizes and acknowledges that, by reason of his employment by and service to the Company before, during and, if applicable, after the Employment Term, he has had and will continue to have access to certain confidential and proprietary information relating to the Company's business, which may include, but is not limited to, trade secrets, trade "know-how", customer information, supplier information, cost and pricing information, marketing and sales techniques, strategies and programs, computer programs and software and financial information (collectively referred to as "Confidential Information"). Executive acknowledges that such Confidential Information is a valuable and unique asset of the Company and Executive covenants that he will not at any time during the course of his employment use any Confidential Information or divulge or disclose any Confidential Information to any person, firm or corporation except in connection with Executive's good faith belief as to the proper performance of his duties for the Company. Executive also covenants that, at any time after the termination of his employment, he will not directly or indirectly use any Confidential Information for any purpose or divulge or disclose any Confidential Information to any person, firm or corporation, unless such information is in the public domain through no fault of Executive or except when required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or over Executive or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order him to divulge, disclose or make accessible such information, in which case Executive will inform the Company in writing promptly of such required disclosure.

3. Non-Competition, Non-Solicitation and Non-Disparagement.

(a) In consideration for the agreements by the Company set forth in Sections 5.4, 5.5 and 6, during his employment by the Company and for a period of two years thereafter, Executive will not, except with the prior written consent of the Board, directly or indirectly own, manage, operate, join, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, or use or permit his name to be used in connection with, any business or enterprise that is engaged in a "Competing Enterprise," which is defined as an entity whose operations are conducted within the ski industry in North America or in the real estate development, lodging or hospitality industries in the State of Colorado. Notwithstanding the foregoing, Executive may participate, own, finance, manage, obtain employment or otherwise be connected with a larger regional, national or international business or enterprise (a "New Employer") which owns or operates a Competing Enterprise as a brand, branch, division, subsidiary or affiliate provided that (i) the Competing Enterprise accounts for less than 10% of the New Employer's annual revenues and annual net income on both a historical or pro forma basis for the New Employer's most recently completed fiscal year, and (ii) Executive's duties for the New Employer are not primarily related to the conduct of such Competing Enterprise.

(b) The foregoing restrictions shall not be construed to prohibit the ownership by Executive of less than five percent (5%) of any class of securities of any corporation which is engaged in any of the foregoing businesses having a class of securities registered pursuant to the Securities Exchange Act of 1934 (the "Exchange Act"), provided that such ownership represents a passive investment and that neither Executive nor any group of persons including Executive in any way, either directly or indirectly, manages or exercises control of any such corporation,

guarantees any of its financial obligations, otherwise takes any part in its business (other than exercising his rights as a shareholder), or seeks to do any of the foregoing.

(c) In consideration for the agreements by the Company set forth in Sections 5.4, 5.5 and 6, Executive further covenants and agrees that, during his employment by the Company and for the period of two years thereafter, Executive will not solicit for another business or enterprise any person who is a managerial or higher level employee of the Company at the time of Executive's termination.

(d) During Executive's employment and for a period of five years thereafter, Executive agrees that he shall not make any public statements disparaging of the Company or its subsidiaries, the Board, or the officers, directors, stockholders, or employees of the Company or its subsidiaries. The Company shall similarly not disparage Executive following such termination. Notwithstanding the foregoing, the parties may respond truthfully to inquiries from governmental agencies or from prospective employers of Executive. Similarly, nothing in this provision is intended to prevent either party from seeking to enforce the provisions of this Agreement through appropriate proceedings.

4. Equitable Relief.

(a) Executive acknowledges and agrees that the restrictions contained in Sections 2 and 3 are reasonable and necessary to protect and preserve the legitimate interests, properties, goodwill and business of the Company, that the Company would not have entered into this Agreement in the absence of such restrictions and that irreparable injury will be suffered by the Company should Executive breach any of the provisions of those Sections. Executive represents and acknowledges that (i) he has been advised by the Company to consult his own legal counsel in respect of this Agreement, and (ii) that he has had full opportunity, prior to execution of this Agreement, to review thoroughly this Agreement with his counsel.

(b) Executive further acknowledges and agrees that a breach of any of the restrictions in Sections 2 and 3 cannot be adequately compensated by monetary damages. Executive agrees that the Company shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as an equitable accounting of all earnings, profits and other benefits arising from any violation of Sections 2 or 3 hereof, which rights shall be cumulative and in addition to any other rights or remedies to which the Company may be entitled. In the event that any of the provisions of Sections 2 or 3 hereof should ever be adjudicated to exceed the time, geographic, service, or other limitations permitted by applicable law in any jurisdiction, it is the intention of the parties that the provision shall be amended to the extent of the maximum time, geographic, service, or other limitations permitted by applicable law, that such amendment shall apply only within the jurisdiction of the court that made such adjudication and that the provision otherwise be enforced to the maximum extent permitted by law.

5. Termination. The Employment Term shall terminate upon the occurrence of any one of the following events:

5.1. Disability. The Company may terminate the Employment Term if Executive is unable substantially to perform his duties and responsibilities hereunder to the full extent

required by the Board by reason of illness, injury or incapacity for six consecutive months, or for more than nine months in the aggregate during any period of 12 calendar months (a "Disability"); *provided*, however, that the Company shall continue to pay Executive his Base Salary until the Company acts to terminate the Employment Term and Executive shall be entitled to all Restricted Stock and SARs that are vested as of the date of such termination. In addition, in the event Executive executes a written release in connection with such termination (such release to be effective only if the Company executes such release) substantially in the form attached hereto as Annex I (the "*Release*"), Executive shall be entitled to receive (i) upon the achievement of the Company's performance targets for such year, a pro rata portion of the incentive compensation Executive would have received under the plans described in Section 1.7 for the year in which such termination occurred, which amounts shall be payable in accordance with the terms of the applicable plan, (ii) all deferred incentive compensation earned by Executive with respect to prior years, which amounts shall be payable in accordance with the terms of the applicable plan, (iii) all amounts (including accrued vacation pay but excluding severance compensation) to which Executive is then entitled upon termination of employment under applicable plans and programs of the Company then in effect, and (iv) all other amounts then due and payable to Executive pursuant to the terms of this Agreement with respect to services rendered prior to termination of employment. In addition, if Executive executes the Release, all unvested shares of Restricted Stock and SARs (including grants of restricted stock, options, SARs or other equity incentives made subsequent to the Effective Date) shall automatically become 100% vested upon termination of the Employment Term pursuant to this Section 5.1. The Company shall have no further liability or obligation to Executive for compensation under this Agreement. In the event of any dispute under this Section 5.1 and to the extent determined by the Board to be job-related and consistent with business necessity, Executive shall submit to a physical examination by a licensed physician selected by the Board and approved by Executive, such approval not to be unreasonably withheld.

5.2. Death. The Employment Term shall terminate in the event of Executive's death. In such event, the Company shall pay to Executive's executors, legal representatives or administrators, as applicable, an amount equal to the installment of his Base Salary set forth in Section 1.4 hereof for the month in which he dies. In addition, Executive's estate shall be entitled to receive (i) previously vested shares of Restricted Stock and SARs, (ii) upon the achievement of the Company's performance targets for such year, a pro rata portion of the incentive compensation Executive would have received under the plans described in Section 1.7 for the year in which such termination occurred, which amounts shall be payable in accordance with the terms of the applicable plan, (iii) all deferred incentive compensation earned by Executive with respect to prior years, which amounts shall be payable in accordance with the terms of the applicable plan, (iv) all amounts (including accrued vacation pay but excluding severance compensation) to which Executive is then entitled upon termination of employment under applicable plans and programs of the Company then in effect, and (v) all other amounts then due and payable to Executive pursuant to the terms of this Agreement with respect to services rendered prior to termination of employment. In addition, all unvested shares of Restricted Stock and SARs (including grants of restricted stock, options, SARs or other equity incentives made subsequent to the Effective Date) shall automatically become 100% vested upon termination of the Employment Term pursuant to this Section 5.2. The Company shall have no further liability or obligation under this Agreement to his executors, legal representatives, administrators, heirs or assigns or any other person claiming under or through him.

5.3. Cause. The Company may terminate the Employment Term at any time for "cause" upon written notice to Executive, in which event all payments under this Agreement shall cease, except for (i) Base Salary to the extent already earned or accrued, (ii) previously vested shares of Restricted Stock and SARs, (iii) all amounts (including accrued vacation pay but excluding severance compensation) to which Executive is then entitled upon termination of employment under applicable plans and programs of the Company then in effect, and (iv) all other amounts then due and payable to Executive pursuant to the terms of this Agreement with respect to services rendered prior to termination of employment. For purposes of this Agreement, Executive's employment may be terminated for "cause" if (i) Executive is convicted of a felony, (ii) in the reasonable determination of the Board, Executive has (x) committed an act of fraud, embezzlement, or theft in connection with Executive's duties in the course of his employment with the Company, or (y) engaged in gross mismanagement or gross negligence in the course of his employment with the Company or (iii) Executive has breached his obligations under this Agreement, including inattention to or neglect of duties, and shall not have remedied such breach within 30 days after receiving written notice from the Board specifying the details thereof; *provided*, however, that in any case under clause (ii) or (iii), the act or failure to act by Executive is materially harmful to the reputation, goodwill or business position of the Company or its subsidiaries.

5.4. Termination Without Cause.

(a) The Company may terminate the Employment Term at any time without cause upon written notice to Executive; provided, however, that in the event that such notice is given, Executive shall be under no obligation to render any additional services to the Company and shall be allowed to seek other employment, subject to the restrictions set forth in Section 3(a). Upon any such termination, except as provided in Section 5.4(b) below, Executive shall be entitled to receive, as liquidated damages for the failure of the Company to continue to employ Executive, only the amount due to Executive under the Company's then-current severance pay plan for employees and (i) Base Salary to the extent already earned or accrued, (ii) all deferred incentive compensation earned by Executive with respect to prior years, which amounts shall be payable in accordance with the terms of the applicable plans, (iii) previously vested shares of Restricted Stock and SARs, (iv) all amounts (including accrued vacation pay) to which Executive is then entitled upon termination of employment under applicable plans and programs of the Company then in effect, and (v) all other amounts then due and payable to Executive pursuant to the terms of this Agreement with respect to services rendered prior to termination of employment. The Company shall have no further liability or obligation to Executive for compensation under this Agreement.

(b) Notwithstanding the foregoing, upon such termination, in the event that Executive executes the Release, Executive shall be entitled to receive, in lieu of the payments described in subsection (a) hereof, which Executive agrees to waive, as liquidated damages for the failure of the Company to continue to employ Executive, (i) two years' of Executive's Base Salary in accordance with Section 1.4 or, if greater, for the balance of the current Employment Term (without regard to Executive's removal), payable in accordance with the Company's normal payroll practices over such period, provided that, to the extent required by Section 409A of the Code, amounts otherwise payable under this clause (i) within six months after the Executive's termination of employment shall be deferred to and paid on the day following the six

month anniversary of such termination of employment, (ii) previously vested shares of Restricted Stock and SARs, (iii) upon the achievement of the Company's performance targets for such year, a pro rata portion of the incentive compensation Executive would have received under the plans described in Section 1.7 for the year in which such termination occurred, which amounts shall be payable in accordance with the terms of the applicable plan, (iv) all deferred incentive compensation earned by Executive with respect to prior years, which amounts shall be payable in accordance with the terms of the applicable plan, (v) all amounts (including accrued vacation pay but excluding severance compensation) to which Executive is then entitled upon termination of employment under applicable plans and programs of the Company then in effect, and (vi) all other amounts then due and payable to Executive pursuant to the terms of this Agreement with respect to services rendered prior to termination of employment. In addition, if Executive executes the Release, all unvested shares of Restricted Stock and SARs (including grants of restricted stock, options, SARs or other equity incentives made subsequent to the Effective Date) shall automatically become 100% vested upon termination of the Employment Term pursuant to this Section 5.4. The Company shall have no further liability or obligation to Executive for compensation under this Agreement.

5.5. Constructive Termination Without Cause.

(a) Resignation by Executive for good reason ("Constructive Termination Without Cause") shall mean a termination of Executive's employment at his initiative following the occurrence, without Executive's written consent, of (i) a material diminution in Executive's duties, responsibilities, authority, or status (including the appointment of an executive Chairman of the Board), (ii) a reduction in Executive's Base Salary below $815,000 per year or such higher amount as increased by the Board in future years or failure to pay Executive's bonus or incentive compensation in violation of Section 1.7, (iii) a failure to convey, within 10 business days after written request of Executive, any vested Restricted Shares or any shares owed to Executive upon the exercise of any SARs, (iv) the assignment to Executive of duties or obligations despite his stated written objection to the Board which would require Executive to violate any law, or interpretation thereof, of any governmental body of the United States or the state of Colorado, (v) an involuntary relocation of Executive's office outside of the Denver metropolitan area or away from the Company's principal executive offices, (vi) a failure of the Company to comply with any of the material terms of this Agreement, or (vii) the occurrence of a Change of Control (as defined below).

(b) In the event of a Constructive Termination Without Cause, if Executive executes the Release, Executive shall be entitled to receive (i) two years' of Executive's Base Salary in accordance with Section 1.4 or, if greater, for the balance of the current Employment Term (without regard to Executive's removal), payable in accordance with the Company's normal payroll practices over such period, provided that, to the extent required by Section 409A of the Code, amounts otherwise payable under this clause (i) within six months after the Executive's termination of employment shall be deferred to and paid on the day following the six month anniversary of such termination of employment, (ii) previously vested shares of Restricted Stock and SARs, (iii) upon the achievement of the Company's performance targets for such year, a pro rata portion of the incentive compensation Executive would have received under the plans described in Section 1.7 for the year in which such termination occurred, which amounts shall be payable in accordance with the terms of the applicable plan, (iv) all deferred incentive compen-

sation earned by Executive with respect to prior years, which amounts shall be payable in accordance with the terms of the applicable plan, (v) all amounts (including accrued vacation pay but excluding severance compensation) to which Executive is then entitled upon termination of employment under applicable plans and programs of the Company then in effect, and (vi) all other amounts then due and payable to Executive pursuant to the terms of this Agreement with respect to services rendered prior to termination of employment. In addition, if Executive executes the Release, all unvested shares of Restricted Stock and SARs (including grants of restricted stock, options, SARs or other equity incentives made subsequent to the Effective Date) shall automatically become 100% vested upon termination of the Employment Term pursuant to this Section 5.5. In the event Executive refuses to execute the Release, he shall receive, as liquidated damages for the failure of the Company to continue to employ Executive, only the amount due to Executive under the Company's then current severance pay plan for employees and (i) Base Salary to the extent already earned or accrued, (ii) all deferred incentive compensation earned by Executive with respect to prior years, which amounts shall be payable in accordance with the terms of the applicable plans, (iii) previously vested shares of Restricted Stock and SARs, (iv) all amounts (including accrued vacation pay) to which Executive is then entitled upon termination of employment under applicable plans and programs of the Company then in effect, and (v) all other amounts then due and payable to Executive pursuant to the terms of this Agreement with respect to services rendered prior to termination of employment. The Company shall have no further liability or obligation to Executive for compensation under this Agreement.

(c) Prior to resigning under this Section, Executive shall give written notice to the Board and offer a 30-day period for the Company to cure. If, and only if, the Company cures an issue raised by the Executive under this Section, and Executive again feels it necessary to resign under this Section, Executive shall again given written notice to the Board and offer a new 30-day period for the Company to cure. If no cure has been effected by the end of the applicable cure period, Executive may resign immediately in accordance with the provisions of subsections (a) and (b) above. After two such cure periods, only written notice must be given but no cure period will be required.

5.6. <u>Voluntary Termination</u>. Executive may voluntarily terminate the Employment Term upon 30 days' prior written notice for any reason. In such event, Executive shall be entitled only to (i) Base Salary to the extent already earned or accrued, (ii) previously vested shares of Restricted Stock and SARs, (iii) all amounts (including accrued vacation pay but excluding severance compensation) to which Executive is then entitled upon termination of employment under applicable plans and programs of the Company then in effect, and (iv) all other amounts then due and payable to Executive pursuant to the terms of this Agreement with respect to services rendered prior to termination of employment. The Company shall have no further liability or obligation to Executive for compensation under this Agreement. A voluntary termination under this Section 5.6 shall not be deemed a breach of this Agreement.

6. <u>Acceleration of Vesting Upon a Change of Control</u>. In the event of a Change of Control of the Company, all of Executive's rights under the SARs and to the Restricted Stock shall immediately vest. For purposes hereof, "Change of Control" means an event or series of events by which:

(I) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent, or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934), directly or indirectly, of 35% or more of the equity securities of the Company entitled to vote for members of the Board or equivalent governing body of the Company on a fully diluted basis; or

(II) during any period of 24 consecutive months, 35% of the members of the Board or other equivalent governing body of the Company cease to be composed of individuals (i) who were members of that Board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in ***clause (i)*** above constituting at the time of such election or nomination at least a majority of that Board or equivalent governing body, or (iii) whose election or nomination to that Board or other equivalent governing body was approved by individuals referred to in ***clauses (i)*** and ***(ii)*** above constituting at the time of such election or nomination at least a majority of that Board or equivalent governing body (excluding, in the case of both ***clause (ii)*** and ***clause (iii)***, any individual whose initial nomination for, or assumption of office as, a member of that Board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the Board).

7. Survivorship. The respective rights and obligations of the parties hereunder shall survive any termination of Executive's employment and the Employment Term to the extent necessary to the intended preservation of such rights and obligations.

8. No Mitigation. Executive shall not be required to mitigate the amount of any payment or benefit provided for in this Agreement by seeking other employment or otherwise and there shall be no offset against amounts due Executive under this Agreement on account of any remuneration attributable to any subsequent employment that he may obtain. All payments to be made by the Company to Executive hereunder shall be made without any offset or deduction for any amounts owed by Executive to the Company.

9. Arbitration; Expenses.

(a) In the event of any dispute under the provisions of this Agreement other than a dispute in which the primary relief sought is an equitable remedy such as an injunction, the parties shall be required to have the dispute, controversy or claim settled by arbitration in the City of New York, New York in accordance with the National Rules for the Resolution of Employment Disputes then in effect of the American Arbitration Association, before a panel of three arbitrators, two of whom shall be selected by the Company and Executive, respectively, and the third of whom shall be selected by the other two arbitrators. Any award entered by the arbitrators shall be final, binding and nonappealable and judgment may be entered thereon by either

party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision shall be specifically enforceable. The arbitrators shall have no authority to modify any provision of this Agreement or to award a remedy for a dispute involving this Agreement other than a benefit specifically provided under or by virtue of the Agreement. The Company shall be responsible for all of its own legal fees and other expenses relating to such arbitration. The fees of the American Arbitration Association and the legal fees and expenses of Executive relating to such arbitration shall be borne in the manner determined by order of the arbitrators.

(b) The Company shall, upon receipt of an invoice from Executive, reimburse Executive for all reasonable legal fees and expenses incurred by Executive in connection with the negotiation and execution of this Agreement.

10. Notices. All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when hand delivered or mailed by registered or certified mail, as follows (provided that notice of change of address shall be deemed given only when received):

If to the Company, to:

Vail Resorts, Inc.
P.O. Box 7
Vail, CO 81658
Attention: General Counsel

If to Executive, to:

Robert A. Katz
c/o Vail Resorts, Inc.
P.O. Box 7
Vail, CO 81658

or to such other names or addresses as the Company or Executive, as the case may be, shall designate by notice to each other person entitled to receive notices in the manner specified in this Section.

11. Contents of Agreement; Amendment and Assignment.

(a) This Agreement supersedes all prior agreements and sets forth the entire understanding between the parties hereto with respect to the subject matter hereof and cannot be changed, modified, extended or terminated except as provided herein or upon written amendment approved by the Company and executed on its behalf by a duly authorized officer and by Executive.

(b) All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, except that the duties and responsibilities of Executive hereunder are of a personal nature and shall not be assignable or delegatable in whole or in part by Executive. The Company shall require any successor (whether

direct or indirect, by purchase, merger, consolidation, reorganization or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to Executive, expressly to assume and agree to perform this Agreement in the same manner and to the extent the Company would be required to perform if no such succession had taken place, and upon request by the Company Executive shall acknowledge, by agreement in form and substance reasonably acceptable to such successor, that this Agreement may be enforced against Executive by such successor.

12. Severability. If any provision of this Agreement or application thereof to anyone or under any circumstances is adjudicated to be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect any other provision or application of this Agreement which can be given effect without the invalid or unenforceable provision or application and shall not invalidate or render unenforceable such provision or application in any other jurisdiction. If any provision is held void, invalid or unenforceable with respect to particular circumstances, it shall nevertheless remain in full force and effect in all other circumstances.

13. Remedies Cumulative; No Waiver. No remedy conferred upon a party by this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission by a party in exercising any right, remedy or power hereunder or existing at law or in equity shall be construed as a waiver thereof, and any such right, remedy or power may be exercised by such party from time to time and as often as may be deemed expedient or necessary by such party in its sole discretion.

14. Beneficiaries/References. Executive shall be entitled, to the extent permitted under any applicable law, to select and change a beneficiary or beneficiaries to receive any compensation or benefit payable hereunder following Executive's death by giving the Company written notice thereof. In the event of Executive's death or a judicial determination of his incompetence, references in this Agreement to Executive shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

15. Miscellaneous. All section headings used in this Agreement are for convenience only. This Agreement may be executed in counterparts, each of which is an original. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

16. Withholding. The Company may withhold from any payments under this Agreement all federal, state and local taxes as the Company is required to withhold pursuant to any law or governmental rule or regulation. Executive shall bear all expense of, and be solely responsible for, all federal, state and local taxes due with respect to any payment received hereunder.

17. Indemnification and Insurance. Executive shall be indemnified with respect to his services hereunder to the full extent provided in the Company's by-laws, and the Company agrees during the Employment Term to maintain directors' and officers' liability insurance with coverage and other terms that are customary for similarly situated companies.

18. Section 409A. It is intended that this Agreement will comply with Section 409A of the Code (and any regulations and guidelines issued thereunder) to the extent the Agreement is subject thereto, and the Agreement shall be interpreted on a basis consistent with such intent. If an amendment of the Agreement is necessary in order for it to comply with Section 409A, the parties hereto will negotiate in good faith to amend the Agreement in a manner that preserves the original intent of the parties to the extent reasonably possible.

19. Excise Tax.

(a) Anything in this Agreement to the contrary notwithstanding, in the event it shall be determined that any payment, award, benefit or distribution (including, without limitation, the acceleration of any payment, award, distribution or benefit), by the Company or its subsidiaries to or for the benefit of the Executive (whether pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 19) (a "Payment") would be subject to the excise tax imposed by Section 4999 of the Code or any corresponding provisions of state or local tax law, or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any Excise Tax, income tax or employment tax) imposed upon the Gross-Up Payment and any interest or penalties imposed with respect to such taxes, the Executive retains from the Gross-Up Payment an amount equal to the excess, if any, of (i) the Excise Tax imposed upon the Payments, and (ii) the Excise Tax, if any, that would have been imposed on the Payments if the Executive had not served as a nonemployee director of the Company prior to the Effective Date (and, therefore, the Executive's nonemployee director compensation had not been taken into account in the Excise Tax computation). The payment of a Gross-Up Payment under this Section 19(a) shall not be conditioned upon the Executive's termination of employment. Notwithstanding the foregoing provisions of this Section 19, if it shall be determined that the Executive is entitled to a Gross-Up Payment, but that the portion of the Payments that would be treated as "parachute payments" under Section 280G of the Code does not exceed the Safe Harbor Amount (as defined in the following sentence) by more than $100,000, then no Gross-Up Payment shall be made to the Executive and the amounts payable under this Agreement shall be reduced so that the Payments, in the aggregate, are reduced to the Safe Harbor Amount. The "Safe Harbor Amount" is the greatest amount of payments in the nature of compensation that are contingent on a Change in Control for purposes of Section 280G of the Code that could be paid to the Executive without giving rise to any Excise Tax. The reduction of the amounts payable hereunder, if applicable, shall be made by reducing the cash payments under Section 5. For purposes of reducing the payments to the Safe Harbor Amount, only amounts payable under this Agreement (and no other Payments) shall be reduced. If the reduction of the amounts payable under this Agreement would not result in a reduction of the Payments to the Safe Harbor Amount, no amounts payable under this Agreement shall be reduced pursuant to this Section 19(a).

(b) Subject to the provisions of Section 19(c), all determinations required to be made under this Section 19, including the determination of whether a Gross-Up Payment is required and of the amount of any such Gross-up Payment, shall be made by the Company's independent auditors or such other accounting firm agreed by the parties hereto (the "Accounting

Firm”), which shall provide detailed supporting calculations to the Company within 15 business days after the receipt of notice from the Company that the Executive has received a Payment, or such earlier time as is requested by the Company, provided that any determination that an Excise Tax is payable by the Executive shall be made on the basis of substantial authority. The Company will promptly provide copies of such supporting calculations to the Executive. The initial Gross-Up Payment, if any, as determined pursuant to this Section 19(b), shall be paid to the Executive (or for the benefit of the Executive to the extent of the Company’s withholding obligation with respect to applicable taxes) no later than the later of (i) the due date for the payment of any Excise Tax, and (ii) the receipt of the Accounting Firm’s determination. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Company with a written opinion that substantial authority exists for the Executive not to report any Excise Tax on his Federal income tax return and, as a result, the Company is not required to withhold Excise Tax from payments to the Executive. The Company will promptly provide a copy of any such opinion to the Executive. Any determination by the Accounting Firm meeting the requirements of this Section 19(b) shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that Gross-Up Payments which will not have been made by the Company should have been made (“Underpayment”), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 19(c) and the Executive thereafter is required to make a payment of Excise Tax, the Accounting Firm shall determine the amount of the Underpayment, if any, that has occurred and any such Underpayment shall be promptly paid by the Company to or for the benefit of the Executive. The fees and disbursements of the Accounting Firm shall be paid by the Company.

(c) The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a Gross-Up Payment. Such notification shall be given as soon as practicable but not later than ten business days after the Executive receives written notice of such claim and shall apprise the Company of the nature of such claim and the date on which such Claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the 30-day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim,

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(iii) cooperate with the Company in good faith in order effectively to contest such claim, and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax, income tax or employment tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 19(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive on an interest-free basis and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax, income tax or employment tax, including interest or penalties with respect thereto, imposed with respect to such advance (except that if such a loan would not be permitted under applicable law, the Company may not direct the Executive to pay the claim and sue for a refund); and further provided that any extension of the statute of limitations relating to the payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 19(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company's complying with the requirements of Section 19(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 19(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of 30 days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of the Gross-Up Payment required to be paid.

20. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of New York without giving effect to any conflict of laws provisions.

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Agreement as of the date first above written.

VAIL RESORTS, INC.	EXECUTIVE
By: /s/ Martha D. Rehm Martha D. Rehm Sr. Vice President and General Counsel	/s/ Robert A. Katz Robert A. Katz

MUTUAL RELEASE

This mutual release (this "Release") is entered into as of this ____ day of ______, ____ (the "Release Date") by Robert A. Katz ("Katz"), on the one hand and Vail Resorts, Inc. ("VRI") on the other hand.

1. Reference is hereby made to the employment agreement dated February 28, 2006 (the "Employment Agreement") by the parties hereto setting forth the agreements among the parties regarding the termination of the employment relationship between Katz and VRI. Capitalized terms used but not defined herein have the meanings ascribed to them in the Employment Agreement.

2. Katz, for himself, his wife, heirs, executors, administrators, successors, and assigns, hereby releases and discharges VRI and its respective direct and indirect parents and subsidiaries, and other affiliated companies, and each of their respective past and present officers, directors, agents and employees, from any and all actions, causes of action, claims, demands, grievances, and complaints, known and unknown, which Katz or his wife, heirs, executors, administrators, successors, or assigns ever had or may have at any time through the Release Date. Katz acknowledges and agrees that this Release is intended to and does cover, but is not limited to, (i) any claim of employment discrimination of any kind whether based on a federal, state, or local statute or court decision, including the Age Discrimination in Employment Act with appropriate notice and recision periods observed; (ii) any claim, whether statutory, common law, or otherwise, arising out of the terms or conditions of Katz's employment at VRI and/or Katz's separation from VRI; enumeration of specific rights, claims, and causes of action being released shall not be construed to limit the general scope of this Release. It is the intent of the parties that by this Release Katz is giving up all rights, claims and causes of action occurring prior to the Release Date, whether or not any damage or injury therefrom has yet occurred. Katz accepts the risk of loss with respect to both undiscovered claims and with respect to claims for any harm hereafter suffered arising out of conduct, statements, performance or decisions occurring before the Release Date.

3. VRI hereby releases and discharges Katz, his wife, heirs, executors, administrators, successors, and assigns, from any and all actions, causes of actions, claims, demands, grievances and complaints, known and unknown, which VRI ever had or may have at any time through the Release Date. VRI acknowledges and agrees that this Release is intended to and does cover, but is not limited to, (i) any claim, whether statutory, common law, or otherwise, arising out of the terms or conditions of Katz's employment at VRI and/or Katz's separation from VRI, and (ii) any claim for attorneys' fees, costs, disbursements, or other like expenses. The enumeration of specific rights, claims, and causes of action being released shall not be construed to limit the general scope of this Release. It is the intent of the parties that by this Release VRI is giving up all of its respective rights, claims, and causes of action occurring prior to the Release Date, whether or not any damage or injury therefrom has yet occurred. VRI accepts the risk of loss with respect to both undiscovered claims and with respect to claims for any harm hereafter suffered arising out of conduct, statements, performance or decisions occurring before the Release Date.

4. This Release shall in no event (i) apply to any claim by either Katz or VRI arising from any breach by the other party of its obligations under the Employment Agreement occurring on or after the Release Date, (ii) waive Katz's claim with respect to compensation or benefits earned or accrued prior to the Release Date to the extent such claim survives termination of Katz's employment under the terms of the Employment Agreement, or (iii) waive Katz's right to indemnification under the by-laws of the Company.

5. This Mutual Release shall be effective as of the Release Date and only if executed by both parties.

IN WITNESS WHEREOF, each party hereto, intending to be legally bound, has executed this Mutual Release on the date indicated below.

VAIL RESORTS, INC.

By: ____

____
Robert A. Katz

Date: ____

Date: ____

SEPARATION AGREEMENT AND GENERAL RELEASE

This Separation Agreement and General Release (referred to as the "Agreement") dated as of February 27, 2006, is by and between **Adam M. Aron** (referred to as the "EXECUTIVE") and **Vail Resorts, Inc.** (referred to as the "COMPANY"). The EXECUTIVE and the COMPANY may be referred to collectively as the "Parties".

WHEREAS, the EXECUTIVE is the Chairman of the Board of Directors and the Chief Executive Officer of the COMPANY; and

WHEREAS, the EXECUTIVE and the COMPANY agree that on the EXECUTIVE'S Final Date of Employment, as hereinafter defined, the EXECUTIVE will no longer perform services as an employee of the COMPANY or its subsidiaries, will no longer be a member of the Board of Directors of the COMPANY or its subsidiaries, and will cease to be eligible to participate in benefit plans for active employees of the COMPANY; and

WHEREAS, the EXECUTIVE has served the COMPANY for almost a decade; and

WHEREAS, the EXECUTIVE acknowledges that, as of the Final Date of Employment, he has no entitlement to continued pay or benefits under the Employment Agreement between the EXECUTIVE and the COMPANY dated as of July 29, 1996, as amended (the "Employment Agreement"); and

WHEREAS, the COMPANY wishes to provide the EXECUTIVE with equitable compensation, notwithstanding his resignation, to compensate him for his service and the EXECUTIVE'S assistance in providing the COMPANY with an orderly transition of management; and

WHEREAS, the COMPANY, therefore, wishes to pay the EXECUTIVE the amounts set forth herein, less statutory and authorized deductions;

In consideration of the mutual promises contained in this Agreement, the COMPANY and the EXECUTIVE agree as follows:

1. As used herein, the following terms, when capitalized, shall have the following meanings:

(a) "Companies" shall mean the COMPANY and all of its subsidiaries and controlled affiliates.

(b) "Confidential Information" shall mean budgets, business plans, financial projections, terms of transactions under consideration, strategies, financial statements and results, plans or drawings, lease terms, customer lists and information, prospect lists, club membership rolls, trade secrets, and other information, whether in tangible or electronic media format, pertaining to the business and operations of the Companies. In addition, without in any way limiting the foregoing, Confidential Information includes any and all information in the EXECUTIVE'S possession or of which the EXECUTIVE has knowledge relating to or arising out of any actual or threatened regulatory investigation or proceeding or settlement or any other litigation, claim, investigation, suit, action or other proceeding involving or relating to the Companies, whether such investigation,

or proceeding, settlement, claim, litigation, suit, action or other proceeding or the EXECUTIVE'S knowledge thereof occurred or was obtained during or prior to or after the term of the EXECUTIVE'S employment by the COMPANY. Confidential Information does not include any information which is generally available to the public or hereafter becomes available to the public without the fault of the EXECUTIVE, and it shall not include club membership rolls sent to the EXECUTIVE in his capacity as a member of the applicable club, provided that the EXECUTIVE agrees that he will use such club membership rolls only in accordance with the rules and regulations of the applicable club.

(c) "Constituting Documents" shall mean the articles or certificates of incorporation, bylaws, or similar organizational documents for each of the Companies.

(d) "Final Date of Employment" shall mean February 27, 2006.

(e) "Legal Proceeding" shall mean any claim, demand, pending or threatened legal, regulatory or administrative proceeding and any other action of any nature, whether known or unknown.

(f) "Released Person" shall mean each of the Companies, and any of their current and former officers, directors, employees, shareholders, partners, members, agents, representatives, legal representatives, accountants, and their successors and assigns.

2. The employment relationship between the EXECUTIVE and the COMPANY will terminate on the Final Date of Employment. This Agreement shall constitute the EXECUTIVE'S resignation from the Board of Directors of the COMPANY and all other officer, director and employee positions with the Companies, in each case effective on the Final Date of Employment. The parties hereto acknowledge that, following the Final Date of Employment, the EXECUTIVE shall not be considered an executive officer of the COMPANY.

3. In consideration for the EXECUTIVE entering into this Agreement:

(a) conditioned on the execution and non-revocation, pursuant to Section 14 hereof, of this Agreement, the COMPANY agrees to pay the EXECUTIVE**,** on August 31, 2006 the sum of $1,508,795 and on September 30, 2006**,** the sum of $1,141,000, in each case less statutory and authorized deductions; and

(b) the COMPANY agrees to pay the EXECUTIVE, on March 3, 2006, full payment of any amount owing to the EXECUTIVE in respect of base salary for the period through February 27, 2006, as well as accrued and unused paid time off, less a pro-rated Mandatory Time Off deduction, through such date (as reflected on the human resources records of the COMPANY)**.**

4. In addition to that set forth in Section 3 above, the following shall be applicable as a result of the EXECUTIVE'S separation:

(a) After the Final Date of Employment: (i) the EXECUTIVE shall neither accrue salary nor paid time off nor participate in (A) COMPANY Medical and Dental Plans (other than as required under COBRA at the EXECUTIVE'S sole expense), (B) Short Term or Long Term Disability Insurance, (C) COMPANY sponsored Life or ADD insurance programs, or (D) any other compensation or benefit plans, programs or arrangements maintained or contributed to by any of the Companies; (ii) he shall have no right to make contributions or earn COMPANY Matching Contributions in the COMPANY'S 401(k) Plan (except for any COMPANY Matching Contributions due but not yet made or for any excess EXECUTIVE or COMPANY contributions, and attributable earnings, to be refunded to him for fiscal year 2005); and (iii) except as otherwise provided in Sections 4(f) and 5 below, he shall no longer be entitled to any perquisites made available to active executives or employees of the COMPANY, including, but not limited to parking or the use of COMPANY owned and promotional vehicles. The EXECUTIVE'S rights with respect to his accrued benefits, as of the Final Date of Employment, under the COMPANY'S 401(k) Plan will be as set forth in the applicable plan documents, and any conversion or continuation right the EXECUTIVE may have under any other COMPANY employee benefit plan will be as set forth in the applicable plan document and shall be at his sole expense. Other than as expressly set forth in this Agreement, the EXECUTIVE will have no continuing rights under any employee benefit plan or arrangement of the Companies following the Final Date of Employment.

(b) The EXECUTIVE shall not be eligible to earn and receive a bonus award for fiscal year 2006.

(c) Any stock options, restricted stock or other equity-based compensation awards held by the EXECUTIVE that are not vested and, in the case of stock options, exercisable as of the EXECUTIVE'S Final Date of Employment will be immediately cancelled and forfeited.

(d) Notwithstanding anything in this or another document to the contrary, all vested options to purchase stock of the COMPANY held by the EXECUTIVE after the Final Date of Employment (each of which is listed on Annex A hereto) shall continue to be exercisable until May 28, 2006 (but in no event beyond the full term of the option). Any such options that are not exercised by May 28, 2006 shall be forfeited.

(e) The COMPANY shall reimburse the EXECUTIVE for reasonable expenses incurred by him in the course of performing his duties with the COMPANY prior to the Final Date of Employment (or expenses specifically authorized in advance by the COMPANY in connection with his performance of any services requested of him by the COMPANY pursuant to Section 7(a) below), so long as such expenses were incurred in compliance with the COMPANY'S policies with respect to travel, entertainment and other business expenses, and the EXECUTIVE has complied with the COMPANY'S requirements with respect to submitting, reporting and documentation of such expenses. In addition, the EXECUTIVE may use a credit of the COMPANY at the Mirabelle

restaurant toward expenses incurred for the March 20, 2006 Executive Committee Dinner now scheduled to be held in his residence.

(f) For the period through the end of the 2006 ski season the EXECUTIVE and his immediate family members shall continue to have ski privileges and ski school privileges equivalent to those given to non-employee members of the Board of Directors of the COMPANY.

(g) For the period through August 28, 2006, the COMPANY shall maintain (i) an appropriate forwarding message recorded by the EXECUTIVE and approved by the COMPANY on voicemail for the EXECUTIVE'S former COMPANY telephone number, and (ii) an autoresponse on the email address adama@vailresorts.com with an appropriate forwarding email response created by the EXECUTIVE and approved by the COMPANY. In addition, through August 28, 2006, the Company shall forward to the EXECUTIVE, at an address he may reasonably provide from time to time, any first class mail addressed to the EXECUTIVE at the COMPANY's offices which the COMPANY determines is his personal mail.

(h) The COMPANY shall pay the EXECUTIVE'S reasonable legal fees and expenses (not to exceed $12,500) incurred by him in negotiating and executing this Agreement.

5. The COMPANY further agrees that the EXECUTIVE shall retain the following club memberships previously vested in the EXECUTIVE in connection with his employment with the COMPANY: (i) one transferable charter membership in the Beaver Creek Club which shall carry a value as if the EXECUTIVE paid a $60,000 cash initiation fee for such membership, (ii) two transferable memberships in the Red Sky Ranch Golf Club which shall carry a value as if the EXECUTIVE paid a $175,000 cash initiation fee for each such membership, and (iii) one nontransferable honorary membership in the Game Creek Club. After September 26, 2006 (May 1, 2006 in the case of the Beaver Creek Club), the EXECUTIVE will be responsible for payment of all annual dues, fees and assessments and shall assume all obligations relating to such club memberships held by the EXECUTIVE. The EXECUTIVE may transfer his Beaver Creek Club membership to the purchaser of his Beaver Creek home, or may otherwise resign the membership per the standard terms of the Beaver Creek Club. The EXECUTIVE may transfer one or both of the Red Sky Ranch Golf Club memberships if and when and to whom the lot purchased by the EXECUTIVE in the Red Sky Ranch golf community pursuant to his employment agreement with the Company is sold, without restriction by the Red Sky Ranch Club and with no membership initiation fee or transfer fee being owed, or the EXECUTIVE may otherwise resign such memberships per the standard terms of the Red Sky Ranch Golf Club, except that if he resigns from one or both of his Red Sky Ranch Golf Club memberships, the amount refunded to the EXECUTIVE following the resale of his memberships after such resignation shall be $175,000 per membership**.**

6. (a) In return for the consideration and other promises by the COMPANY set forth in this Agreement, the EXECUTIVE for himself and his representatives, heirs, and assigns, hereby releases and discharges each of the Released Persons from all Legal Proceedings, known or unknown, that he may have against any of the Released Persons, including, but not limited to,

claims that in any manner relate to, arise out of or involve any aspect of his employment with the COMPANY, and his separation from that employment, including, but not limited to, any rights or claims under the Federal Worker Adjustment and Restraining Notification Act, 29 U.S.C. §2101 et seq.; the Colorado Anti-Discrimination Act, Colo. Rev. Stat. §21-34-401, et seq.; the Family and Medical Leave Act, 29 U.S.C. §2601 et seq.; the Age Discrimination in Employment Act, 29 U.S.C. §621 et seq.; the Civil Rights Act of 1964, as amended, 42 U.S.C., §2000e, et seq.; the Americans with Disabilities Act, 42 U.S.C. §12101, et seq.; the Sarbanes-Oxley Act of 2002, 18 U.S.C. §800 et seq.; Executive Order 11246; the Civil Rights Act of 1866, as reenacted, 42 U.S.C. §1981; and any and all other municipal, state, and/or federal statutory, executive order, or constitutional provisions pertaining to an employment relationship. This release and waiver also specifically includes, but is not limited to, any Legal Proceedings in the nature of tort or contract claims, including specifically claims of wrongful discharge, breach of contract, promissory estoppel, intentional or negligent infliction of emotional distress, interference with contract, libel, slander, breach of covenant of good faith and fair dealing, or other such claims, including, but not limited to, those arising out of or involving any aspect of his employment or separation from employment with the COMPANY. Except as provided in Section 4(h) above, this release includes any and all claims seeking attorney fees, costs, and other expenses related to the claims released herein.

However, this release and waiver shall not apply to: (i) any rights which, by law, may not be waived; (ii) rights and claims that arise from acts or events occurring after the effective date of this Agreement; (iii) claims with respect to the EXECUTIVE’S accrued benefits, as of the Final Date of Employment, under the COMPANY’S 401(k) Plan which will be as set forth in the applicable plan documents, or any conversion or continuation right the EXECUTIVE may have under any other COMPANY employee benefit plan which will be as set forth in the applicable plan document and shall be at his sole expense; (iv) rights to indemnification or advancement of expenses under the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws of the COMPANY; (v) rights as a shareholder of the COMPANY; (vi) rights under an executory purchase and sale agreement for real estate, and rights as an owner of real estate, in either case constructed and sold by the COMPANY as to which the EXECUTIVE is the purchaser; or (vi) claims for breach by the COMPANY of this Agreement.

The EXECUTIVE also specifically covenants and represents that he has not and will not bring suit or file any charge, grievance or complaint, of any nature in relation to any claim or right waived herein, against the Released Persons.

SUMMARY OF RELEASE AND WAIVER OF CLAIMS: Please read the three immediately preceding paragraphs carefully and have them explained to you by your attorney. In summary, what the paragraphs say and what you, the EXECUTIVE, agree to do by executing this Agreement is to give up your right to pursue any legal claim that you might have against the COMPANY (Vail Resorts, Inc.) and related companies (including Vail Resorts Development Company, The Vail Corporation and Vail Summit Resorts, Inc.), their current and former, officers, directors, shareholders, agents, and/or employees. It applies whether or not you are aware of the claims. It applies to claims that arose (meaning the important facts and occurrences which create or support the claim happened) at any time up to and including the time of your execution of this Agreement. It does not apply to any claims that might arise (meaning that the important facts or occurrences that

create or support the claim happen) after the date of execution of this Agreement. As stated above, the release and waiver includes, but is not limited to, any and all claims arising from your employment or your separation from employment with the COMPANY. Such claims would include claims of employment discrimination or wrongful discharge and claims arising under any federal, state, and local laws, including, but not limited to, those listed by name above. Once you have entered into this Agreement, you will have agreed not to seek to bring those claims in a court or other forum at any time in the future. In effect, you are exchanging your right to bring or pursue those claims, whether they are worth anything or not, for the actions to be taken for your benefit by the COMPANY and other promises in this Agreement.

(b) In return for the consideration and other promises by the EXECUTIVE set forth in this Agreement, the Companies hereby release and discharge the EXECUTIVE, and his representatives, heirs and assigns (the "EXECUTIVE Released Persons") from all Legal Proceedings, known or unknown, that they may have against any of the the EXECUTIVE Released Persons, including but not limited to, claims that in any manner relate to, arise out of or involve any aspect of the EXECUTIVE'S employment with the COMPANY, and his separation from that employment. This release and waiver also specifically includes, but is not limited to, any Legal Proceedings in the nature of tort or contract claims, including specifically claims of wrongful discharge, breach of contract, promissory estoppel, intentional or negligent infliction of emotional distress, interference with contract, libel, slander, breach of covenant of good faith and fair dealing, or other such claims, including, but not limited to, those arising out of or involving any aspect of his employment or separation from employment with the COMPANY. This release includes any and all claims seeking attorney fees, costs, and other expenses related to the claims released herein. However, this release and waiver shall not apply to: (i) any rights which, by law, may not be waived; (ii) rights and claims that arise from acts or events occurring after the effective date of this Agreement; (iii) rights under any executory purchase and sale agreement for real estate constructed and sold by the COMPANY as to which the EXECUTIVE is the purchaser, and (iv) claims for breach of any provision of this Agreement by the EXECUTIVE.

The Companies also specifically covenant and represent that they have not and will not bring suit or file any charge, grievance or complaint, of any nature in relation to any claim or right waived herein against the EXECUTIVE.

(c) The parties acknowledge the continuing validity, after the Final Date of Employment, of the Undertaking for Advancement of Expenses dated October 15, 2004 (the "Undertaking") and of any right or claims that the COMPANY or any of the other Companies, as applicable, may have or assert in accordance with the Undertaking, the Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws of the COMPANY, or other Constituting Documents applicable to the EXECUTIVE, for reimbursement of attorneys' fees, indemnity sums, or any other sums paid or incurred in the EXECUTIVE'S defense by the COMPANY, or any of the Companies, in connection with any Legal Proceeding.

7. The EXECUTIVE agrees to the following:

(a) The EXECUTIVE shall cooperate with and assist the COMPANY whenever reasonably possible, when reasonably requested to do so by the COMPANY

through December 31, 2006, so that all of the EXECUTIVE'S duties, responsibilities and pending matters can be transferred in an orderly way.

(b) The EXECUTIVE shall remove all of his personal possessions from his office by no later than March 31, 2006, provided that the EXECUTIVE shall not return to his office after the Final Date of Employment other than at such time agreed to by the COMPANY in order to remove his personal possessions. The EXECUTIVE shall return all COMPANY materials that may have been issued to the EXECUTIVE, including, but not limited to, keys, written or electronic Confidential Information, and credit cards, and to promptly file any outstanding final expense report; provided, however, that EXECUTIVE will be entitled to retain his laptop computer and related home docking station. The EXECUTIVE shall pay Vailnet for its high-speed ISP service to his residence commencing as of the Final Date of Employment. Subject to compliance with his obligations herein with respect to the use and disclosure of Confidential Information, the EXECUTIVE will be entitled to retain his electronic rolodex and schedule.

(c) The EXECUTIVE shall not use or disclose to anyone not connected with the COMPANY, or use for his own benefit or that of third parties, any Confidential Information or trade secrets that the EXECUTIVE obtained during his employment with the COMPANY, except as required in any judicial or administrative proceeding.

(d) The EXECUTIVE shall not make any copies for his own use or for the benefit of unrelated third parties, of any prospect lists, any memoranda, books, records, or documents, whether in tangible or electronic media form, which contain Confidential Information or trade secrets belonging to the COMPANY, except as required in any judicial or administrative proceeding.

(e) For the period through the first anniversary of the Final Date of Employment, the EXECUTIVE will not, except with the prior written consent of the Board of Directors of the COMPANY, directly or indirectly own, manage, operate, join, control, finance or participate in the ownership, management, operation, control or financing of, or be connected as an officer, director, employee, partner, principal, agent, representative, consultant or otherwise with, or use or permit his name to be used in connection with, any business or enterprise that is engaged in a "Competing Enterprise," which is defined as an entity whose operations are conducted within the ski industry in North America or in the real estate development, lodging or hospitality industries in the State of Colorado. Notwithstanding the foregoing, the EXECUTIVE may participate, own, finance, manage, obtain employment or otherwise be connected with a larger regional, national or international business or enterprise (a "New Employer") which owns or operates a Competing Enterprise as a brand, branch, division, subsidiary or affiliate provided that (i) the Competing Enterprise accounts for less than 10% of the New Employer's annual revenues and annual net income on both a historical or pro forma basis for the New Employer's most recently completed fiscal year, and (ii) the EXECUTIVE'S duties for the New Employer are not primarily related to the conduct of such Competing Enterprise. The foregoing restrictions shall not be construed to prohibit the ownership by the EXECUTIVE of less than five percent (5%) of any class of securities of any corporation which is engaged in any of the foregoing businesses having

a class of securities registered pursuant to the Securities Exchange Act of 1934 (the "Exchange Act"), provided that such ownership represents a passive investment and that neither the EXECUTIVE nor any group of persons including the EXECUTIVE in any way, either directly or indirectly, manages or exercises control of any such corporation, guarantees any of its financial obligations, otherwise takes any part in its business (other than exercising his rights as a shareholder), or seeks to do any of the foregoing.

(f) The EXECUTIVE further covenants and agrees that through the first anniversary of the Final Date of Employment, the EXECUTIVE will not solicit for another business or enterprise any person who is a managerial or higher level employee of the Company at the time of the EXECUTIVE'S termination.

(g) The EXECUTIVE agrees that, through June 28, 2006, he will not (and he will direct his immediate family to not) make any public statements (whether positive or negative) with respect to any of the Companies unless prior written approval of the statement is given to the EXECUTIVE by a successor Chief Executive Officer of the COMPANY**.** For the purposes hereof, "Public Statements" shall mean statements, written, electronic or oral, given to any media person or outlet, to securities analysts, to persons known to the EXECUTIVE to be shareholders of the COMPANY or made to a group of 4 or more people or statements made under circumstances where it is reasonable to believe that they would become public. Public Statements shall not include private conversations to persons not just described unless statements are made under circumstances where it is reasonable to believe that they would become public. In addition, for a period of five years after the Final Date of Employment, the EXECUTIVE agrees that he shall not make any statements, public or private, disparaging of the COMPANY or other Companies, the Board, or the officers, directors, stockholders, or employees of the COMPANY or other Companies. The Companies shall similarly not disparage, and the COMPANY shall direct its executive officers to (and request that its directors) similarly not disparage, the EXECUTIVE for a period of five years following the Final Date of Employment. Notwithstanding any of the foregoing in this subsection, the parties may respond truthfully to inquiries from governmental agencies or from the prospective employers of the EXECUTIVE. Similarly, nothing in this Agreement is intended to prevent either party from seeking to enforce the provisions of this Agreement through appropriate proceedings.

The parties acknowledge that the COMPANY retains the right, together with any other legal remedy the COMPANY may have, to discontinue the payments and benefits described in Sections 3 or 4, at any time upon written notice to the EXECUTIVE, in the event that the COMPANY determines, in good faith, that (i) the EXECUTIVE is violating or has violated any of the obligations of Sections 7(e), (f) or (g) above, or (ii) the EXECUTIVE is violating in any material respect or has violated in any material respect any of the obligations of Sections 7(a), (b), (c) or (d) above. In such an event, the EXECUTIVE may seek a determination, pursuant to the provisions of Section 15 below, that such action by the COMPANY was not justified and should be remedied. Nothing in this Agreement shall prohibit or restrict the EXECUTIVE from testifying truthfully as may be required by the Securities and Exchange Commission or other governmental or judicial body acting in its official capacity.

8. The EXECUTIVE acknowledges and agrees that the restrictions contained in Section 7 (c)-(g) are reasonable and necessary to protect and preserve the legitimate interests, properties, goodwill and business of the COMPANY, that the COMPANY would not have entered into this Agreement in the absence of such restrictions and that irreparable injury will be suffered by the COMPANY should the EXECUTIVE breach any of such provisions. The EXECUTIVE further acknowledges and agrees that a breach of any of such restrictions cannot be adequately compensated by monetary damages. The EXECUTIVE agrees that the COMPANY shall be entitled to preliminary and permanent injunctive relief, without the necessity of proving actual damages, as well as an equitable accounting of all earnings, profits and other benefits arising from any violation of such restrictions, which rights shall be cumulative and in addition to any other rights or remedies to which the COMPANY may be entitled. In the event that any of such restrictions should ever be adjudicated to exceed the time, geographic, service, or other limitations permitted by applicable law in any jurisdiction, it is the intention of the parties that the provision shall be amended to the extent of the maximum time, geographic, service, or other limitations permitted by applicable law, that such amendment shall apply only within the jurisdiction of the court that made such adjudication and that the provision otherwise be enforced to the maximum extent permitted by law.

9. The entry into this Agreement by the Parties is not and shall not be construed to be an admission of any act, practice or policy by the COMPANY in violation of any statute, common law duty, constitution, or administrative rule or regulation. Further, this Agreement shall not constitute evidence of any such proscribed or wrongful act, practice or policy by the COMPANY.

10. The Parties agree that this Agreement shall not be tendered or admissible as evidence in any proceeding by either Party for any purpose, except in a proceeding involving one or both of the Parties in which this Agreement or any part of this Agreement, an alleged breach of this Agreement, the enforcement of this Agreement, and/or the validity of any term of this Agreement is at issue.

11. The COMPANY advises the EXECUTIVE to consult an attorney before signing this Agreement, and the EXECUTIVE acknowledges that he has consulted an attorney before signing this Agreement.

12. The EXECUTIVE acknowledges the adequacy and sufficiency of the consideration for his promises set forth in this Agreement. The EXECUTIVE is estopped from raising, and hereby expressly waives any defense regarding the receipt and/or legal sufficiency of the consideration provided under this Agreement.

13. The EXECUTIVE hereby acknowledges his understanding that, had he wished to do so, he could have taken up to twenty-one (21) days to consider this Agreement, that he has read this Agreement and understands its terms and significance, and that he executes this Agreement voluntarily and with full knowledge of its effect, having carefully read and considered all terms of this Agreement and, if he has chosen to consult with an attorney, having had all terms and their significance fully explained to him by his attorney.

14. The EXECUTIVE understands that he may revoke this Agreement, as it applies to him, within seven (7) days following execution of this Agreement and that this Agreement, as it applies to him, shall not become effective or enforceable until that revocation period has expired. Any such revocation must be effected by delivery of a written notification of revocation of the Agreement to the General Counsel of the COMPANY prior to the end of such 7 day revocation period. In the event that the Agreement is revoked by the EXECUTIVE, the COMPANY shall have no obligations under the Agreement, no amounts will be payable under this Agreement, and this Agreement shall be deemed to be void ab initio and of no further force or effect.

15. Any controversy or claim arising out of, or relating to, this Agreement, or its breach, shall be governed by the laws of the State of Colorado, without giving effect to the principles of conflict of laws thereof, and shall be resolved by final and binding arbitration, in accordance with the rules for contractual disputes then applicable, of the Judicial Arbiter Group, Denver, Colorado, and judgment on the award rendered may be entered in any court having jurisdiction.

16. The EXECUTIVE shall be responsible for paying all income taxes attributable to payments and benefits received under this Agreement, and all payments and benefits provided to the EXECUTIVE shall be net of applicable income, employment or other taxes required to be withheld therefrom.

17. This Agreement represents the complete agreement between the EXECUTIVE and the COMPANY concerning the subject matter in this Agreement, and it supersedes all prior agreements or understandings, written or oral, including the Employment Agreement. This Agreement may not be amended or modified otherwise than by a written agreement executed by the Parties hereto or their respective successors and legal representatives.

18. Each of the Sections contained in this Agreement shall be enforceable independently of every other Section in this Agreement, and the invalidity or unenforceability of any Section shall not invalidate or render unenforceable any other Section contained in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below, intending to be legally bound by this Agreement.

EXECUTIVE	VAIL RESORTS, INC.
/s/ Adam M. Aron	By: /s/ Martha D. Rehm
Adam M. Aron	Name: Martha D. Rehm
	Title: Sr. Vice President and General Counsel
Date: February 27, 2006	Date: February 27, 2006

ANNEX A

ADAM M. ARON
Stock Options Outstanding and Exercisable As Of
2/27/2006

Grant Date	Plan ID	Grant Type	Options Granted	Option Price	Options Vested & Exercisable
9/14/1999	1999Plan	Non-Qualified	60,000	$19.0625	60,000
9/28/1999	1999Plan	Non-Qualified	65,000	$21.1250	65,000
9/12/2000	1999Plan	Non-Qualified	100,000	$19.1250	100,000
12/9/2002	1996Plan	Non-Qualified	120,000	$17.3350	120,000
11/20/2003	2002Plan	Non-Qualified	120,000	$14.7300	80,000
9/28/2004	2002Plan	Non-Qualified	120,000	$18.7300	40,000
Current Non-forfeited Optionee Total					465,000

SECOND AMENDMENT TO
FOURTH AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDMENT TO FOURTH AMENDED AND RESTATED CREDIT AGREEMENT (this "***Amendment***") is dated as of February 17, 2006, but effective as of the Effective Date (hereinafter defined), among **THE VAIL CORPORATION**, a Colorado corporation doing business as "Vail Associates, Inc." (the "***Company***"), the Required Lenders (as defined in the Credit Agreement referenced below) party hereto, and **BANK OF AMERICA, N.A.**, as Administrative Agent (hereinafter defined).

R E C I T A L S

A. The Company has entered into that certain Fourth Amended and Restated Credit Agreement dated as of January 28, 2005, with Bank of America, N.A., as Administrative Agent (in such capacity, the "***Administrative Agent***"), and certain other agents and lenders party thereto, as amended by that certain First Amendment to Fourth Amended and Restated Credit Agreement dated as of June 29, 2005 (as amended, the "***Credit Agreement***"), providing for revolving credit loans, letters of credit, and swing line loans in the aggregate principal amount of up to $400,000,000. Unless otherwise indicated herein, all capitalized terms used herein shall have the meanings set forth in the Credit Agreement, and all Section references herein shall be references to sections in the Credit Agreement.

B. The Company has requested the ability to make Distributions to the extent permitted pursuant to the Indenture, dated as of January 29, 2004, among Vail Resorts, Inc., as Issuer ("***VRI***"), The Bank of New York, as Trustee, and certain of VRI's subsidiaries, as Guarantors, governing VRI's 6¾% Senior Subordinated Notes due 2014, as in effect on the date hereof.

C. The Required Lenders have agreed to amend the Credit Agreement to permit such Distributions.

In consideration of the foregoing and the mutual covenants contained herein, the Company, the Required Lenders, the Guarantors (by execution of the attached Guarantors' Consent and Agreement), and the Administrative Agent agree as follows:

1. Amendments.

(a) New Definitions. ***Section 1.1*** is hereby amended by inserting the following new definitions alphabetically to read as follows:

(i) "***Restricted Payment Capacity*** means, on any date of determination, the Dollar value of Restricted Payments (as defined in the VRI Indenture) that VRI and its Restricted Subsidiaries are permitted to make under, and in accordance with, *Section 4.10 (Limitation on Restricted Payments)* of the VRI Indenture on such date, without regard to whether VRI and its Subsidiaries are permitted to make a Restricted Payment (as defined in the VRI Indenture) on such date as a result of its failure to satisfy any condition to the making of a Restricted Payment (as defined in the VRI Indenture) as set forth in the VRI Indenture."

(ii) "***VRI Indenture*** means the Indenture, dated as of January 29, 2004, between VRI, as Issuer, the guarantors party thereto, and The Bank of New York, as Trustee, as in effect on the date hereof, without giving effect to any further amendments, restatements, supplements, or modifications thereof; *provided*, *that*, the terms and provisions of the VRI Indenture referenced in this Agreement shall continue to be incorporated herein by reference if the VRI Indenture is

terminated, the Debt evidenced thereby is repaid, or the VRI Indenture ceases to be in full force and effect for any reason."

(b) Modifications to Distributions Covenant. ***Section 10.9*** (Distributions) is hereby amended as follows:

(i) ***Clause (d)*** is amended in its entirety to read as follows (and the calculations demonstrating compliance with ***clause (d)*** in the calculations worksheet attached to the Compliance Certificate shall be deemed amended to reflect the revised provision below):

"(d) if no Default or Potential Default exists or arises or would result after giving effect thereto, VRI and its Restricted Subsidiaries may make additional Distributions not otherwise permitted under this ***Section 10.9***, and loans, advances, and investments not otherwise permitted under ***Section 10.8***, so long as, on any date of determination, the aggregate amount of Distributions permitted under this ***clause (d)*** and such loans, advances, and investments not otherwise permitted under ***Section 10.8*** does not exceed the Restricted Payment Capacity. (For example and for illustrative purposes only, if VRI and its Restricted Subsidiaries are permitted to make Restricted Payments (as defined in the VRI Indenture) under the VRI Indenture in an amount not to exceed $10.0 million (without regard to whether any conditions to the making of such Restricted Payments (as defined in the VRI Indenture) are satisfied), then the Restricted Companies will be permitted to make Distributions not otherwise permitted under this ***Section 10.9*** and loans, advances, and investments not otherwise permitted under ***Section 10.8*** in an amount not to exceed $10.0 million, if no Default or Potential Default exists or arises or would result after giving effect thereto.)"

(ii) ***Clause (f)*** shall be amended by inserting "and" at the end thereof, ***clause (g)*** shall be amended by replacing "; and" at the end thereof with ".", and ***clause (h)*** shall be deleted in its entirety.

2. Representations and Warranties. As a material inducement to the Required Lenders and the Administrative Agent to execute and deliver this Amendment, the Company represents and warrants to the Required Lenders and the Administrative Agent (with the knowledge and intent that Required Lenders are relying upon the same in entering into this Amendment) that (a) the Company and the Guarantors have all requisite authority and power to execute, deliver, and perform their respective obligations under this Amendment and the Guarantor Consent and Agreement, as the case may be, which execution, delivery, and performance have been duly authorized by all necessary action, require no Governmental Approvals, and do not violate the respective certificates of incorporation or its bylaws, or other documents of such Companies; (b) upon execution and delivery by the Company, the Guarantors, the Administrative Agent, and the Required Lenders, this Amendment will constitute the legal and binding obligation of the Company and each Guarantor, enforceable against such entities in accordance with this Amendment's terms, *except* as that enforceability may be limited by general principles of equity or by bankruptcy or insolvency laws or similar laws affecting creditors' rights generally, (c) all representations and warranties in the Loan Papers are true and correct in all material respects as though made on the date hereof, *except* to the extent that any of them speak to a specific date or the facts on which any of them are based have been changed by transactions contemplated or permitted by the Credit Agreement, and (d) no Default or Potential Default has occurred and is continuing.

3. Conditions Precedent to Effectiveness. This Amendment shall be effective on the date (the "***Effective Date***") upon which Administrative Agent receives (i) counterparts of this Amendment executed by the Company, Administrative Agent, and Required Lenders, (ii) the Guarantors' Consent and

Agreement executed by each Guarantor, and (iii) a copy of the Senior Subordinated Indenture as in effect on the Effective Date, accompanied by a certificate of a Responsible Officer certifying that such copy is true and correct as of such date.

4. **Expenses.** The Company shall pay all reasonable costs, fees, and expenses paid or incurred by the Administrative Agent incident to this Amendment, including, without limitation, the reasonable fees and expenses of the Administrative Agent's counsel in connection with the negotiation, preparation, delivery, and execution of this Amendment and any related documents.

5. **Miscellaneous.** Unless stated otherwise herein, (a) the singular number includes the plural, and *vice versa*, and words of any gender include each other gender, in each case, as appropriate, (b) headings and captions shall not be construed in interpreting provisions of this Amendment, (c) this Amendment shall be governed by and construed in accordance with the laws of the State of New York, (d) if any part of this Amendment is for any reason found to be unenforceable, all other portions of it shall nevertheless remain enforceable, (e) this Amendment may be executed in any number of counterparts with the same effect as if all signatories had signed the same document, and all of those counterparts shall be construed together to constitute the same document, (f) this Amendment is a "*Loan Paper*" referred to in the Credit Agreement, and the provisions relating to Loan Papers in ***Section 14*** of the Credit Agreement are incorporated herein by reference, (g) this Amendment, the Credit Agreement, as amended by this Amendment, and the other Loan Papers constitute the entire agreement and understanding among the parties hereto and supercede any and all prior agreements and understandings, oral or written, relating to the subject matter hereof, and (h) except as provided in this Amendment, the Credit Agreement, the Notes, and the other Loan Papers are unchanged and are ratified and confirmed.

6. **Parties.** This Amendment binds and inures to the benefit of the Company, the Guarantors, the Administrative Agent, the Lenders, and their respective successors and assigns.

The parties hereto have executed this Amendment in multiple counterparts as of the date first above written.

Remainder of Page Intentionally Blank.
Signature Pages to Follow.

THE VAIL CORPORATION (D/B/A “VAIL ASSOCIATES, INC.”), as the Company

By: /s/ Martha D. Rehm
Name: Martha D. Rehm
Title: Executive Vice President
Dated: March 2, 2006

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ David A. Johanson
Name: David A. Johanson
Title: Vice President

BANK OF AMERICA, N.A.,
as an L/C Issuer, a Swing Line Lender, and a Lender

By: /s/ David McCauley

Name: David McCauley

Title: Vice President

U.S. BANK NATIONAL ASSOCIATION,
as Co-Syndication Agent, a Swing Line Lender, and a Lender

By: /s/ Rob L. Stuart
Name: Rob L. Stuart
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Co-Syndication Agent, an L/C Issuer, and a Lender

By: /s/ Susan K. Petri
Name: Susan K. Petri
Title: Vice President

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Co-Documentation Agent and a Lender

By: /s/ Brenda Casey
Name: Brenda Casey
Title: Director

By: /s/ Joanna Sollman
Name: Joanna Sollman
Title: Assistant Vice President

LASALLE BANK NATIONAL ASSOCIATION,
as Co-Documentation Agent and a Lender

By: /s/ Darren Lemkov

Name: Darren Lemkov

Title: Senior Vice President

CALYON NEW YORK BRANCH,
as a Lender

By:	/s/ Joseph A. Asciolla	/s/ David Bowers
Name:	Joseph A. Asciolla	David Bowers
Title:	Managing Director	Director

JPMORGAN CHASE BANK, NA,
as a Lender

By: /s/ Kent Kaiser
Name: Kent Kaiser
Title: Vice President

COMPASS BANK,
as a Lender

By: /s/ Eric R. Long
Name: Eric R. Long
Title: Senior Vice President

GUARANTY BANK,
as a Lender

By: /s/ Robert S. Hays
Name: Robert S. Hays
Title: Senior Vice President

COMERICA WEST INCORPORATED,
as a Lender

By: /s/ Kevin T. Urban
Name: Kevin T. Urban
Title: Assistant Vice President

GUARANTORS' CONSENT AND AGREEMENT

As an inducement to Administrative Agent and Required Lenders to execute, and in consideration of Administrative Agent's and Required Lenders' execution of the foregoing Second Amendment to Fourth Amended and Restated Credit Agreement, the undersigned hereby consent thereto and agree that the same shall in no way release, diminish, impair, reduce or otherwise adversely affect the respective obligations and liabilities of each of the undersigned under each Guaranty described in the Credit Agreement, or any agreements, documents or instruments executed by any of the undersigned to create liens, security interests or charges to secure any of the indebtedness under the Loan Papers, all of which obligations and liabilities are, and shall continue to be, in full force and effect. This consent and agreement shall be binding upon the undersigned, and the respective successors and assigns of each, and shall inure to the benefit of Administrative Agent and Lenders, and the respective successors and assigns of each.

Vail Resorts, Inc.
Vail Holdings, Inc.
Beaver Creek Associates, Inc.
Beaver Creek Consultants, Inc.
Beaver Creek Food Services, Inc.
Breckenridge Resort Properties, Inc.
Complete Telecommunications, Inc.
Gillett Broadcasting, Inc.
Grand Teton Lodge Company
Heavenly Valley, Limited Partnership
Jackson Hole Golf and Tennis Club, Inc.
JHL&S LLC
Keystone Conference Services, Inc.
Keystone Development Sales, Inc.
Keystone Food and Beverage Company
Keystone Resort Property Management Company
Larkspur Restaurant & Bar, LLC
Lodge Properties, Inc.
Lodge Realty, Inc.
Mountain Thunder, Inc.
Property Management Acquisition Corp., Inc.
Rockresorts International, LLC
Rockresorts LLC
Rockresorts Cheeca, LLC
Rockresorts Equinox, Inc.
Rockresorts LaPosada, LLC
Rockresorts Wyoming, LLC
Rockresorts Casa Madrona, LLC
Rockresorts Cordillera Lodge Company, LLC
Rockresorts Rosario, LLC
SOHO Development, LLC
SSV Holdings, Inc.
Teton Hospitality Services, Inc.

The Village at Breckenridge Acquisition Corp., Inc.
Timber Trail, Inc.
VA Rancho Mirage I, Inc.
VA Rancho Mirage II, Inc.
VA Rancho Mirage Resort, L.P.
Vail/Arrowhead, Inc.
Vail Hotel Management Company, LLC
Vail Associates Holdings, Ltd.
Vail Associates Investments, Inc.
Vail Associates Real Estate, Inc.
Vail/Beaver Creek Resort Properties, Inc.
Vail Food Services, Inc.
Vail Resorts Development Company
Vail RR, Inc.
Vail Summit Resorts, Inc.
Vail Trademarks, Inc.
VAMHC, Inc.
VR Heavenly I, Inc.
VR Heavenly II, Inc.
VR Holdings, Inc.

By: /s/ Martha D. Rehm
Name: Martha Dugan Rehm
Title Executive Vice President

VAIL RESORTS, INC.
RESTRICTED SHARE AGREEMENT

THIS AGREEMENT, dated as of [date], is between Vail Resorts, Inc., a Delaware corporation (the "Company"), and [name of employee] (the "Employee").

WHEREAS, the Employee has been granted the following award under the Company's [insert applicable plan] Long Term Incentive and Share Award Plan (the "Plan");

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, the parties hereto agree as follows.

1. Award of Shares. Pursuant to the provisions of the Plan, the terms of which are incorporated herein by reference, the Employee is hereby awarded [number of shares] Restricted Shares (the "Award"), subject to the terms and conditions of the Plan and those herein set forth. The Award is granted as of [date] (the "Date of Grant"). Capitalized terms used herein and not defined shall have the meanings set forth in the Plan. In the event of any conflict between this Agreement and the Plan, the Plan shall control.

2. Terms and Conditions. It is understood and agreed that the Award of Restricted Shares evidenced hereby is subject to the following terms and conditions:

(a) Vesting of Award. Subject to Section 2(b) below and the other terms and conditions of this Agreement, this Award shall become vested in three equal annual installments, commencing on the first anniversary of the Date of Grant and continuing on each of the following two anniversaries of the Date of Grant. Unless otherwise provided by the Committee, all dividends and other amounts receivable in connection with any adjustments to the Shares under Section 4(c) of the Plan shall be subject to the vesting schedule in this Section 2(a).

(b) Termination of Service; Forfeiture of Unvested Shares. In the event of a termination of the Employee's employment with the Company and its Subsidiaries prior to the date the Award otherwise becomes vested, the unvested portion of the Award shall immediately be forfeited by the Employee and become the property of the Company.

(c) Certificates. Each certificate or other evidence of ownership issued in respect of Restricted Shares awarded hereunder shall be deposited with the Company, or its designee, together with, if requested by the Company, a stock power executed in blank by the Employee, and shall bear a legend disclosing the restrictions on transferability imposed on such Restricted Shares by this Agreement (the "Restrictive Legend"). Upon the vesting of Restricted Shares pursuant to Section 2(a) hereof and the satisfaction of any withholding tax liability pursuant to Section 5 hereof, the certificates evidencing such vested Shares, not bearing the Restrictive Legend, shall be delivered to the Employee or other evidence of vested Shares shall be provided to the Employee.

(d) Rights of a Stockholder. Prior to the time a Restricted Share is fully vested hereunder, the Employee shall have no right to transfer, pledge, hypothecate or otherwise encumber such Restricted Share. During such period, the Employee shall have all other rights of a stockholder, including, but not limited to, the right to vote and to receive dividends (subject to Section 2(a) hereof) at the time paid on such Restricted Shares.

(e) No Right to Continued Employment. This Award shall not confer upon the Employee any right with respect to continuance of employment by the Company nor shall this Award interfere with the right of the Company to terminate the Employee's employment at any time.

3. Transfer of Shares. The Shares delivered hereunder, or any interest therein, may be sold, assigned, pledged, hypothecated, encumbered, or transferred or disposed of in any other manner, in whole or in part, only in compliance with the terms, conditions and restrictions as set forth in the governing instruments of the Company, applicable federal and state securities laws or any other applicable laws or regulations and the terms and conditions hereof.

4. Expenses of Issuance of Shares. The issuance of stock certificates hereunder shall be without charge to the Employee. The Company shall pay any issuance, stamp or documentary taxes (other than transfer taxes) or charges imposed by any governmental body, agency or official (other than income taxes) by reason of the issuance of Shares.

5. Withholding. No later than the date of vesting of (or the date of an election by the Employee under Section 83(b) of the Code with respect to) the Award granted hereunder, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state or local taxes of any kind required by law to be withheld at such time with respect to such Award and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind otherwise due to the Employee, federal, state and local taxes of any kind required by law to be withheld at such time. The Employee may elect to have the Company withhold Shares to pay any applicable withholding taxes resulting from the Award, in accordance with any rules or regulations of the Committee then in effect.

6. References. References herein to rights and obligations of the Employee shall apply, where appropriate, to the Employee's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement.

7. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:	Vail Resorts, Inc.
Attention:	General Counsel
Via U.S. Mail:	P.O. Box 7 Vail, Colorado 81658
Via Hand Delivery:	137 Benchmark Road Avon, Colorado 81620
If to the Employee:	At the Employee's most recent address shown on the Company's corporate records, or at any other address which the Employee may specify in a notice delivered to the Company in the manner set forth herein.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Colorado, without giving effect to principles of conflict of laws.

9. Counterparts. This Agreement may be executed in two counterparts, each of which shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

VAIL RESORTS, INC.

By:_
Name: ___________________________
Title: ____________________________

EMPLOYEE:

____
[Typewritten Name of Employee]

[Employee Name]
[Address]
[City, State, Zip]

RE: Grant of Stock Option

Dear [Name of Employee]:

Vail Resorts, Inc. (the "Company") is pleased to confirm, as you were advised on [date], that were granted an award of an Option on that date on the terms set forth herein. Your Option is granted pursuant to the Company's [insert applicable plan] Long Term Incentive and Share Award Plan, the terms of which are incorporated herein by reference. Capitalized terms used and not defined herein have the meanings set forth in the Plan.

1. **Option Terms.**

(a) Grant. On [date] (the "Grant Date"), you were granted an Option to purchase up to [Number] shares of the Company's Common Stock, having $.01 par value (the "Option Shares"), at an exercise price per Option Share equal to [Amount] (the "Exercise Price"), payable upon exercise as set forth in paragraph 3 below. Your Option will expire at the close of business on the tenth anniversary of the Grant Date (the "Expiration Date"), subject to earlier expiration in connection with the termination of your employment as provided below. Your Option is not intended to be an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

(b) Exercisability/Vesting. Your Option will be exercisable only to the extent it has vested. Your Option will be vested with respect to 33-1/3% of the Option Shares (rounded to the nearest whole share) on each of the first through third anniversaries of the Grant Date, if and only if you have been continuously employed by the Company and/or its Subsidiaries from the date of this Agreement through such dates. Upon the termination of your employment for any reason, by you or by the Company and/or its Subsidiaries, with or without cause, all of your unvested options shall expire and be of no further force or effect. Any such termination shall not affect your vested options, which shall remain exercisable pursuant to paragraph 1(c) below.

(c) Exercise Upon Sale of the Company.

(i) As used in this Agreement, "Sale of the Company" shall mean the acquisition of 90% of the Company's outstanding common stock pursuant to a merger, consolidation, business combination, purchase of stock, or otherwise that is approved by the Company's Board of Directors.

(ii) In connection with the Sale of the Company, the Company may, on not less than 20 days' notice to you, provide that any portion of your vested Options which have not been exercised prior to or in connection with the Sale of the Company will be forfeited. In lieu of requiring such exercise, the Company may: (1) provide for the cancellation of the exercisable portion of your Option in exchange for a payment equal to the excess (if any) of the consideration per share of Common Stock receivable in connection with such Sale of the Company over the exercise price; and/or (2) provide for the cancellation of the non-vested portion of your Option in exchange for the creation of a cash escrow account in lieu thereof in an amount equal to the excess (if any) of the consideration per share of Common Stock receivable in connection with such Sale of the Company over the Exercise Price, which amount, plus accrued interest thereon, shall be paid to you *pro rata* over the time periods and in the same percentages as such canceled unvested Options would have vested in accordance with the provisions of Section 1(b) above and subject to the same termination and forfeiture provisions of Section 1(d) below and to the other terms and provisions of this Agreement.

(d) Termination of Option. In no event shall any part of your Option be exercisable after the Expiration Date set forth in paragraph 1(a). If your employment with the Company and/or its Subsidiaries terminates for any reason, that portion of your Option that is not vested and exercisable on the date of termination of your employment shall expire and be forfeited. The portion of your Option that is vested and exercisable on the date of such termination shall, to the extent not theretofore exercised, expire on the 90th day after such date of termination.

2. **Procedure for Option Exercise.**

You may, at any time or from time to time, to the extent permitted hereby, exercise all or any portion of your vested portion of your Option by delivering, to the attention of the Company's General Counsel at the address set forth in paragraph 8 below, written notice to the Company accompanied by payment in full, in a manner acceptable to the Company, of an amount equal to the product of the Exercise Price and the number of Option Shares to be acquired. The Company may delay effectiveness of any exercise of your Option for such period of time as may be necessary to comply with any legal or contractual provisions to which it may be subject relating to the issuance of its securities, it being understood that such exercise shall be effective immediately upon completion of such compliance notwithstanding the occurrence of the Expiration Date.

3. **Option Not Transferable**.

Your Option is personal to you and is not transferable by you, other than by will or by the laws of descent and distribution. During your lifetime, only you (or your guardian or legal representative) may exercise your Option. In the event of your death, your Option may be exercised only by the executor or administrator of your estate or the person or persons to whom your rights under the Option shall pass by will or by the laws of intestate succession.

4. **Conformity with Plan**.

Your Option is intended to conform in all respects with, and is subject to, all applicable provisions of the Plan, the terms and conditions of which are incorporated herein by reference. Any inconsistencies between this Agreement and the Plan shall be resolved in accordance with the Plan. By executing and returning a copy of this Agreement, you acknowledge your receipt of this Agreement and the Plan and agree to be bound by all the terms of this Agreement and the Plan.

5. **Rights of Participants.**

Nothing in this Agreement shall interfere with or limit in any way the right of the Company and/or its Subsidiaries to terminate your employment at any time (with or without cause), or confer upon you any right to continue in the employ of the Company and/or its Subsidiaries for any period of time or to continue to receive your current (or other) rate of compensation. Nothing in this Agreement shall confer upon you any right to be selected to receive additional awards under the Plan or otherwise.

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6. **Withholding of Taxes**.

The Company may, if necessary or desirable, withhold from any amounts due and payable to you by the Company or a Subsidiary (or secure payment from you in lieu of withholding) the amount of any withholding or other tax due from the Company or Subsidiary with respect to the issuance or exercise of your Option, and the Company may defer such issuance or exercise unless indemnified by you to its satisfaction against the payment of any such amount.

7. **Adjustments**.

In the event that the Committee shall determine that any dividend in Shares, recapitalization, Share split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, or other similar corporate transaction or event affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of your rights under this Option, then the Committee shall make such equitable changes or adjustments as it deems appropriate and adjust, in such manner as it deems equitable, any or all of: (i) the number and kind of Shares, other securities or other consideration issued or issuable with respect to this Option; and (ii) the exercise price of this Option.

8. **Notice**.

Any notice required or permitted to be given to the Company under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the Company as follows:

If by mail: Vail Resorts, Inc.
Post Office Box 7
Vail, Colorado 81658
Attention: General Counsel

If by hand delivery: Vail Resorts, Inc.
137 Benchmark Road
Avon, Colorado 81620
Attention: General Counsel

9. **Governing Law**.

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without reference to the principles of conflict of laws.

[Signature Page Follows]

To confirm your understanding and acceptance of the terms and provisions set forth in this Agreement, please execute the extra copy of this Agreement in the space below and return it to the attention of the Company's General Counsel at the address set forth in paragraph 8 above.

Very truly yours,

VAIL RESORTS, INC.

By: ______________________
Name: ____________________
Title: _____________________

The undersigned hereby acknowledges that he or she has read this Agreement and has received a copy of the Plan and hereby agrees to be bound by all the provisions set forth in this Agreement and in the Plan.

____
[Name of Employee]
Date: ______________________________

STOCK OPTION LETTER

Dear Mr. Jones:

Vail Resorts, Inc. (the "Company") is pleased to confirm its grant to you of an option on the terms set forth herein.

Your Option was granted pursuant to the Company's 2002 Long Term Incentive and Share Award Plan (the "Plan"), a copy of which is enclosed. Capitalized terms used and not defined herein have the meanings set forth in the Plan.

1. Option Terms.

(a) Grant. On September 30, 2005 (the "Grant Date"), you were granted an option (the "Option") to purchase up to 100,000 shares of the Company's Common Stock, having $.01 par value (the "Shares"), at an exercise price per Share equal to $28.08 (the "Exercise Price"), payable upon exercise as set forth in Section 2 below. Your Option will expire at the close of business on the tenth anniversary of the Grant Date (the "Expiration Date"), subject to earlier expiration in connection with the termination of your employment as provided below. Your Option is not intended to be an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended.

(b) Exercisability/Vesting. Your Option will be exercisable only to the extent it has vested. Except as otherwise set forth in this Section 1(b) or in Sections 1(c) or (d) below, your Option will become vested with respect to 100% of the Option Shares on the third anniversary of the Grant Date, if and only if you have been continuously employed by the Company and/or its Subsidiaries from the date of this Agreement through such date. In the event of termination of your employment with the Company and its Subsidiaries by the Company or a Subsidiary not for Cause (as defined in the Amended and Restated Employment Agreement dated as of September 29, 2004 by and between the Company and you (the "Employment Agreement")) or by you for Good Reason (as defined in the Employment Agreement), a portion of the Option will become vested and exercisable at the time of such termination of employment determined by multiplying the number of Shares subject to the Option by a fraction, the numerator of which is the number of completed years from the Grant Date to the date of termination, and the denominator of which is three. Upon the termination of your employment other than as set forth in the immediately preceding sentence or in Section 1(d) below, all of your unvested Options shall expire and be of no further force or effect. Any such termination shall not affect your vested Options, which shall remain exercisable pursuant to paragraph 1(e) below.

(c) Exercise Upon Sale of the Company.

(i) As used in this Agreement, "Sale of the Company" shall mean the acquisition of 90% of the Company's outstanding common stock pursuant to a merger, consolidation, business combination,

purchase of stock, or otherwise that is approved by the Company's Board of Directors.

(ii) In connection with the Sale of the Company, the Company may, on not less than 20 days' notice to you, provide that any portion of your vested Options which have not been exercised prior to or in connection with the Sale of the Company will be forfeited. In lieu of requiring such exercise, the Company may: (1) provide for the cancellation of the exercisable portion of your Option in exchange for a payment equal to the excess (if any) of the consideration per share of Common Stock receivable in connection with such Sale of the Company over the exercise price; and/or (2) provide for the cancellation of the non-vested portion of your Option in exchange for the creation of a cash escrow account in lieu thereof in an amount equal to the excess (if any) of the consideration per share of Common Stock receivable in connection with such Sale of the Company over the Exercise Price, which amount, plus accrued interest thereon, shall be paid to you *pro rata* over the time periods and in the same percentages as such canceled unvested Options would have vested in accordance with the provisions of Sections 1(b) and (c) hereof and subject to the same termination and forfeiture provisions of Section 1(e) below and to the other terms and provisions of this Agreement.

(d) Change in Control. Notwithstanding any provision of this Agreement to the contrary, in the event of a Change in Control (as defined in Annex A hereto), the Option, if not already vested and exercisable under Section 1(b) above, will vest and become exercisable in full at the time of the Change in Control; provided, however, the vesting and exercisability of this Option shall not accelerate pursuant to this Section 1(d) if (i) there is no Control Party with respect to the Company after the Change in Control and you remain as the chief financial officer of the Company, or (ii) there is a publicly traded Control Party with respect to the Company after the Change in Control and you are the chief financial officer of such Control Party; provided further, however, if your employment is terminated by the Company or such Control Party, as the case may be, not for Cause after a Change in Control, the Option shall immediately vest in full upon such termination. "Control Party" is defined as a "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent, or other fiduciary or administrator of any such plan) that is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of more than 40% or more of the equity securities of the Company entitled to vote for members of the Board or equivalent governing body of the Company on a fully-diluted basis.

(e) Termination of Option. In no event shall any part of your Option be exercisable after the Expiration Date set forth in Section 1(a). If your employment with the Company and/or its Subsidiaries terminates for any reason (other than as provided in Section 1(d)), that portion of your Option that is not vested and exercisable on the date of termination of your employment shall expire and be forfeited. The portion of your Option that is vested and exercisable on the date of such termination shall, to the extent not theretofore exercised, expire on the 90th day after such date of termination.

2. Procedure for Option Exercise.

You may, at any time or from time to time, to the extent permitted hereby, exercise all or any portion of the vested portion of your Option by delivering, to the attention of the Company's General Counsel at the address set forth in Section 8 below, written notice to the Company accompanied by payment in full, in a manner acceptable to the Company, of an amount equal to the product of the Exercise Price and the number of Shares to be acquired on exercise (the "Exercise Amount"). In addition, you may exercise all or any portion of your vested Option by pro-

viding notice of exercise to the attention the Company's General Counsel at the address set forth in Section 8 below, and electing to pay the exercise price of the Option by having the Company withhold from the Shares received on exercise a number of Shares having a Fair Market Value equal to the Exercise Amount. The Company may also require that any exercise of your vested Option be in accordance with the procedure set forth in the immediately preceding sentence. The Company may delay effectiveness of any exercise of your Option for such period of time as may be necessary to comply with any legal or contractual provisions to which it may be subject relating to the issuance of its securities, it being understood that such exercise shall be effective immediately upon completion of such compliance notwithstanding the occurrence of the Expiration Date.

3. Option Not Transferable.

Your Option is personal to you and is not transferable by you, other than by will or by the laws of descent and distribution. During your lifetime, only you (or your guardian or legal representative) may exercise your Option. In the event of your death, your Option may be exercised only by the executor or administrator of your estate or the person or persons to whom your rights under the Option shall pass by will or by the laws of intestate succession.

4. Conformity with Plan.

Your Option is intended to conform in all respects with, and is subject to, all applicable provisions of the Plan, the terms and conditions of which are incorporated herein by reference. Any inconsistencies between this Agreement and the Plan shall be resolved in accordance with the Plan. By executing and returning a copy of this Agreement, you acknowledge your receipt of this Agreement, the Plan and the Plan Prospectus and agree to be bound by all the terms of this Agreement and the Plan.

5. Rights of Participants.

Nothing in this Agreement shall interfere with or limit in any way the right of the Company and/or its Subsidiaries to terminate your employment at any time (with or without Cause), or confer upon you any right to continue in the employ of the Company and/or its Subsidiaries for any period of time or to continue to receive your current (or other) rate of compensation. Nothing in this Agreement shall confer upon you any right to be selected to receive additional awards under the Plan or otherwise.

6. Withholding of Taxes.

The Company may, if necessary or desirable, withhold from any amounts due and payable to you by the Company or a Subsidiary (or secure payment from you in lieu of withholding) the amount of any withholding or other tax due from the Company or Subsidiary with respect to the issuance or exercise of your Option, and the Company may defer such issuance or exercise unless indemnified by you to its satisfaction against the payment of any such amount. You may elect to have the Company withhold Shares to pay any applicable withholding taxes resulting from the Award, in accordance with any rules or regulations of the Committee then in effect.

7. Adjustments.

In the event that the Committee shall determine that any dividend in Shares, recapitalization, Share split, reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase, share exchange, or other similar corporate transaction or event affects the Shares such that an adjustment is appropriate in order to prevent dilution or enlargement of your rights under this Option, then the Committee shall make such equitable changes or adjustments as it deems appropriate and adjust, in such manner as it deems equitable, any or all of: (i) the number and kind of Shares, other securities or other consideration issued or issuable with respect to this Option; and (ii) the exercise price of this Option.

8. Notice.

Any notice required or permitted to be given to the Company under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the Company as follows:

If by mail:

Vail Resorts, Inc.
Post Office Box 7
Vail, Colorado 81658
Attention: General Counsel

If by hand delivery:

Vail Resorts, Inc.
137 Benchmark Road
Avon, Colorado 81620
Attention: General Counsel

9. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado without reference to the principles of conflict of laws.

To confirm your understanding and acceptance of the terms and provisions set forth in this Agreement, please execute the extra copy of this Agreement in the space below and return it to the attention of the Company's General Counsel at the address set forth in Section 8 above.

Very truly yours,

VAIL RESORTS, INC.

By: /s/ Martha Dugan Rehm
Martha Dugan Rehm
Executive Vice President and
General Counsel

Date: March 2, 2006

The undersigned hereby acknowledges that he or she has read this Agreement and has received a copy of the Plan and the Plan Prospectus and hereby agrees to be bound by all the provisions set forth in this Agreement and in the Plan.

/s/ Jeffrey W. Jones
Jeffrey W. Jones
Date: March 2, 2006

Annex A

Definition of Change in Control

For purposes of this Agreement, "Change in Control" shall mean an event or series of events by which:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent, or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of 40% or more of the equity securities of the Company entitled to vote for members of the Board or equivalent governing body of the Company on a fully-diluted basis; or

(b) during any period of twenty four (24) consecutive months, a majority of the members of the Board or other equivalent governing body of the Company cease to be composed of individuals (i) who were members of that Board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that Board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that Board or equivalent governing body, or (iii) whose election or nomination to that Board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that Board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that Board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the Board); or

(c) any person or two or more persons acting in concert shall have acquired, by contract or otherwise, control over the equity securities of the Company entitled to vote for members of the Board or equivalent governing body of the Company on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right) representing 51% or more of the combined voting power of such securities.

VAIL RESORTS, INC.
RESTRICTED SHARE AGREEMENT

THIS AGREEMENT, effective as of September 30, 2005, between Vail Resorts, Inc. (the "Company"), a Delaware corporation, and Jeffrey W. Jones (the "Employee").

WHEREAS, 40,000 Restricted Shares (the "Award") were granted to the Employee on September 30, 2005 under the Company's 2002 Long Term Incentive and Share Award Plan (the "Plan").

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, and for other good and valuable consideration, the parties hereto agree as follows.

1. Award of Shares. The Award was granted on September 30, 2005 (the "Date of Grant") pursuant to the Plan, the terms of which are incorporated herein by reference. Capitalized terms used herein and not defined shall have the meanings set forth in the Plan. The Award is subject to the terms and conditions of the Plan and those set forth herein. In the event of any conflict between this Agreement and the Plan, the Plan shall control.

2. Terms and Conditions. It is understood and agreed that the Award of Restricted Shares evidenced hereby is subject to the following terms and conditions:

(a) Vesting of Award. Subject to Section 2(b) and 2(c) below and the other terms and conditions of this Agreement, this Award shall become vested in full on the third anniversary of the Date of Grant. Unless otherwise provided by the Committee, all dividends and other amounts receivable in connection with any adjustments to the Shares under Section 4(c) of the Plan shall be subject to the vesting schedule in this Agreement.

(b) Termination of Service; Forfeiture of Unvested Shares. In the event of a termination of the Employee's employment with the Company and its Subsidiaries by the Company or a Subsidiary not for Cause (as defined in the Amended and Restated Employment Agreement dated as of September 29, 2004 by and between the Company and the Employee (the "Employment Agreement")) or by the Employee for Good Reason (as defined in the Employment Agreement), a number of Restricted Shares subject to the Award will become vested at the time of such termination of employment determined by multiplying the number of the Restricted Shares subject to the Award by a fraction, the numerator of which is the number of completed years from the Date of Grant to the date of termination, and the denominator of which is three. In the event of a termination of the Employee's employment with the Company and its Subsidiaries prior to the date the Award otherwise becomes vested other than as set forth in the preceding sentence or Section 2(c) below, the unvested portion of the Award shall immediately be forfeited by the Employee and become the property of the Company.

(c) Change in Control. Notwithstanding any provision of this Agreement to the contrary, in the event of a Change in Control (as defined in Annex A hereto), the Award, if not already vested under Section 2(a) or 2(b) above, will vest in full at the time of the Change in Control; provided, however, the vesting of this Award shall not accelerate pursuant to this Section 2(c) if (i) there is no Control Party (as defined below) with respect to the Company after the Change in Control and the Employee remains as chief financial officer of the Company, or (ii) there is a publicly traded Control Party with respect to the Company after the Change in COntrol and the Employee is the chief financial officer of such Control Party; provided further, however, if the Employee's employment is terminated by the Company or such Control Party, as the case may be, not for Cause after a Change in Control, the Award shall immediately vest in full upon such termination. "Control Party" is defined as a "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent, or other fiduciary or administrator of any such plan) that is the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of more than 40% or more of the equity securities of the Company entitled to vote for members of the Board or equivalent governing body of the Company on a fully-diluted basis.

(d) Certificates. Each certificate or other evidence of ownership issued in respect of Restricted Shares awarded hereunder shall be deposited with the Company, or its designee, together with, if requested by the Company, a stock power executed in blank by the Employee, and shall bear a legend disclosing the restrictions on transferability imposed on such Restricted Shares by this Agreement (the "Restrictive Legend"). Upon the vesting of Restricted Shares hereunder and the satisfaction of any withholding tax liability pursuant to Section 5 hereof, the certificates evidencing such vested Shares, not bearing the Restrictive Legend, shall be delivered to the Employee or other evidence of vested Shares shall be provided to the Employee.

(e) Rights of a Stockholder. Prior to the time a Restricted Share is fully vested hereunder, the Employee shall have no right to transfer, pledge, hypothecate or otherwise encumber such Restricted Share. During such period, the Employee shall have all other rights of a stockholder, including, but not limited to, the right to vote and to receive dividends (subject to Section 2(a) hereof) at the time paid on such Restricted Shares.

(f) No Right to Continued Employment. This Award shall not confer upon the Employee any right with respect to continuance of employment by the Company nor shall this Award interfere with the right of the Company to terminate the Employee's employment at any time.

3. Transfer of Shares. The Shares delivered hereunder, or any interest therein, may be sold, assigned, pledged, hypothecated, encumbered, or transferred or disposed of in any other manner, in whole or in part, only in compliance with the terms, conditions and restrictions as set forth in the governing instruments of the Company, applicable federal and state securities laws or any other applicable laws or regulations and the terms and conditions hereof.

4. Expenses of Issuance of Shares. The issuance of stock certificates hereunder shall be without charge to the Employee. The Company shall pay any issuance, stamp or documentary taxes (other than transfer taxes) or charges imposed by any governmental body, agency or official (other than income taxes) by reason of the issuance of Shares.

5. Withholding. No later than the date of vesting of (or the date of an election by the Employee under Section 83(b) of the Code with respect to) the Award granted hereunder, the Employee shall pay to the Company or make arrangements satisfactory to the Committee regarding payment of any federal, state or local taxes of any kind required by law to be withheld at such time with respect to such Award and the Company shall, to the extent permitted or required by law, have the right to deduct from any payment of any kind otherwise due to the Employee, federal, state and local taxes of any kind required by law to be withheld at such time. The Employee may elect to have the Company withhold Shares to pay any applicable withholding taxes resulting from the Award, in accordance with any rules or regulations of the Committee then in effect.

6. References. References herein to rights and obligations of the Employee shall apply, where appropriate, to the Employee's legal representative or estate without regard to whether specific reference to such legal representative or estate is contained in a particular provision of this Agreement.

7. Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered personally or by courier, or sent by certified or registered mail, postage prepaid, return receipt requested, duly addressed to the party concerned at the address indicated below or to such changed address as such party may subsequently by similar process give notice of:

If to the Company:

Vail Resorts, Inc.
P.O. Box 7
Vail, CO 81658
Attention: General Counsel

If to the Employee:

At the Employee's most recent address shown on the Company's corporate records, or at any other address which the Employee may specify in a notice delivered to the Company in the manner set forth herein.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of New York, without giving effect to principles of conflict of laws.

9. Counterparts. This Agreement may be executed in two counterparts, each of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

VAIL RESORTS, INC.

By: /s/ Martha D. Rehm
Name: Martha D. Rehm
Title: Executive Vice President & General Counsel
Date: March 2, 2006

/s/ Jeffrey W. Jones
Employee
Date: March 2, 2006

Annex A

Definition of Change in Control

For purposes of this Agreement, “Change in Control” shall mean an event or series of events by which:

(a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent, or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of 40% or more of the equity securities of the Company entitled to vote for members of the Board or equivalent governing body of the Company on a fully-diluted basis; or

(b) during any period of twenty four (24) consecutive months, a majority of the members of the Board or other equivalent governing body of the Company cease to be composed of individuals (i) who were members of that Board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that Board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that Board or equivalent governing body, or (iii) whose election or nomination to that Board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that Board or equivalent governing body (excluding, in the case of both clause (ii) and clause (iii), any individual whose initial nomination for, or assumption of office as, a member of that Board or equivalent governing body occurs as a result of an actual or threatened solicitation of proxies or consents for the election or removal of one or more directors by any person or group other than a solicitation for the election of one or more directors by or on behalf of the Board); or

(c) any person or two or more persons acting in concert shall have acquired, by contract or otherwise, control over the equity securities of the Company entitled to vote for members of the Board or equivalent governing body of the Company on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right) representing 51% or more of the combined voting power of such securities.

News Release

For Immediate Release

Media Relations: Kelly Ladyga, (970) 845-5720, kladyga@vailresorts.com
Investor Relations: Jeff Jones, CFO, (970) 845-2552, jwjones@vailresorts.com

VAIL RESORTS NAMES ROBERT KATZ AS NEW CEO

AVON, Colo.--Feb. 28, 2006 --Vail Resorts, Inc. (NYSE: MTN) has named Robert Katz as Chief Executive Officer, effective today. He will succeed former Chairman and CEO Adam Aron, who announced plans on January 30, 2006, to resign from the Company and relinquished those positions and board seat today. The Company also announced that Joe R. Micheletto has been elected as Chairman of the Board.

Mr. Micheletto issued the following statement on behalf of the board regarding the appointment of Mr. Katz to CEO:

"Rob Katz is uniquely qualified to serve Vail Resorts as its next CEO by virtue of his talent, dedication and experience as a hands-on director whose guidance has been instrumental in supporting every major milestone achieved by the Company over the last 14 years. We are confident in Rob's ability to provide resolute focus toward continuing the growth of our mountain resorts, realizing the full potential of our real estate holdings, maximizing the profitability and selected growth of our lodging operations, and pursuing future strategic acquisitions."

Mr. Katz, 39, most recently served as the Company's Lead Director and has been intricately involved in guiding Vail Resorts' strategic direction and operations since 1992. Since 1990, he has been associated in various capacities including as a Senior Partner of Apollo Management, L.P., an affiliate of the former majority shareholder in Vail Resorts. He graduated with a bachelor's degree in economics from the University of Pennsylvania Wharton School in 1988, and has lived in Boulder, Colorado since 2002.

"I am honored by the opportunity to work with the industry's best management team and employees in continuing Vail Resorts' legacy as the nation's premier mountain resorts company," said Mr. Katz. "After many years with the Company as a shareholder and board member, I am looking forward to guiding the Company's strategic initiatives, including the many exciting resort upgrades, development opportunities and marketing programs already underway. I intend to keep my focus on our core value of providing our guests unforgettable vacation experiences."

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Mr. Micheletto was previously CEO of Ralcorp Holdings and currently serves as its Vice Chairman. Mr. Micheletto was also CEO and President of Ralston Resorts, which included Keystone, Breckenridge and Arapahoe Basin. He joined the Company's Board of Directors in 1996 following the sale of those properties to Vail Resorts.

Outgoing CEO Adam Aron complimented the Company's Board of Directors on Mr. Katz' appointment. "Rob thoroughly understands the vision and mission of Vail Resorts, and his considerable financial and management skills will leverage the talents of our outstanding cadre of officers who each day do a tremendous job in managing the Company's resorts," said Mr. Aron. "I look forward to helping ensure a smooth, seamless transition."

About Vail Resorts

Vail Resorts, Inc. is the leading mountain resort operator in the United States. The Company's subsidiaries operate the mountain resorts of Vail, Beaver Creek, Breckenridge and Keystone in Colorado, Heavenly in California and Nevada, and the Grand Teton Lodge Company in Jackson Hole, Wyo. The Company's subsidiary, RockResorts, a luxury resort hotel company, manages casually elegant properties across the United States. Vail Resorts Development Company is the real estate planning, development and construction subsidiary of Vail Resorts, Inc. Vail Resorts is a publicly held company traded on the New York Stock Exchange (NYSE: MTN). The Vail Resorts company website is www.vailresorts.com and consumer website is www.snow.com.

Statements in this press release, other than statements of historical information, are forward- looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. Investors are also directed to other risks discussed in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2005 and other documents filed by the Company with the Securities and Exchange Commission.

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