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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended January 31, 2020

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-09614

VAIL RESORTS®
EXPERIENCE OF A LIFETIME™

Vail Resorts, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**51-0291762**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
390 Interlocken Crescent **Broomfield, Colorado**	**80021**
(Address of Principal Executive Offices)	(Zip Code)

(303) 404-1800
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, $0.01 par value	**MTN**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of March 5, 2020, 40,266,037 shares of the registrant's common stock were outstanding.

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Vail Resorts, Inc.
Consolidated Condensed Balance Sheets
(In thousands, except per share amounts)
(Unaudited)

	January 31, 2020	July 31, 2019	January 31, 2019
Assets			
Current assets:			
Cash and cash equivalents	$ 126,793	$ 108,850	$ 158,561
Restricted cash	13,655	9,539	20,762
Trade receivables, net	105,325	270,896	87,721
Inventories, net	113,907	96,539	103,010
Other current assets	54,122	42,116	45,212
Total current assets	413,802	527,940	415,266
Property, plant and equipment, net (Note 8)	2,263,781	1,842,500	1,831,087
Real estate held for sale and investment	96,944	101,021	101,730
Goodwill, net (Note 8)	1,750,011	1,608,206	1,547,084
Intangible assets, net	321,391	306,173	305,885
Operating right-of-use assets (Note 4)	227,394	—	—
Other assets	40,356	40,237	43,870
Total assets	$ 5,113,679	$ 4,426,077	$ 4,244,922
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities (Note 8)	$ 811,497	$ 607,857	$ 685,736
Income taxes payable	43,325	62,760	27,544
Long-term debt due within one year (Note 6)	63,556	48,516	48,493
Total current liabilities	918,378	719,133	761,773
Long-term debt, net (Note 6)	1,817,058	1,527,744	1,345,262
Operating lease liabilities (Note 4)	228,474	—	—
Other long-term liabilities (Note 8)	245,375	283,601	274,998
Deferred income taxes, net	254,196	168,759	179,794
Total liabilities	3,463,481	2,699,237	2,561,827
Commitments and contingencies (Note 10)			
Stockholders' equity:			
Preferred stock, $0.01 par value, 25,000 shares authorized, no shares issued and outstanding	—	—	—
Common stock, $0.01 par value, 100,000 shares authorized, 46,264, 46,190 and 46,101 shares issued, respectively	462	461	461
Exchangeable shares, $0.01 par value, 55, 56 and 57 shares issued and outstanding, respectively (Note 5)	1	1	1
Additional paid-in capital	1,130,906	1,130,083	1,135,709
Accumulated other comprehensive loss	(44,100)	(31,730)	(13,949)
Retained earnings	717,646	759,801	699,045
Treasury stock, at cost, 6,000, 5,905, and 5,905 shares, respectively (Note 12)	(379,433)	(357,989)	(357,989)
Total Vail Resorts, Inc. stockholders' equity	1,425,482	1,500,627	1,463,278
Noncontrolling interests	224,716	226,213	219,817
Total stockholders' equity	1,650,198	1,726,840	1,683,095
Total liabilities and stockholders' equity	$ 5,113,679	$ 4,426,077	$ 4,244,922

The accompanying Notes are an integral part of these unaudited consolidated condensed financial statements.

Vail Resorts, Inc.
Consolidated Condensed Statements of Operations
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2020	**2019**	**2020**	**2019**
Net revenue:				
Mountain and Lodging services and other	$ 753,758	$ 687,119	$ 933,789	$ 831,141
Mountain and Lodging retail and dining	170,674	162,203	254,233	238,087
Resort net revenue	924,432	849,322	1,188,022	1,069,228
Real Estate	206	256	4,386	354
Total net revenue	924,638	849,578	1,192,408	1,069,582
Operating expense (exclusive of depreciation and amortization shown separately below):				
Mountain and Lodging operating expense	387,842	350,633	616,552	544,745
Mountain and Lodging retail and dining cost of products sold	67,135	63,505	104,870	98,381
General and administrative	91,302	77,362	166,357	141,741
Resort operating expense	546,279	491,500	887,779	784,867
Real Estate operating expense	1,505	1,389	6,798	2,759
Total segment operating expense	547,784	492,889	894,577	787,626
Other operating (expense) income:				
Depreciation and amortization	(63,812)	(55,238)	(121,657)	(106,281)
Gain on sale of real property	—	—	207	—
Change in estimated fair value of contingent consideration (Note 9)	(1,600)	(700)	(2,736)	(1,900)
(Loss) gain on disposal of fixed assets and other, net	(709)	1,097	1,558	478
Income from operations	310,733	301,848	175,203	174,253
Mountain equity investment income, net	169	160	1,360	1,110
Investment income and other, net	361	507	638	970
Foreign currency (loss) gain on intercompany loans (Note 6)	(798)	450	(438)	(1,861)
Interest expense, net	(26,134)	(21,002)	(48,824)	(39,640)
Income before provision for income taxes	284,331	281,963	127,939	134,832
Provision for income taxes	(67,313)	(63,973)	(20,750)	(27,568)
Net income	217,018	217,990	107,189	107,264
Net income attributable to noncontrolling interests	(10,648)	(11,641)	(7,294)	(8,710)
Net income attributable to Vail Resorts, Inc.	$ 206,370	$ 206,349	$ 99,895	$ 98,554
Per share amounts (Note 5):				
Basic net income per share attributable to Vail Resorts, Inc.	$ 5.12	$ 5.12	$ 2.48	$ 2.44
Diluted net income per share attributable to Vail Resorts, Inc.	$ 5.04	$ 5.02	$ 2.44	$ 2.39
Cash dividends declared per share	$ 1.76	$ 1.47	$ 3.52	$ 2.94

The accompanying Notes are an integral part of these unaudited consolidated condensed financial statements.

Vail Resorts, Inc.
Consolidated Condensed Statements of Comprehensive Income
(In thousands)
(Unaudited)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2020	**2019**	**2020**	**2019**
Net income	$ 217,018	$ 217,990	$ 107,189	$ 107,264
Foreign currency translation adjustments, net of tax	(14,045)	7,863	(9,025)	(14,773)
Change in estimated fair value of hedging instruments	(4,866)	—	(4,563)	—
Comprehensive income	198,107	225,853	93,601	92,491
Comprehensive income attributable to noncontrolling interests	(8,568)	(12,857)	(6,076)	(5,659)
Comprehensive income attributable to Vail Resorts, Inc.	$ 189,539	$ 212,996	$ 87,525	$ 86,832

The accompanying Notes are an integral part of these unaudited consolidated condensed financial statements.

Vail Resorts, Inc.
Consolidated Condensed Statements of Stockholders' Equity
(In thousands)
(Unaudited)

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Vail Resorts, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Vail Resorts	Exchangeable							
Balance, October 31, 2018	$ 461	$ 1	$ 1,130,855	$ (20,596)	$ 551,863	$ (322,989)	$1,339,595	$ 210,206	$1,549,801
Comprehensive income:									
Net income	—	—	—	—	206,349	—	206,349	11,641	217,990
Foreign currency translation adjustments, net of tax	—	—	—	6,647	—	—	6,647	1,216	7,863
Total comprehensive income							212,996	12,857	225,853
Stock-based compensation expense	—	—	5,147	—	—	—	5,147	—	5,147
Issuance of shares under share award plans, net of shares withheld for employee taxes	—	—	(293)	—	—	—	(293)	—	(293)
Repurchase of common stock (Note 12)	—	—	—	—	—	(35,000)	(35,000)	—	(35,000)
Dividends (Note 5)	—	—	—	—	(59,167)	—	(59,167)	—	(59,167)
Distributions to noncontrolling interests, net	—	—	—	—	—	—	—	(3,246)	(3,246)
Balance, January 31, 2019	$ 461	$ 1	$ 1,135,709	$ (13,949)	$ 699,045	$ (357,989)	$1,463,278	$ 219,817	$1,683,095
Balance, October 31, 2019	$ 462	$ 1	$ 1,126,492	$ (27,269)	$ 582,235	$ (379,433)	$1,302,488	$ 219,948	$1,522,436
Comprehensive income:									
Net income	—	—	—	—	206,370	—	206,370	10,648	217,018
Foreign currency translation adjustments, net of tax	—	—	—	(11,965)	—	—	(11,965)	(2,080)	(14,045)
Change in estimated fair value of hedging instruments	—	—	—	(4,866)	—	—	(4,866)	—	(4,866)
Total comprehensive income							189,539	8,568	198,107
Stock-based compensation expense	—	—	5,538	—	—	—	5,538	—	5,538
Issuance of shares under share award plans, net of shares withheld for employee taxes	—	—	(1,124)	—	—	—	(1,124)	—	(1,124)
Dividends (Note 5)	—	—	—	—	(70,959)	—	(70,959)	—	(70,959)
Distributions to noncontrolling interests, net	—	—	—	—	—	—	—	(3,800)	(3,800)
Balance, January 31, 2020	$ 462	$ 1	$ 1,130,906	$ (44,100)	$ 717,646	$ (379,433)	$1,425,482	$ 224,716	$1,650,198

	Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Vail Resorts, Inc. Stockholders' Equity	Noncontrolling Interests	Total Stockholders' Equity
	Vail Resorts	Exchangeable							
Balance, July 31, 2018	$ 460	$ 1	$ 1,137,467	$ (2,227)	$ 726,722	$ (272,989)	$1,589,434	$ 222,229	$1,811,663
Comprehensive income:									
Net income	—	—	—	—	98,554	—	98,554	8,710	107,264
Foreign currency translation adjustments, net of tax	—	—	—	(11,722)	—	—	(11,722)	(3,051)	(14,773)
Total comprehensive income							86,832	5,659	92,491
Stock-based compensation expense	—	—	9,900	—	—	—	9,900	—	9,900
Cumulative effect for adoption of revenue standard	—	—	—	—	(7,517)	—	(7,517)	—	(7,517)
Issuance of shares under share award plans, net of shares withheld for employee taxes	1	—	(11,658)	—	—	—	(11,657)	—	(11,657)
Repurchase of common stock (Note 12)	—	—	—	—	—	(85,000)	(85,000)	—	(85,000)
Dividends (Note 5)	—	—	—	—	(118,714)	—	(118,714)	—	(118,714)
Distributions to noncontrolling interests, net	—	—	—	—	—	—	—	(8,071)	(8,071)
Balance, January 31, 2019	$ 461	$ 1	$ 1,135,709	$ (13,949)	$ 699,045	$ (357,989)	$1,463,278	$ 219,817	$1,683,095
Balance, July 31, 2019	$ 461	$ 1	$ 1,130,083	$ (31,730)	$ 759,801	$ (357,989)	$1,500,627	$ 226,213	$1,726,840
Comprehensive income:									
Net income	—	—	—	—	99,895	—	99,895	7,294	107,189
Foreign currency translation adjustments, net of tax	—	—	—	(7,807)	—	—	(7,807)	(1,218)	(9,025)
Change in estimated fair value of hedging instruments	—	—	—	(4,563)	—	—	(4,563)	—	(4,563)
Total comprehensive income							87,525	6,076	93,601
Stock-based compensation expense	—	—	10,789	—	—	—	10,789	—	10,789
Issuance of shares under share award plans, net of shares withheld for employee taxes	1	—	(9,966)	—	—	—	(9,965)	—	(9,965)
Repurchase of common stock (Note 12)	—	—	—	—	—	(21,444)	(21,444)	—	(21,444)
Dividends (Note 5)	—	—	—	—	(142,050)	—	(142,050)	—	(142,050)
Distributions to noncontrolling interests, net	—	—	—	—	—	—	—	(7,573)	(7,573)
Balance, January 31, 2020	$ 462	$ 1	$ 1,130,906	$ (44,100)	$ 717,646	$ (379,433)	$1,425,482	$ 224,716	$1,650,198

The accompanying Notes are an integral part of these unaudited consolidated condensed financial statements.

Vail Resorts, Inc.
Consolidated Condensed Statements of Cash Flows
(In thousands)
(Unaudited)

	Six Months Ended January 31,	
	2020	**2019**
Cash flows from operating activities:		
Net income	$ 107,189	$ 107,264
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	121,657	106,281
Stock-based compensation expense	10,789	9,900
Deferred income taxes, net	23,568	32,279
Other non-cash income, net	(977)	(345)
Changes in assets and liabilities:		
Trade receivables, net	167,417	145,305
Inventories, net	(14,237)	(14,398)
Accounts payable and accrued liabilities	70,873	97,083
Deferred revenue	72,831	48,061
Income taxes payable - excess tax benefit from share award exercises	(2,818)	(4,711)
Income taxes payable - other	(17,647)	(18,000)
Other assets and liabilities, net	(956)	(2,538)
Net cash provided by operating activities	537,689	506,181
Cash flows from investing activities:		
Capital expenditures	(121,788)	(113,531)
Acquisition of businesses, net of cash acquired	(327,555)	(292,610)
Other investing activities, net	3,597	1,817
Net cash used in investing activities	(445,746)	(404,324)
Cash flows from financing activities:		
Proceeds from borrowings under Vail Holdings Credit Agreement	492,625	335,625
Proceeds from borrowings under Whistler Credit Agreement	—	7,667
Repayments of borrowings under Vail Holdings Credit Agreement	(355,625)	(211,875)
Repayments of borrowings under Whistler Credit Agreement	(18,863)	(11,193)
Employee taxes paid for share award exercises	(9,966)	(11,657)
Dividends paid	(142,050)	(118,714)
Repurchases of common stock	(21,444)	(85,000)
Other financing activities, net	(14,513)	(9,864)
Net cash used in financing activities	(69,836)	(105,011)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(48)	(2,563)
Net increase (decrease) in cash, cash equivalents and restricted cash	22,059	(5,717)
Cash, cash equivalents and restricted cash:		
Beginning of period	118,389	185,040
End of period	$ 140,448	$ 179,323
Non-cash investing activities:		
Accrued capital expenditures	$ 11,982	$ 22,731

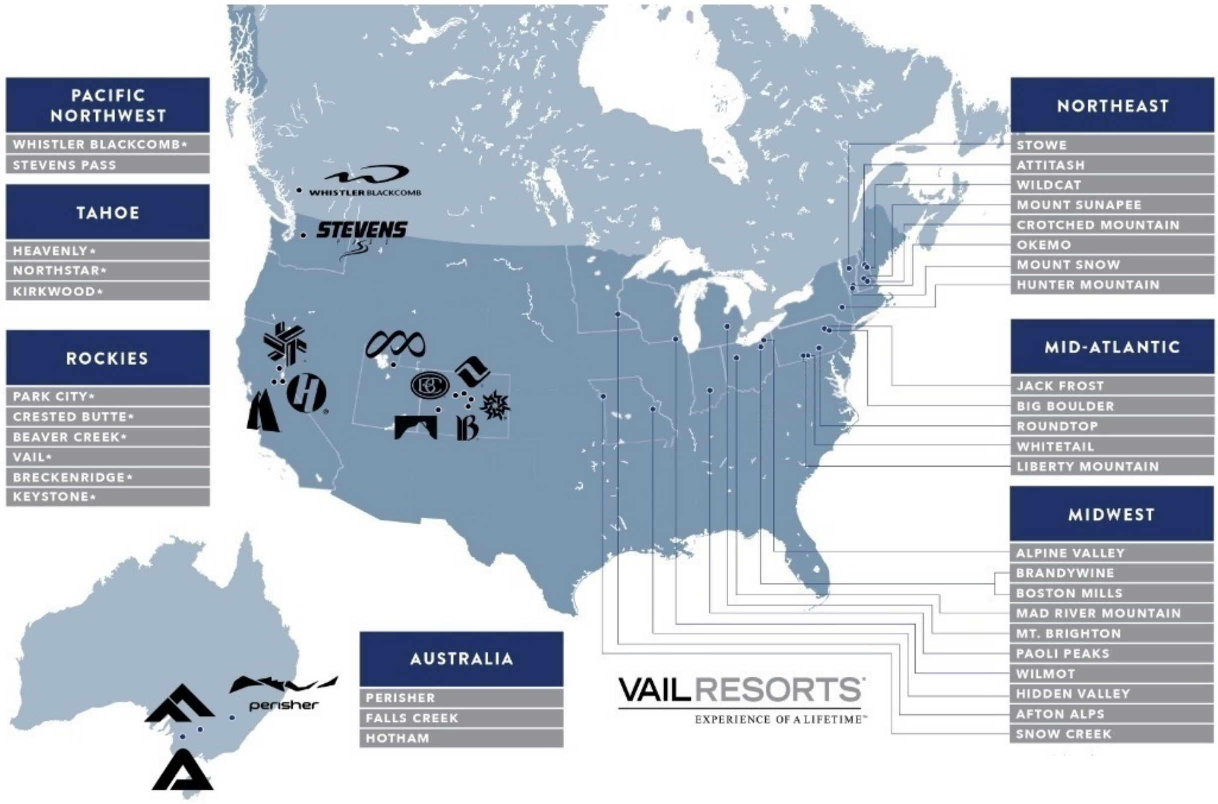
The accompanying Notes are an integral part of these unaudited consolidated condensed financial statements.

Vail Resorts, Inc.
Notes to Consolidated Condensed Financial Statements
(Unaudited)

1. Organization and Business

Vail Resorts, Inc. ("Vail Resorts") is organized as a holding company and operates through various subsidiaries. Vail Resorts and its subsidiaries (collectively, the "Company") operate in three business segments: Mountain, Lodging and Real Estate.

The Company refers to "Resort" as the combination of the Mountain and Lodging segments. In the Mountain segment, the Company operates the following thirty-seven destination mountain resorts and regional ski areas:



**Denotes a destination mountain resort which generally receives a meaningful portion of skier visits from long-distance travelers, as opposed to the Company's regional ski areas which tend to generate skier visits from their respective local markets.*

Additionally, the Mountain segment includes ancillary services, primarily including ski school, dining and retail/rental operations, and for the Company's Australian resorts, including lodging and transportation operations. Several of the resorts located in the United States ("U.S.") operate primarily on federal land under the terms of Special Use Permits granted by the U.S. Department of Agriculture Forest Service. The operations of Whistler Blackcomb are conducted on land owned by the government of the Province of British Columbia, Canada within the traditional territory of the Squamish and Lil'wat Nations. The operations of the Company's Australian resorts are conducted pursuant to long-term leases and licenses on land owned by the governments of New South Wales and Victoria, Australia. Okemo, Mount Sunapee and Stowe operate on land leased from the respective states in which the resorts are located and on land owned by the Company.

In the Lodging segment, the Company owns and/or manages a collection of luxury hotels and condominiums under its RockResorts brand; other strategic lodging properties and a large number of condominiums located in proximity to the Company's North American mountain resorts; National Park Service ("NPS") concessionaire properties including the Grand Teton Lodge Company ("GTLC"), which operates destination resorts in Grand Teton National Park; a Colorado resort ground transportation company and mountain resort golf courses.

Vail Resorts Development Company ("VRDC"), a wholly-owned subsidiary, conducts the operations of the Company's Real Estate segment, which owns, develops and sells real estate in and around the Company's resort communities.

The Company’s mountain business and its lodging properties at or around the Company’s mountain resorts are seasonal in nature with peak operating seasons primarily from mid-November through mid-April in North America. The operating season at the Company’s Australian resorts, NPS concessionaire properties and golf courses generally occurs from June to early October.

2. Summary of Significant Accounting Policies

Basis of Presentation

Consolidated Condensed Financial Statements— In the opinion of the Company, the accompanying Consolidated Condensed Financial Statements reflect all adjustments necessary to state fairly the Company’s financial position, results of operations and cash flows for the interim periods presented. All such adjustments are of a normal recurring nature. Results for interim periods are not indicative of the results for the entire fiscal year, particularly given the significant seasonality to the Company’s operating cycle. The accompanying Consolidated Condensed Financial Statements should be read in conjunction with the audited Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended July 31, 2019. Certain information and footnote disclosures, including significant accounting policies, normally included in fiscal year financial statements prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”) have been condensed or omitted. The Consolidated Condensed Balance Sheet as of July 31, 2019 was derived from audited financial statements.

Use of Estimates— The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Fair Value of Financial Instruments— The recorded amounts for cash and cash equivalents, restricted cash, receivables, other current assets and accounts payable and accrued liabilities approximate fair value due to their short-term nature. The fair value of amounts outstanding under the Company’s credit agreements and the Employee Housing Bonds (as defined in Note 6, Long-Term Debt) approximate book value due to the variable nature of the interest rate, which is a market rate, associated with the debt. The recorded amounts outstanding under the Company’s EPR Secured Notes and EB-5 Development Notes (each as defined in Note 6, Long-Term Debt), which were assumed by the Company during the six months ended January 31, 2020, approximate fair value as the debt obligations were recorded at fair value in conjunction with the preliminary purchase accounting for the Peak Resorts acquisition (see Note 7, Acquisitions).

Accounting for Hedging Instruments— From time to time, the Company enters into interest rate swaps (the “Interest Rate Swaps”) to hedge the variability in cash flows associated with variable-rate borrowings by converting the floating interest rate to a fixed interest rate. As of January 31, 2020, the Company hedged the future cash flows associated with $400.0 million of the principal amount outstanding of its Vail Holdings Credit Agreement (as defined in Note 6, Long-Term Debt). The accounting for changes in fair value of hedging instruments depends on the effectiveness of the hedge. In order to qualify for hedge accounting, the underlying hedged item must expose the Company to risks associated with market fluctuations and the financial instrument used must reduce the Company's exposure to market fluctuation throughout the hedge period. Changes in estimated fair value of the Interest Rate Swaps are recorded within change in estimated fair value of hedging instruments on the Company’s Consolidated Condensed Statements of Comprehensive Income, and such changes were recorded as losses of $4.9 million and $4.6 million, respectively, for the three and six months ended January 31, 2020. As of January 31, 2020, the estimated fair value of the Interest Rate Swaps was a liability of approximately $4.6 million and was recorded within other long-term liabilities on the Company’s Consolidated Condensed Balance Sheet (see Note 9, Fair Value Measurements).

Leases— The Company determines if an arrangement is or contains a lease at inception or modification of the arrangement. An arrangement is or contains a lease if there is one or more assets identified and the right to control the use of any identified asset is conveyed to the Company for a period of time in exchange for consideration. Control over the use of an identified asset means the lessee has both the right to obtain substantially all of the economic benefits from the use of the asset and the right to direct the use of the asset. Generally, the Company classifies a lease as a finance lease if the terms of the agreement effectively transfer control of the underlying asset; otherwise, it is classified as an operating lease. For contracts that contain lease and non-lease components, the Company accounts for these components separately. For leases with terms greater than twelve months, the associated lease right-of-use (“ROU”) assets and lease liabilities are recognized at the estimated present value of the future minimum lease payments over the lease term at commencement date. The Company’s leases do not provide a readily determinable implicit rate; therefore, the Company uses an estimated incremental borrowing rate to discount the future minimum lease payments. For leases containing fixed rental escalation clauses, the escalators are factored into the determination of future minimum lease payments. The Company includes options to extend a lease when it is reasonably certain that such options will be exercised. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. See Note 4, Leases for more information.

Recently Issued Accounting Standards

Adopted Standards

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-02, "Leases (Topic 842)," which supersedes "Leases (Topic 840)." The standard requires lessees to recognize the assets and liabilities arising from all leases on the balance sheet, including those classified as operating leases under previous accounting guidance, and to disclose key information about leasing arrangements. The standard also allows for an accounting policy election not to recognize on the balance sheet lease assets and liabilities for leases with a term of 12 months or less. Under the new guidance, lessees are required to recognize a lease liability and an ROU asset on their balance sheets, while lessor accounting is largely unchanged. In July 2018, the FASB released ASU No. 2018-11, "Leases (Topic 842): Targeted Improvements" which, among other items, provided an additional and optional transition method. Under this method, an entity initially applies the standard at the adoption date, including the election of certain transition reliefs, and recognizes a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption.

The Company adopted ASU No. 2016-02 on August 1, 2019 using the modified retrospective transition method as provided by the standard. In accordance with this transition method, results for reporting periods beginning on August 1, 2019 are presented under the new standard, while prior periods were not adjusted and continue to be reported in accordance with the previously applicable accounting guidance. The Company has elected the package of practical expedients permitted under the transition guidance which allowed the Company to not reassess: (i) whether any existing or expired contracts are or contain leases; (ii) lease classification of any expired or existing leases; or (iii) initial direct costs for any existing leases. The Company has made an accounting policy election to not record leases on the balance sheet with an initial term of 12 months or less. The Company will recognize those lease payments in the Consolidated Condensed Statements of Operations on a straight-line basis over the lease term. Additionally, the Company has elected the practical expedient to not evaluate existing or expired land easements that were not previously accounted for as leases. At adoption, the Company was not able to determine the interest rate implicit in its leases; therefore, for existing operating leases, the lease liability was measured using the Company's estimated incremental borrowing rate. For existing leases, the incremental borrowing rate used was based on the remaining lease term at the adoption date. For leases with minimum lease payments adjusted periodically for inflation, the lease liability was measured using the minimum lease payments adjusted by the inflation index at the adoption date.

On August 1, 2019, as a result of adopting the standard, the Company recorded $225.6 million of operating ROU assets and $258.0 million of related total operating lease liabilities in the Consolidated Condensed Balance Sheet (of which $223.1 million was recorded to operating lease liabilities and $34.9 million was recorded to accounts payable and accrued liabilities). As a result of the adoption, the Company reclassified $32.4 million of unfavorable lease obligations, deferred rent credits and other similar amounts to the operating ROU assets balance, primarily from other long-term liabilities, which reduced the amount recognized as operating ROU assets to $225.6 million. The adoption of the new lease standard did not result in a cumulative effect adjustment to beginning retained earnings, and did not materially affect the Company's Consolidated Condensed Statements of Operations for the three and six months ended January 31, 2019 or Consolidated Condensed Statement of Cash Flows for the six months ended January 31, 2019. The Company's Canyons finance lease was not affected by the implementation of this standard as the arrangement is classified and recorded as a finance lease arrangement under both the previous and new accounting guidance.

3. Revenues

Disaggregation of Revenues

The following table presents net revenues disaggregated by segment and major revenue type for the three and six months ended January 31, 2020 and 2019 (in thousands):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2020	2019	2020	2019
Mountain net revenue:				
Lift	$ 484,348	$ 447,558	$ 526,177	$ 472,243
Ski School	102,743	92,244	111,277	96,516
Dining	75,719	65,409	97,348	83,701
Retail/Rental	133,713	128,436	181,628	171,778
Other	49,022	42,426	109,947	96,841
Total Mountain net revenue	$ 845,545	$ 776,073	$ 1,026,377	$ 921,079
Lodging net revenue:				
Owned hotel rooms	$ 11,251	$ 11,548	$ 31,197	$ 31,147
Managed condominium rooms	31,500	28,046	46,240	39,164
Dining	11,111	10,189	29,254	26,318
Transportation	7,725	7,722	10,076	10,196
Golf	—	—	10,543	9,459
Other	13,855	12,120	27,699	24,588
	75,442	69,625	155,009	140,872
Payroll cost reimbursements	3,445	3,624	6,636	7,277
Total Lodging net revenue	$ 78,887	$ 73,249	$ 161,645	$ 148,149
Total Resort net revenue	$ 924,432	$ 849,322	$ 1,188,022	$ 1,069,228
Total Real Estate net revenue	206	256	4,386	354
Total net revenue	$ 924,638	$ 849,578	$ 1,192,408	$ 1,069,582

Contract Balances

Deferred revenue balances of a short-term nature were $426.7 million and $335.7 million as of January 31, 2020 and July 31, 2019, respectively. Deferred revenue balances of a long-term nature, comprised primarily of long-term private club initiation fee revenue, were $125.5 million and $124.3 million as of January 31, 2020 and July 31, 2019, respectively. For the three and six months ended January 31, 2020, the Company recognized approximately $145.3 million and $179.9 million, respectively, of revenue that was included in the deferred revenue balance as of July 31, 2019. As of January 31, 2020, the weighted average remaining period over which revenue for unsatisfied performance obligations on long-term private club contracts will be recognized was approximately 16 years. Trade receivable balances were $105.3 million and $270.9 million as of January 31, 2020 and July 31, 2019, respectively.

Costs to Obtain Contracts with Customers

As of January 31, 2020, $7.0 million of costs to obtain contracts with customers were recorded within other current assets on the Company's Consolidated Condensed Balance Sheet. The amounts capitalized are subject to amortization commensurate with the revenue recognized for skier visits. The Company recorded amortization of $7.0 million for these costs during the three and six months ended January 31, 2020, which was recorded within Mountain and Lodging operating expenses on the Company's Consolidated Condensed Statement of Operations.

4. Leases

The Company's operating leases consist primarily of commercial and retail space, office space, employee residential units, vehicles and other equipment. The Company determines if an arrangement is or contains a lease at contract inception or modification. The Company's lease contracts generally range from 1 year to 60 years, with some lease contracts containing one or more lease extension options, exercisable at the Company's discretion. The Company generally does not include these lease extension options in the initial lease term as it is not reasonably certain that it will exercise such options at contract inception. In addition, certain lease arrangements contain fixed and variable lease payments. The variable lease payments are primarily contingent rental payments based on: (i) a percentage of revenue related to the leased property; (ii) payments based on a percentage of sales over contractual levels; or (iii) lease payments adjusted for changes in an index or market value. These variable lease payments are typically recognized when the underlying event occurs and are included in operating expenses in the Company's Consolidated Condensed Statements of Operations in the same line item as the expense arising from fixed lease payments. The Company’s lease agreements may also include non-lease components, such as common area maintenance and insurance, which are accounted for separately as non-lease components. Future lease payments that are contingent and non-lease components are not included in the measurement of the operating lease liability. The Company’s lease agreements do not contain any material residual value guarantees or restrictive covenants. Lease expense related to lease payments is recognized on a straight-line basis over the term of the lease.

The Company’s leases do not provide a readily determinable implicit rate. As a result, the Company measures the lease liability using an estimated incremental borrowing rate which is intended to reflect the rate of interest the Company would pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The Company applies the estimated incremental borrowing rates at a portfolio level based on the economic environment associated with the lease.

The Company uses the long-lived assets impairment guidance to determine recognition and measurement of an ROU asset impairment, if any. The Company monitors for events or changes in circumstances that require a reassessment.

The components of lease expense for the three and six months ended January 31, 2020, were as follows (in thousands):

	Three Months Ended January 31, 2020	Six Months Ended January 31, 2020
Finance leases:		
Amortization of the finance ROU assets	$ 2,438	$ 4,876
Interest on lease liabilities	$ 8,509	$ 17,017
Operating leases:		
Operating lease expense	$ 10,411	$ 20,448
Short-term lease expense[1]	$ 2,459	$ 4,812
Variable lease expense	$ 1,339	$ 2,181

[1] Short-term lease expense is attributable to leases with terms of 12 months or less which are not included within the Company’s Consolidated Condensed Balance Sheet.

The following table presents the supplemental cash flow information associated with the Company’s leasing activities for the six months ended January 31, 2020 (in thousands):

	Six Months Ended January 31, 2020
Cash flow supplemental information:	
Operating cash outflows for operating leases	$ 25,435
Operating cash outflows for finance leases	$ 15,180
Financing cash outflows for finance leases	$ 5,387

Weighted-average remaining lease terms and discount rates are as follows:

	As of January 31, 2020
Weighted-average remaining lease term (in years)	
Operating leases	10.7
Finance leases	43.4
Weighted-average discount rate	
Operating leases	4.5%
Finance leases	10.0%

Future minimum lease payments for operating and finance leases as of January 31, 2020 reflected by fiscal year (August 1 through July 31) are as follows (in thousands):

	Operating Leases	Finance Leases
2020 (February 2020 through July 2020)	$ 30,141	$ 14,126
2021	45,805	28,818
2022	42,606	29,394
2023	37,666	29,982
2024	33,889	30,582
Thereafter	166,166	1,805,048
Total future minimum lease payments	356,273	1,937,950
Less amount representing interest	(92,149)	(1,594,803)
Total lease liabilities	$ 264,124	$ 343,147

Future minimum lease payments in accordance with Topic 840 as of July 31, 2019, reflected by fiscal year, were as follows (in thousands):

	Operating Leases	Capital Leases
2020	$ 44,984	$ 28,253
2021	42,512	28,818
2022	39,440	29,394
2023	34,840	29,982
2024	30,836	30,582
Thereafter	142,526	1,805,048
Total future minimum lease payments	$ 335,138	$ 1,952,077
Less amount representing interest		(1,611,816)
Net future minimum lease payments		$ 340,261

The current portion of operating lease liabilities of approximately $35.7 million as of January 31, 2020 is recorded within accounts payables and accrued liabilities in the Consolidated Condensed Balance Sheet. Finance lease liabilities are recorded within long-term debt, net in the Consolidated Condensed Balance Sheets.

The Canyons finance lease obligation represents the only material finance lease entered into by the Company as of January 31, 2020. As of January 31, 2020, the Company has recorded $122.7 million of finance lease ROU assets in connection with the Canyons lease, net of $60.9 million of accumulated amortization, which is included within property, plant and equipment in the Company's Consolidated Condensed Balance Sheet.

5. Net Income per Share

Earnings per Share

Basic earnings per share ("EPS") excludes dilution and is computed by dividing net income attributable to Vail Resorts stockholders by the weighted-average shares outstanding during the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised, resulting in the issuance of shares of common stock that would then share in the earnings of Vail Resorts.

In connection with the Company's acquisition of Whistler Blackcomb in October 2016, the Company issued consideration in the form of shares of Vail Resorts common stock (the "Vail Shares") and shares of the Company's wholly-owned Canadian subsidiary ("Exchangeco"). Whistler Blackcomb shareholders elected to receive 3,327,719 Vail Shares and 418,095 shares of Exchangeco (the "Exchangeco Shares"). Both Vail Shares and Exchangeco Shares have a par value of $0.01 per share, and Exchangeco Shares, while outstanding, are substantially the economic equivalent of Vail Shares and are exchangeable, at any time prior to the seventh anniversary of the closing of the acquisition, into Vail Shares. The Company's calculation of weighted-average shares outstanding includes the Exchangeco Shares.

Presented below is basic and diluted EPS for the three months ended January 31, 2020 and 2019 (in thousands, except per share amounts):

	Three Months Ended January 31,			
	2020		2019	
	Basic	Diluted	Basic	Diluted
Net income per share:				
Net income attributable to Vail Resorts	$ 206,370	$ 206,370	$ 206,349	$ 206,349
Weighted-average Vail Shares outstanding	40,261	40,261	40,271	40,271
Weighted-average Exchangeco Shares outstanding	55	55	57	57
Total Weighted-average shares outstanding	40,316	40,316	40,328	40,328
Effect of dilutive securities	—	625	—	798
Total shares	40,316	40,941	40,328	41,126
Net income per share attributable to Vail Resorts	$ 5.12	$ 5.04	$ 5.12	$ 5.02

The Company computes the effect of dilutive securities using the treasury stock method and average market prices during the period. The number of shares issuable upon the exercise of share based awards excluded from the calculation of diluted EPS because the effect of their inclusion would have been anti-dilutive totaled approximately 28,000 and 56,000 for the three months ended January 31, 2020 and 2019, respectively.

Presented below is basic and diluted EPS for the six months ended January 31, 2020 and 2019 (in thousands, except per share amounts):

	Six Months Ended January 31,			
	2020		2019	
	Basic	Diluted	Basic	Diluted
Net income per share:				
Net income attributable to Vail Resorts	$ 99,895	$ 99,895	$ 98,554	$ 98,554
Weighted-average Vail Shares outstanding	40,274	40,274	40,359	40,359
Weighted-average Exchangeco Shares outstanding	55	55	57	57
Total Weighted-average shares outstanding	40,329	40,329	40,416	40,416
Effect of dilutive securities	—	644	—	870
Total shares	40,329	40,973	40,416	41,286
Net income per share attributable to Vail Resorts	$ 2.48	$ 2.44	$ 2.44	$ 2.39

The number of shares issuable upon the exercise of share based awards excluded from the calculation of diluted EPS because the effect of their inclusion would have been anti-dilutive totaled approximately 23,000 and 40,000 for the six months ended January 31, 2020 and 2019, respectively.

Dividends

During the three and six months ended January 31, 2020, the Company paid cash dividends of $1.76 and $3.52 per share, respectively ($71.0 million and $142.1 million, respectively, in the aggregate). During the three and six months ended January 31, 2019, the Company paid cash dividends of $1.47 and $2.94 per share, respectively ($59.2 million and $118.7 million, respectively, in the aggregate). On March 5, 2020, the Company's Board of Directors declared a quarterly cash dividend of $1.76 per share, for Vail Shares, payable on April 9, 2020 to stockholders of record as of March 26, 2020. Additionally, a Canadian dollar equivalent dividend on the Exchangeco Shares will be payable on April 9, 2020 to the shareholders of record on March 26, 2020.

6. Long-Term Debt

Long-term debt, net as of January 31, 2020, July 31, 2019 and January 31, 2019 is summarized as follows (in thousands):

	Maturity	January 31, 2020	July 31, 2019	January 31, 2019
Vail Holdings Credit Agreement term loan (a)	2024	$ 1,234,375	$ 914,375	$ 938,125
Vail Holdings Credit Agreement revolver (a)	2024	25,000	208,000	—
Whistler Credit Agreement revolver (b)	2024	26,447	45,454	60,904
EPR Secured Notes (c)	2034-2036	114,162	—	—
EB-5 Development Notes (d)	2021	51,500	—	—
Employee housing bonds	2027-2039	52,575	52,575	52,575
Canyons obligation	2063	343,147	340,261	337,385
Other	2020-2032	19,360	19,465	8,656
Total debt		1,866,566	1,580,130	1,397,645
Less: Unamortized premiums, discounts and debt issuance costs		(14,048)	3,870	3,890
Less: Current maturities (e)		63,556	48,516	48,493
Long-term debt, net		$ 1,817,058	$ 1,527,744	$ 1,345,262

(a) On September 23, 2019, in order to fund the acquisition of Peak Resorts, Inc. (“Peak Resorts”), which included the prepayment of certain portions of the outstanding debt and lease obligations of Peak Resorts contemporaneous with the closing of the transaction (see Note 7, Acquisitions), the Company’s wholly-owned subsidiary, Vail Holdings, Inc. (“VHI”), entered into the Second Amendment to the Eighth Amended and Restated Credit Agreement (the “Vail Holdings Credit Agreement”), with Bank of America, N.A., as administrative agent, and other lenders named therein, through which those lenders agreed to provide an additional $335.6 million in incremental term loans and agreed, on behalf of all lenders, to extend the maturity date for the outstanding term loans and revolver facility under the Vail Holdings Credit Agreement to September 23, 2024. No other material terms of the Vail Holdings Credit Agreement were altered under the amendment. As of January 31, 2020, the Vail Holdings Credit Agreement consists of a $500.0 million revolving credit facility and a $1.25 billion term loan facility. The term loan facility is subject to quarterly amortization of principal of approximately $15.6 million (which began in January 2020), in equal installments, for a total of five percent of principal payable in each year and the final payment of all amounts outstanding, plus accrued and unpaid interest due in September 2024. The proceeds of the loans made under the Vail Holdings Credit Agreement may be used to fund the Company’s working capital needs, capital expenditures, acquisitions, investments and other general corporate purposes, including the issuance of letters of credit. Borrowings under the Vail Holdings Credit Agreement, including the term loan facility, bear interest annually at LIBOR plus 1.50% as of January 31, 2020 (3.15% as of January 31, 2020). Interest rate margins may fluctuate based upon the ratio of the Company’s Net Funded Debt to Adjusted EBITDA on a trailing four-quarter basis. The Vail Holdings Credit Agreement also includes a quarterly unused commitment fee, which is equal to a percentage determined by the Net Funded Debt to Adjusted EBITDA ratio, as each such term is defined in the Vail Holdings Credit Agreement, multiplied by the daily amount by which the Vail Holdings Credit Agreement commitment exceeds the total of outstanding loans and outstanding letters of credit (0.3% as of January 31, 2020). During the six months ended January 31, 2020, the Company entered into various interest rate swap agreements to hedge the LIBOR-based variable interest rate component of underlying cash flows of $400.0 million in principal amount of its Vail Holdings Credit Agreement for the remaining term of the agreement at an effective rate of 1.46%.

(b) Whistler Mountain Resort Limited Partnership (“Whistler LP”) and Blackcomb Skiing Enterprises Limited Partnership (“Blackcomb LP”), together “The WB Partnerships,” are party to a credit agreement, dated as of November 12, 2013 (as amended, the “Whistler Credit Agreement”), by and among Whistler LP, Blackcomb LP, certain subsidiaries of Whistler LP and Blackcomb LP party thereto as guarantors (the “Whistler Subsidiary Guarantors”), the financial institutions party thereto as lenders and The Toronto-Dominion Bank, as administrative agent. The Whistler Credit Agreement consists of a C$300.0 million revolving credit facility. During the three months ended January 31, 2020, the Company entered into an amendment of the Whistler Credit Agreement which extended the maturity date of the revolving credit facility to December 15, 2024. No other material terms of the Whistler Credit Agreement were altered. As of January 31, 2020, all borrowings under the Whistler Credit Agreement were made in Canadian dollars and by way of the issuance of bankers’ acceptances plus 1.75% (approximately 3.78% as of January 31, 2020). The Whistler Credit Agreement also includes a quarterly unused commitment fee based on the Consolidated Total Leverage Ratio, which as of January 31, 2020 is equal to 0.3937% per annum.

(c) On September 24, 2019, in conjunction with the acquisition of Peak Resorts (see Note 7, Acquisitions), the Company assumed various secured borrowings (the “EPR Secured Notes”) under the master credit and security agreements and other related agreements, as amended, (collectively, the “EPR Agreements”) with EPT Ski Properties, Inc. and its affiliates (“EPR”). The EPR Secured Notes include the following:

i. *The Alpine Valley Secured Note.* The $4.6 million Alpine Valley Secured Note provides for interest payments through its maturity on December 1, 2034. As of January 31, 2020, interest on this note accrued at a rate of 11.21%.

ii. *The Boston Mills/Brandywine Secured Note.* The $23.3 million Boston Mills/Brandywine Secured Note provides for interest payments through its maturity on December 1, 2034. As of January 31, 2020, interest on this note accrued at a rate of 10.75%.

iii. *The Jack Frost/Big Boulder Secured Note.* The $14.3 million Jack Frost/Big Boulder Secured Note provides for interest payments through its maturity on December 1, 2034. As of January 31, 2020, interest on this note accrued at a rate of 10.75%.

iv. *The Mount Snow Secured Note.* The $51.1 million Mount Snow Secured Note provides for interest payments through its maturity on December 1, 2034. As of January 31, 2020, interest on this note accrued at a rate of 11.61%.

v. *The Hunter Mountain Secured Note.* The $21.0 million Hunter Mountain Secured Note provides for interest payments through its maturity on January 5, 2036. As of January 31, 2020, interest on this note accrued at a rate of 8.43%.

The EPR Secured Notes are secured by all or substantially all of the assets of Peak Resorts and its subsidiaries, including mortgages on the Alpine Valley, Boston Mills, Brandywine, Jack Frost, Big Boulder, Mount Snow and Hunter Mountain ski resorts. The EPR Secured Notes bear interest at specified interest rates, as discussed above, which are subject to increase each year by the lesser of (i) three times the percentage increase in the Consumer Price Index or (ii) a capped index (the “Capped CPI Index”), which is 1.75% for the Hunter Mountain Secured Note and 1.50% for all other notes. The EPR Agreements provide for affirmative and negative covenants that restrict, among other things, the ability of Peak Resorts and its subsidiaries to incur indebtedness, dispose of assets, make distributions and make investments. In addition, the EPR Agreements include restrictive covenants, including maximum leverage ratio and consolidated fixed charge ratio. An additional contingent interest payment would be due to EPR if, on a calendar year basis, the gross receipts from the properties securing any of the individual EPR Secured Notes (the “Gross Receipts”) are more than the result (the “Interest Quotient”) of dividing the total interest charges for the EPR Secured Notes by a specified percentage rate (the “Additional Interest Rate”). In such a case, the additional interest payment would equal the difference between the Gross Receipts and the Interest Quotient multiplied by the Additional Interest Rate. This calculation is made on an aggregated basis for the notes secured by the Jack Frost, Big Boulder, Boston Mills, Brandywine and Alpine Valley ski resorts, where the Additional Interest Rate is 10.0%; on a standalone basis for the note secured by the Company’s Mount Snow ski resort, where the Additional Interest Rate is 12.0%; and on a standalone basis for the note secured by the Company’s Hunter Mountain ski resort, where the Additional Interest Rate is 8.0%. Peak Resorts does not have the right to prepay the EPR Secured Notes. The EPR Secured Notes were recorded at their estimated fair value in conjunction with the acquisition of Peak Resorts on September 24, 2019, and as such their respective carrying values approximate fair value as of January 31, 2020. The EPR Agreements grant EPR certain other rights including (i) the option to purchase the Boston Mills, Brandywine, Jack Frost, Big Boulder or Alpine Valley resorts, which is exercisable no sooner than two years and no later than one year prior to the maturity dates of the applicable EPR Secured Note for such properties, with any closings to be held on the applicable maturity dates; and, if EPR exercises the purchase option, EPR will enter into an agreement with the Company for the lease of each acquired property for an initial term of 20 years, plus options to extend the lease for two additional periods of ten years each; (ii) a right of first refusal through 2021, subject to certain conditions, to provide all or a portion of the financing associated with any purchase, ground lease, sale/leaseback, management or financing transaction contemplated by Peak Resorts with respect to any new or existing ski resort properties; and (iii) a right of first refusal through 2021 to purchase the Company’s Attitash ski resort in the event the Company were to desire to sell the Attitash ski resort. To date, EPR has not exercised any such purchase options.

In addition, Peak Resorts is required to maintain a debt service reserve account which amounts are applied to fund interest payments and other amounts due and payable to EPR. As of January 31, 2020 the Company had funded the EPR debt service reserve account in an amount equal to approximately $3.4 million, which was included in other current assets in the Company’s Consolidated Condensed Balance Sheet.

(d) Peak Resorts serves as the general partner for two limited partnerships, Carinthia Group 1, LP and Carinthia Group 2, LP (together, the “Carinthia Partnerships”), which were formed to raise $52.0 million through the Immigrant Investor Program administered by the U.S. Citizenship and Immigration Services (“USCIS”), pursuant to the Immigration and Nationality Act (the “EB-5 Program”). The EB-5 Program was created to stimulate the U.S. economy through the creation of jobs and capital investments in U.S. companies by foreign investors. The program allocates immigrant visas to qualified individuals (“EB-5 Investors”) seeking lawful permanent resident status based on their investment in a U.S commercial enterprise.

On December 27, 2016, Peak Resorts borrowed $52.0 million from the Carinthia Partnerships to fund two capital projects at Mount Snow. The amounts were borrowed through two loan agreements, which provided $30.0 million and $22.0 million (together, the "EB-5 Development Notes"). Amounts outstanding under the EB-5 Development Notes accrue simple interest at a fixed rate of 1.0% per annum until the maturity date, which is December 27, 2021, subject to an extension of up to two additional years at the option of the borrowers, with lender consent. If the maturity date is extended, amounts outstanding under the EB-5 Development Notes will accrue simple interest at a fixed rate of 7.0% per annum during the first year of extension and a fixed rate of 10.0% per annum during the second year of extension. Upon an event of default (as defined), amounts outstanding under the EB-5 Development Notes shall bear interest at the rate of 5.0% per annum, subject to the extension increases. While the EB-5 Development Notes are outstanding, Peak Resorts is restricted from taking certain actions without the consent of the lenders, including, but not limited to, transferring or disposing of the properties or assets financed with loan proceeds. In addition, Peak Resorts is prohibited from prepaying outstanding amounts owed if such prepayment would jeopardize any of the EB-5 Investors from being admitted to the U.S. via the EB-5 Program.

(e) Current maturities represent principal payments due in the next 12 months.

Aggregate maturities of debt outstanding as of January 31, 2020 reflected by fiscal year (August 1 through July 31) are as follows (in thousands):

		Total
2020 (February 2020 through July 2020)	$	37,998
2021		63,640
2022		115,383
2023		63,736
2024		63,794
Thereafter		1,522,015
Total debt	$	1,866,566

The Company recorded gross interest expense of $26.1 million and $21.0 million for the three months ended January 31, 2020 and 2019, respectively, of which $0.3 million and $0.4 million, respectively, were amortization of deferred financing costs. The Company recorded gross interest expense of $48.8 million and $39.6 million for the six months ended January 31, 2020 and 2019, respectively, of which $0.7 million were amortization of deferred financing costs in both periods. The Company was in compliance with all of its financial and operating covenants required to be maintained under its debt instruments for all periods presented.

In connection with the Company's acquisition of Whistler Blackcomb in October 2016, VHI funded a portion of the purchase price through an intercompany loan to Whistler Blackcomb of $210.0 million, which was effective as of November 1, 2016, and requires foreign currency remeasurement to Canadian dollars, the functional currency for Whistler Blackcomb. As a result, foreign currency fluctuations associated with the loan are recorded within the Company's results of operations. The Company recognized approximately $0.8 million and $0.4 million, respectively, of non-cash foreign currency loss on the intercompany loan to Whistler Blackcomb for the three and six months ended January 31, 2020 on the Company's Consolidated Condensed Statements of Operations. The Company recognized approximately $0.5 million and $(1.9) million, respectively, of non-cash foreign currency gain (loss) on the intercompany loan to Whistler Blackcomb for the three and six months ended January 31, 2019 on the Company's Consolidated Condensed Statements of Operations.

7. Acquisitions

Peak Resorts

On September 24, 2019, the Company, through a wholly-owned subsidiary, acquired 100 percent of the outstanding stock of Peak Resorts, Inc. ("Peak Resorts") at a purchase price of $11.00 per share or approximately $264.5 million. In addition, contemporaneous with the closing of the transaction, Peak Resorts was required to pay approximately $70.2 million of certain outstanding debt instruments and lease obligations in order to complete the transaction. Accordingly, the total purchase price, including the repayment of certain outstanding debt instruments and lease obligations, was approximately $334.7 million, for which the Company borrowed approximately $335.6 million under the Vail Holdings Credit Agreement (see Note 6, Long-Term Debt) to fund the acquisition, repayment of debt instruments and lease obligations, and associated acquisition related expenses. The newly acquired resorts include: Mount Snow in Vermont; Hunter Mountain in New York; Attitash Mountain Resort, Wildcat Mountain and Crotched Mountain in New Hampshire; Liberty Mountain Resort, Roundtop Mountain Resort, Whitetail Resort, Jack Frost and Big Boulder in Pennsylvania; Alpine Valley, Boston Mills, Brandywine and Mad River Mountain in Ohio; Hidden Valley and Snow Creek in Missouri; and Paoli Peaks in Indiana. The Company assumed the Special Use Permits from the U.S. Forest Service for Attitash, Mount Snow and Wildcat Mountain, and assumed the land leases for Mad River and Paoli Peaks. The acquisition included the mountain operations of the resorts, including base area skier services (food and beverage, retail and rental, lift ticket offices and ski and snowboard school facilities), as well as lodging operations at certain resorts.

The following summarizes the purchase consideration and the preliminary purchase price allocation to estimated fair values of the identifiable assets acquired and liabilities assumed at the date the transaction was effective (in thousands):

	Acquisition Date Estimated Fair Value
Current assets	$ 19,578
Property, plant and equipment	427,793
Goodwill	146,259
Identifiable intangible assets	19,221
Other assets	16,203
Assumed long-term debt	(184,668)
Other liabilities	(109,656)
Net assets acquired	$ 334,730

Identifiable intangible assets acquired in the transaction were primarily related to trade names and property management contracts. The process of estimating the fair value of the property, plant, and equipment includes the use of certain estimates and assumptions related to replacement cost and physical condition at the time of acquisition. The excess of the purchase price over the aggregate estimated fair values of the assets acquired and liabilities assumed was recorded as goodwill. The goodwill recognized is attributable primarily to expected synergies, the assembled workforce of the resorts and other factors, and is not expected to be deductible for income tax purposes. The Company assumed various debt obligations of Peak Resorts, which were recorded at their respective estimated fair values as of the acquisition date (see Note 6, Long-Term Debt). The Company recognized $2.4 million of acquisition related expenses associated with the transaction within Mountain and Lodging operating expense in its Consolidated Condensed Statement of Operations for the six months ended January 31, 2020. The operating results of Peak Resorts are reported within the Mountain and Lodging segments prospectively from the date of acquisition.

Falls Creek and Hotham Resorts

On April 4, 2019, the Company, through a wholly-owned subsidiary, acquired ski field leases and related infrastructure used to operate two resorts in Victoria, Australia. The Company acquired Australian Alpine Enterprises Holdings Pty. Ltd and all related corporate entities that operate the Falls Creek and Hotham resorts from Living and Leisure Australia Group, a subsidiary of Merlin Entertainments, for a cash purchase price of approximately AU$178.9 million ($127.4 million), after adjustments for certain agreed-upon terms, including an increase in the purchase price for operating losses incurred for the period from December 29, 2018 through closing. The acquisition included the mountain operations of both resorts, including base area skier services (ski and snowboard school facilities, retail and rental, reservation and property management operations).

The following summarizes the purchase consideration and the preliminary purchase price allocation to estimated fair values of the identifiable assets acquired and liabilities assumed at the date the transaction was effective (in thousands):

	Acquisition Date Estimated Fair Value
Current assets	$ 6,986
Property, plant and equipment	54,889
Goodwill	71,538
Identifiable intangible assets and other assets	5,833
Liabilities	(11,894)
Net assets acquired	$ 127,352

Identifiable intangible assets acquired in the transaction were primarily related to trade names. The process of estimating the fair value of the property, plant, and equipment includes the use of certain estimates and assumptions related to replacement cost and physical condition at the time of acquisition. The excess of the purchase price over the aggregate estimated fair values of assets acquired and liabilities assumed was recorded as goodwill. The goodwill recognized is attributable primarily to expected synergies, the assembled workforce of Falls Creek and Hotham and other factors. None of the goodwill is expected to be deductible for income tax purposes under Australian tax law. The operating results of Falls Creek and Hotham are reported within the Mountain segment prospectively from the date of acquisition.

Stevens Pass Resort

On August 15, 2018, the Company, through a wholly-owned subsidiary, acquired Stevens Pass Resort in the State of Washington from Ski Resort Holdings, LLC, an affiliate of Oz Real Estate ("Ski Resort Holdings"), for total cash consideration of $64.0 million, after adjustments for certain agreed-upon terms. The Company borrowed $70.0 million on August 15, 2018 under its Vail Holdings Credit Agreement term loan (see Note 6, Long-Term Debt) to fund the transaction and associated acquisition related expenses. The acquisition included the mountain operations of the resort, including base area skier services (food and beverage, retail and rental, lift ticket offices and ski and snowboard school facilities).

The following summarizes the purchase consideration and the purchase price allocation to estimated fair values of the identifiable assets acquired and liabilities assumed at the date the transaction was effective (in thousands):

	Acquisition Date Estimated Fair Value
Current assets	$ 752
Property, plant and equipment	34,865
Goodwill	28,878
Identifiable intangible assets	2,680
Deferred income taxes, net	886
Liabilities	(4,029)
Net assets acquired	$ 64,032

The process of estimating the fair value of the property, plant, and equipment includes the use of certain estimates and assumptions related to replacement cost and physical condition at the time of acquisition. The excess of the purchase price over the aggregate estimated fair values of assets acquired and liabilities assumed was recorded as goodwill. The goodwill recognized is attributable primarily to expected synergies, the assembled workforce of Stevens Pass and other factors, and is expected to be deductible for income tax purposes. The Company recognized $1.2 million of acquisition related expenses associated with the transaction within Mountain and Lodging operating expense in its Consolidated Condensed Statement of Operations for the six months ended January 31, 2019. The operating results of Stevens Pass are reported within the Mountain segment prospectively from the date of acquisition.

Triple Peaks

On September 27, 2018, the Company, through a wholly-owned subsidiary, acquired Triple Peaks, LLC ("Triple Peaks"), the parent company of Okemo Mountain Resort in Vermont, Crested Butte Mountain Resort in Colorado, and Mount Sunapee Resort in New Hampshire, for a cash purchase price of approximately $74.1 million, after adjustments for certain agreed-upon terms. In addition, contemporaneous with the closing of the transaction, Triple Peaks paid $155.0 million to pay the remaining obligations of the leases that all three resorts had with Ski Resort Holdings, with funds provided by the Company. Accordingly, the total purchase price, including the repayment of lease obligations, was $229.1 million, for which the Company utilized cash on hand and borrowed $195.6 million under the Vail Holdings Credit Agreement term loan (see Note 6, Long-Term Debt) to fund the transaction and associated acquisition related expenses. The Company obtained a new Special Use Permit from the U.S. Forest Service for Crested Butte, and assumed the state land leases for Okemo and Mount Sunapee. The acquisition included the mountain operations of the resorts, including base area skier services (food and beverage, retail and rental, lift ticket offices and ski and snowboard school facilities).

The following summarizes the purchase consideration and the purchase price allocation to estimated fair values of the identifiable assets acquired and liabilities assumed at the date the transaction was effective (in thousands):

	Acquisition Date Estimated Fair Value
Current assets	$ 5,197
Property, plant and equipment	159,799
Goodwill	51,742
Identifiable intangible assets	27,360
Deferred income taxes, net	3,093
Liabilities	(18,098)
Net assets acquired	$ 229,093

Identifiable intangible assets acquired in the transaction were primarily related to property management contracts and trade names. The process of estimating the fair value of the property, plant, and equipment includes the use of certain estimates and assumptions related to replacement cost and physical condition at the time of acquisition. The excess of the purchase price over the aggregate estimated fair values of assets acquired and liabilities assumed was recorded as goodwill. The goodwill recognized is attributable primarily to expected synergies, the assembled workforce of the resorts and other factors, and is expected to be deductible for income tax purposes. The Company recognized $2.8 million of acquisition related expenses associated with the transaction within Mountain and Lodging operating expense in its Consolidated Condensed Statement of Operations for the six months ended January 31, 2019. The operating results of Triple Peaks are reported within the Mountain and Lodging segments prospectively from the date of acquisition.

The estimated fair values of assets acquired and liabilities assumed in the acquisitions of Peak Resorts, Falls Creek and Hotham are preliminary and are based on the information that was available as of the respective acquisition dates. The Company believes that this information provides a reasonable basis for estimating the fair values of assets acquired and liabilities assumed; however, the Company is obtaining additional information necessary to finalize those estimated fair values. Therefore, the preliminary measurements of estimated fair values reflected are subject to change. The Company expects to finalize the valuation and complete the purchase consideration allocation no later than one year from the respective acquisition dates.

Pro Forma Financial Information

The following presents the unaudited pro forma consolidated financial information of the Company as if the acquisitions of Peak Resorts, Falls Creek & Hotham, Triple Peaks and Stevens Pass were completed at the beginning of the fiscal year preceding the fiscal year in which each respective acquisition occurred. The following unaudited pro forma financial information includes adjustments for (i) depreciation on acquired property, plant and equipment; (ii) amortization of intangible assets recorded at the date of the transactions; (iii) lease expenses incurred by the prior owners which the Company will not be subject to; (iv) transaction and business integration related costs; and (v) interest expense associated with financing the transactions. This unaudited pro forma financial information is presented for informational purposes only and does not purport to be indicative of the results of future operations or the results that would have occurred had the transaction taken place on August 1, 2018 (in thousands, except per share amounts).

	Three Months Ended January 31,
	2019
Pro forma net revenue	$ 935,410
Pro forma net income attributable to Vail Resorts, Inc.	$ 220,499
Pro forma basic net income per share attributable to Vail Resorts, Inc.	$ 5.57
Pro forma diluted net income per share attributable to Vail Resorts, Inc.	$ 5.36

	Six Months Ended January 31,	
	2020	2019
Pro forma net revenue	$ 1,199,067	$ 1,195,296
Pro forma net income attributable to Vail Resorts, Inc.	$ 95,850	$ 99,569
Pro forma basic net income per share attributable to Vail Resorts, Inc.	$ 2.38	$ 2.46
Pro forma diluted net income per share attributable to Vail Resorts, Inc.	$ 2.34	$ 2.41

8. Supplementary Balance Sheet Information

The composition of property, plant and equipment follows (in thousands):

	January 31, 2020	July 31, 2019	January 31, 2019
Land and land improvements	$ 749,669	$ 619,561	$ 617,492
Buildings and building improvements	1,475,415	1,284,438	1,280,972
Machinery and equipment	1,253,476	1,160,817	1,139,443
Furniture and fixtures	450,903	309,271	323,406
Software	121,390	118,815	122,038
Vehicles	70,820	65,556	65,642
Construction in progress	53,325	79,282	23,342
Gross property, plant and equipment	4,174,998	3,637,740	3,572,335
Accumulated depreciation	(1,911,217)	(1,795,240)	(1,741,248)
Property, plant and equipment, net	$ 2,263,781	$ 1,842,500	$ 1,831,087

The composition of accounts payable and accrued liabilities follows (in thousands):

	January 31, 2020	July 31, 2019	January 31, 2019
Trade payables	$ 126,836	$ 96,377	$ 106,183
Deferred revenue	426,672	335,669	346,356
Accrued salaries, wages and deferred compensation	48,591	50,318	66,090
Accrued benefits	46,622	37,797	37,991
Deposits	63,432	32,108	52,867
Other liabilities	99,344	55,588	76,249
Total accounts payable and accrued liabilities	$ 811,497	$ 607,857	$ 685,736

The composition of other long-term liabilities follows (in thousands):

	January 31, 2020	July 31, 2019	January 31, 2019
Private club deferred initiation fee revenue	$ 108,674	$ 109,749	$ 112,065
Unfavorable lease obligation, net	1,607	19,017	20,450
Other long-term liabilities	135,094	154,835	142,483
Total other long-term liabilities	$ 245,375	$ 283,601	$ 274,998

The changes in the net carrying amount of goodwill allocated between the Company's segments for the six months ended January 31, 2020 are as follows (in thousands):

	Mountain	Lodging	Goodwill, net
Balance at July 31, 2019	$ 1,540,307	$ 67,899	$ 1,608,206
Acquisitions (including measurement period adjustments)	146,367	—	146,367
Effects of changes in foreign currency exchange rates	(4,562)	—	(4,562)
Balance at January 31, 2020	$ 1,682,112	$ 67,899	$ 1,750,011

9. Fair Value Measurements

The FASB issued fair value guidance that establishes how reporting entities should measure fair value for measurement and disclosure purposes. The guidance establishes a common definition of fair value applicable to all assets and liabilities measured at fair value and prioritizes the inputs into valuation techniques used to measure fair value. Accordingly, the Company uses valuation techniques which maximize the use of observable inputs and minimize the use of unobservable inputs when determining fair value. The three levels of the hierarchy are as follows:

Level 1: Inputs that reflect unadjusted quoted prices in active markets that are accessible to the Company for identical assets or liabilities;

Level 2: Inputs include quoted prices for similar assets and liabilities in active and inactive markets or that are observable for the asset or liability either directly or indirectly; and

Level 3: Unobservable inputs which are supported by little or no market activity.

The table below summarizes the Company's cash equivalents, other current assets, Interest Rate Swaps and Contingent Consideration measured at estimated fair value (all other assets and liabilities measured at fair value are immaterial) (in thousands).

	Estimated Fair Value Measurement as of January 31, 2020			
Description	Total	Level 1	Level 2	Level 3
Assets:				
Money Market	$ 3,052	$ 3,052	$ —	$ —
Commercial Paper	$ 2,401	$ —	$ 2,401	$ —
Certificates of Deposit	$ 7,717	$ —	$ 7,717	$ —
Liabilities:				
Interest Rate Swaps	$ 4,563	$ —	$ 4,563	$ —
Contingent Consideration	$ 23,500	$ —	$ —	$ 23,500

	Estimated Fair Value Measurement as of July 31, 2019			
Description	Total	Level 1	Level 2	Level 3
Assets:				
Money Market	$ 3,043	$ 3,043	$ —	$ —
Commercial Paper	$ 2,401	$ —	$ 2,401	$ —
Certificates of Deposit	$ 7,871	$ —	$ 7,871	$ —
Liabilities:				
Contingent Consideration	$ 27,200	$ —	$ —	$ 27,200

	Estimated Fair Value Measurement as of January 31, 2019			
Description	Total	Level 1	Level 2	Level 3
Assets:				
Money Market	$ 3,031	$ 3,031	$ —	$ —
Commercial Paper	$ 2,401	$ —	$ 2,401	$ —
Certificates of Deposit	$ 6,774	$ —	$ 6,774	$ —
Liabilities:				
Contingent Consideration	$ 23,733	$ —	$ —	$ 23,733

The Company's cash equivalents, other current assets and Interest Rate Swaps are measured utilizing quoted market prices or pricing models whereby all significant inputs are either observable or corroborated by observable market data. During the six months ended January 31, 2020, the Company entered into the Interest Rate Swaps to hedge the LIBOR-based variable interest rate component of underlying cash flows of $400.0 million in principal amount of its Vail Holdings Credit Agreement. Settlements or payments resulting from the Interest Rate Swaps are recognized in interest expense, net on the Company's Consolidated Condensed Statements of Operations, and changes in the estimated fair value are recognized in change in estimated fair value of hedging instruments on the Company's Consolidated Condensed Statements of Comprehensive Income. The estimated fair value of the Interest Rate Swaps are included within other long-term liabilities on the Company's Consolidated Condensed Balance Sheet as of January 31, 2020.

The changes in Contingent Consideration during the six months ended January 31, 2020 and 2019 were as follows (in thousands):

Balance as of July 31, 2019 and 2018, respectively	$ 27,200	$ 21,900
Payments	(6,436)	(67)
Change in estimated fair value	2,736	1,900
Balance as of January 31, 2020 and 2019, respectively	$ 23,500	$ 23,733

The lease for Park City provides for participating contingent payments (the "Contingent Consideration") to the landlord of 42% of the amount by which EBITDA for the Park City resort operations, as calculated under the lease, exceeds approximately $35 million, as established at the transaction date, with such threshold amount subsequently increased annually by an inflation linked index and a 10% adjustment for any capital improvements or investments made under the lease by the Company.

The estimated fair value of Contingent Consideration includes the future period resort operations of Park City in the calculation of EBITDA on which participating contingent payments are made, which is determined on the basis of estimated subsequent year performance, escalated by an assumed growth factor. The Company estimated the fair value of the Contingent Consideration payments using an option pricing valuation model. Key assumptions included a discount rate of 11.15%, volatility of 17.0% and future period Park City EBITDA, which are unobservable inputs and thus are considered Level 3 inputs. The Company prepared a sensitivity analysis to evaluate the effect that changes on certain key assumptions would have on the estimated fair value of the Contingent Consideration. A change in the discount rate of 100 basis points or a 5% change in estimated subsequent year performance would result in a change in the estimated fair value within the range of approximately $3.9 million to $6.1 million.

Contingent Consideration is classified as a liability, which is remeasured to fair value at each reporting date until the contingency is resolved. During the six months ended January 31, 2020, the Company made a payment to the landlord for Contingent Consideration of approximately $6.4 million and recorded an increase of approximately $2.7 million primarily related to the estimated Contingent Consideration payment for the fiscal year ending July 31, 2019. These changes resulted in an estimated fair value of the Contingent Consideration of approximately $23.5 million, which is reflected in other long-term liabilities in the Company's Consolidated Condensed Balance Sheet.

10. Commitments and Contingencies

Metropolitan Districts

The Company credit-enhances $6.3 million of bonds issued by Holland Creek Metropolitan District ("HCMD") through a $6.4 million letter of credit issued under the Vail Holdings Credit Agreement. HCMD's bonds were issued and used to build infrastructure associated with the Company's Red Sky Ranch residential development. The Company has agreed to pay capital improvement fees to the Red Sky Ranch Metropolitan District ("RSRMD") until RSRMD's revenue streams from property taxes are sufficient to meet debt service requirements under HCMD's bonds. The Company has recorded a liability of $2.0 million primarily within other long-term liabilities in the accompanying Consolidated Condensed Balance Sheets, as of January 31, 2020, July 31, 2019 and January 31, 2019, respectively, with respect to the estimated present value of future RSRMD capital improvement fees. The Company estimates it will make capital improvement fee payments under this arrangement through the fiscal year ending July 31, 2031.

Guarantees/Indemnifications

As of January 31, 2020, the Company had various letters of credit outstanding totaling $75.5 million, consisting of $53.4 million to support the Employee Housing Bonds and $22.1 million primarily for workers' compensation, a wind energy purchase agreement and insurance-related deductibles. The Company also had surety bonds of $9.6 million as of January 31, 2020, primarily to provide collateral for its U.S. workers compensation self-insurance programs.

In addition to the guarantees noted above, the Company has entered into contracts in the normal course of business that include certain indemnifications under which it could be required to make payments to third parties upon the occurrence or non-occurrence of certain future events. These indemnities include indemnities related to licensees in connection with third-parties' use of the Company's trademarks and logos, liabilities associated with the infringement of other parties' technology and software products, liabilities associated with the use of easements, liabilities associated with employment of contract workers and the Company's use of trustees, and liabilities associated with the Company's use of public lands and environmental matters. The duration of these indemnities generally is indefinite and generally do not limit the future payments the Company could be obligated to make.

As permitted under applicable law, the Company and certain of its subsidiaries have agreed to indemnify their directors and officers over their lifetimes for certain events or occurrences while the officer or director is, or was, serving the Company or its subsidiaries in such a capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has a director and officer insurance policy that should enable the Company to recover a portion of any amounts paid.

Unless otherwise noted, the Company has not recorded any significant liabilities for the letters of credit, indemnities and other guarantees noted above in the accompanying Consolidated Condensed Financial Statements, either because the Company has recorded on its Consolidated Condensed Balance Sheets the underlying liability associated with the guarantee, the guarantee is with respect to the Company's own performance and is therefore not subject to the measurement requirements as prescribed by GAAP, or because the Company has calculated the estimated fair value of the indemnification or guarantee to be immaterial based on the current facts and circumstances that would trigger a payment under the indemnification clause. In addition, with respect to certain indemnifications, it is not possible to determine the maximum potential amount of liability under these potential obligations due to the unique set of facts and circumstances likely to be involved in each particular claim and indemnification provision. Historically, payments made by the Company under these obligations have not been material.

As noted above, the Company makes certain indemnifications to licensees for their use of the Company's trademarks and logos. The Company does not record any liabilities with respect to these indemnifications.

Additionally, the Company has entered into strategic long-term season pass alliance agreements with third-party mountain resorts in which the Company has committed to pay minimum revenue guarantees over the remaining terms of these agreements.

Self-Insurance

The Company is self-insured for claims under its U.S. health benefit plans and for the majority of workers' compensation claims in the U.S. Workers compensation claims in the U.S. are subject to stop loss policies. The self-insurance liability related to workers' compensation is determined actuarially based on claims filed. The self-insurance liability related to claims under the Company's U.S. health benefit plans is determined based on analysis of actual claims. The amounts related to these claims are included as a component of accrued benefits in accounts payable and accrued liabilities (see Note 8, Supplementary Balance Sheet Information).

Legal

The Company is a party to various lawsuits arising in the ordinary course of business. Management believes the Company has adequate insurance coverage and/or has accrued for all loss contingencies for asserted and unasserted matters deemed to be probable losses and estimable. As of January 31, 2020, July 31, 2019 and January 31, 2019, the accruals for the above loss contingencies were not material individually or in the aggregate.

11. Segment Information

The Company has three reportable segments: Mountain, Lodging and Real Estate. The Company refers to "Resort" as the combination of the Mountain and Lodging segments. The Mountain segment includes the operations of the Company's mountain resorts/ski areas and related ancillary activities. The Lodging segment includes the operations of the Company's owned hotels, RockResorts, NPS concessionaire properties, condominium management, Colorado resort ground transportation operations and mountain resort golf operations. The Real Estate segment owns, develops and sells real estate in and around the Company's resort communities. The Company's reportable segments, although integral to the success of the others, offer distinctly different products and services and require different types of management focus. As such, these segments are managed separately.

The Company reports its segment results using Reported EBITDA (defined as segment net revenue less segment operating expenses, plus or minus segment equity investment income or loss, and for the Real Estate segment, plus gain or loss on sale of real property). The Company reports segment results in a manner consistent with management's internal reporting of operating results to the chief operating decision maker (Chief Executive Officer) for purposes of evaluating segment performance.

Items excluded from Reported EBITDA are significant components in understanding and assessing financial performance. Reported EBITDA should not be considered in isolation or as an alternative to, or substitute for, net income, net change in cash and cash equivalents or other financial statement data presented in the Consolidated Condensed Financial Statements as indicators of financial performance or liquidity.

The Company utilizes Reported EBITDA in evaluating the performance of the Company and in allocating resources to its segments. Mountain Reported EBITDA consists of Mountain net revenue less Mountain operating expense plus or minus Mountain equity investment income or loss. Lodging Reported EBITDA consists of Lodging net revenue less Lodging operating expense. Real Estate Reported EBITDA consists of Real Estate net revenue less Real Estate operating expense plus gain or loss on sale of real property. All segment expenses include an allocation of corporate administrative expense. Assets are not used to evaluate performance, except as shown in the table below.

The following table presents financial information by reportable segment, which is used by management in evaluating performance and allocating resources (in thousands):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2020	2019	2020	2019
Net revenue:				
Lift	$ 484,348	$ 447,558	$ 526,177	$ 472,243
Ski school	102,743	92,244	111,277	96,516
Dining	75,719	65,409	97,348	83,701
Retail/rental	133,713	128,436	181,628	171,778
Other	49,022	42,426	109,947	96,841
Total Mountain net revenue	845,545	776,073	1,026,377	921,079
Lodging	78,887	73,249	161,645	148,149
Total Resort net revenue	924,432	849,322	1,188,022	1,069,228
Real Estate	206	256	4,386	354
Total net revenue	$ 924,638	$ 849,578	$ 1,192,408	$ 1,069,582
Segment operating expense:				
Mountain	$ 472,686	$ 424,008	$ 734,694	$ 646,371
Lodging	73,593	67,492	153,085	138,496
Resort	546,279	491,500	887,779	784,867
Real Estate	1,505	1,389	6,798	2,759
Total segment operating expense	$ 547,784	$ 492,889	$ 894,577	$ 787,626
Gain on sale of real property	$ —	$ —	$ 207	$ —
Mountain equity investment income, net	$ 169	$ 160	$ 1,360	$ 1,110
Reported EBITDA:				
Mountain	$ 373,028	$ 352,225	$ 293,043	$ 275,818
Lodging	5,294	5,757	8,560	9,653
Resort	378,322	357,982	301,603	285,471
Real Estate	(1,299)	(1,133)	(2,205)	(2,405)
Total Reported EBITDA	$ 377,023	$ 356,849	$ 299,398	$ 283,066
Real estate held for sale and investment	$ 96,944	$ 101,730	$ 96,944	$ 101,730
Reconciliation from net income attributable to Vail Resorts, Inc. to Total Reported EBITDA:				
Net income attributable to Vail Resorts, Inc.	$ 206,370	$ 206,349	$ 99,895	$ 98,554
Net income attributable to noncontrolling interests	10,648	11,641	7,294	8,710
Net income	217,018	217,990	107,189	107,264
Provision for income taxes	67,313	63,973	20,750	27,568
Income before provision for income taxes	284,331	281,963	127,939	134,832
Depreciation and amortization	63,812	55,238	121,657	106,281
Change in estimated fair value of contingent consideration	1,600	700	2,736	1,900
Loss (gain) on disposal of fixed assets and other, net	709	(1,097)	(1,558)	(478)
Investment income and other, net	(361)	(507)	(638)	(970)
Foreign currency loss (gain) on intercompany loans	798	(450)	438	1,861
Interest expense, net	26,134	21,002	48,824	39,640
Total Reported EBITDA	$ 377,023	$ 356,849	$ 299,398	$ 283,066

12. Share Repurchase Program

On March 9, 2006, the Company's Board of Directors approved a share repurchase program, authorizing the Company to repurchase up to 3,000,000 Vail Shares. On July 16, 2008, the Company's Board of Directors increased the authorization by an additional 3,000,000 Vail Shares, and on December 4, 2015, the Company's Board of Directors increased the authorization by an additional 1,500,000 Vail Shares for a total authorization to repurchase up to 7,500,000 Vail Shares. The Company repurchased zero and 95,618 Vail Shares (at a total cost of approximately $21.4 million), respectively, during the three and six months ended January 31, 2020. The Company repurchased 155,111 and 353,007 Vail Shares, respectively (at a total cost of approximately $35.0 million and $85.0 million, respectively) during the three and six months ended January 31, 2019. Since inception of its share repurchase program through January 31, 2020, the Company has repurchased 6,000,341 Vail Shares for approximately $379.4 million. As of January 31, 2020, 1,499,659 Vail Shares remained available to repurchase under the existing share repurchase program, which has no expiration date. Vail Shares purchased pursuant to the repurchase program will be held as treasury shares and may be used for the issuance of Vail Shares under the Company's employee share award plan.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Vail Resorts, Inc., together with its subsidiaries, is referred to throughout this Quarterly Report on Form 10-Q for the period ended January 31, 2020 ("Form 10-Q") as "we," "us," "our" or the "Company."

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended July 31, 2019 ("Form 10-K") and the Consolidated Condensed Financial Statements as of January 31, 2020 and 2019 and for the three and six months then ended, included in Part I, Item 1 of this Form 10-Q, which provide additional information regarding our financial position, results of operations and cash flows. To the extent that the following MD&A contains statements which are not of a historical nature, such statements are forward-looking statements, which involve risks and uncertainties. See "Forward-Looking Statements" below. These risks include, but are not limited to, those discussed in our filings with the Securities and Exchange Commission ("SEC"), including the risks described in Item 1A "Risk Factors" of Part I of our Form 10-K, which was filed on September 26, 2019.

The MD&A includes discussion of financial performance within each of our three segments. We have chosen to specifically include segment Reported EBITDA (defined as segment net revenue less segment operating expense, plus or minus segment equity investment income or loss and for the Real Estate segment, plus gain or loss on sale of real property) and Net Debt (defined as long-term debt, net plus long-term debt due within one year less cash and cash equivalents), in the following discussion because we consider these measurements to be significant indications of our financial performance and available capital resources. Resort Reported EBITDA, Total Reported EBITDA and Net Debt are not measures of financial performance or liquidity under accounting principles generally accepted in the United States ("GAAP"). We utilize segment Reported EBITDA in evaluating our performance and in allocating resources to our segments. We also believe that Net Debt is an important measurement as it is an indicator of our ability to obtain additional capital resources for our future cash needs. Refer to the end of the Results of Operations section for a reconciliation of net income attributable to Vail Resorts, Inc. to Total Reported EBITDA and long-term debt, net to Net Debt.

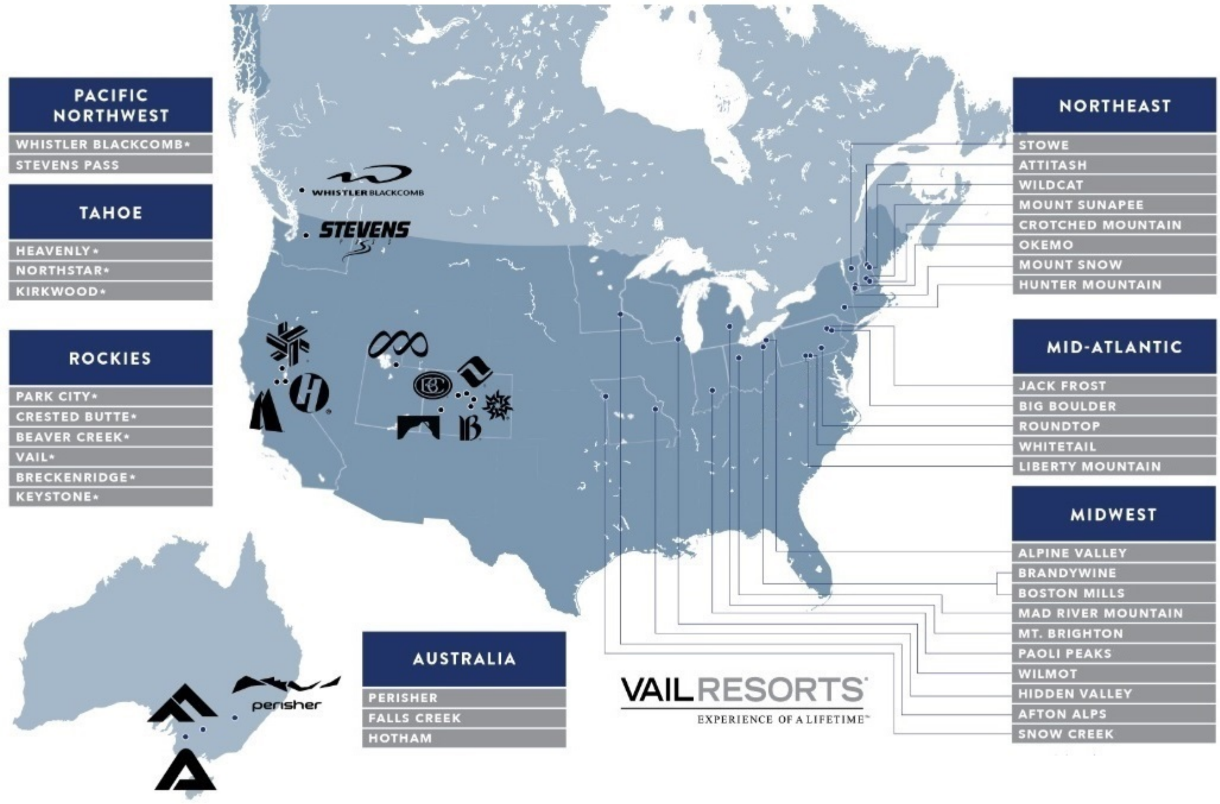
Items excluded from Reported EBITDA and Net Debt are significant components in understanding and assessing financial performance or liquidity. Reported EBITDA and Net Debt should not be considered in isolation or as an alternative to, or substitute for, net income (loss), net change in cash and cash equivalents or other financial statement data presented in the Consolidated Condensed Financial Statements as indicators of financial performance or liquidity. Because Resort Reported EBITDA, Total Reported EBITDA and Net Debt are not measurements determined in accordance with GAAP and are thus susceptible to varying calculations, Resort Reported EBITDA, Total Reported EBITDA and Net Debt, as presented herein, may not be comparable to other similarly titled measures of other companies. In addition, our segment Reported EBITDA (i.e. Mountain, Lodging and Real Estate), the measure of segment profit or loss required to be disclosed in accordance with GAAP, may not be comparable to other similarly titled measures of other companies.

Overview

Our operations are grouped into three integrated and interdependent segments: Mountain, Lodging and Real Estate. We refer to "Resort" as the combination of the Mountain and Lodging segments.

Mountain Segment

In the Mountain segment, the Company operates the following thirty-seven destination mountain resorts and regional ski areas:



**Denotes a destination mountain resort which generally receives a meaningful portion of skier visits from long-distance travelers, as opposed to our regional ski areas which tend to generate skier visits from their respective local markets.*

Additionally, we operate ancillary services, primarily including ski school, dining and retail/rental operations, and for our Australian ski areas, including lodging and transportation operations. Mountain segment revenue is seasonal, with the majority of revenue earned from our North American ski operations occurring in our second and third fiscal quarters and the majority of revenue earned from our Australian ski operations occurring in our first and fourth fiscal quarters. Our North American destination mountain resorts and regional ski areas (collectively, "Resorts") are typically open for business from mid-November through mid-April, which is the peak operating season for the Mountain segment, and our Australian ski areas are typically open for business from June to early October. Consequently, our first fiscal quarter is a seasonally low period as our North American ski operations are generally not open for business until our second fiscal quarter, while the activity of our Australian ski areas peak season and our North American summer operating results are not sufficient to offset the losses incurred during the seasonally low periods at our North American Resorts. Revenue of the Mountain segment during the first and fourth fiscal quarters is primarily generated from summer and group related visitation at our North American destination mountain resorts, retail/rental operations and peak season Australian ski operations. Our largest source of Mountain segment revenue is the sale of lift tickets (including pass products), which represented approximately 57% and 58% of Mountain net revenue for the three months ended January 31, 2020 and 2019, respectively.

Lift revenue is driven by volume and pricing. Pricing is impacted by both absolute pricing, as well as the mix of resort visitation of guests, which impacts the price points at which various products are purchased. The demographic mix of guests that visit our North American destination mountain resorts is divided into two primary categories: (i) out-of-state and international ("Destination") guests and (ii) in-state and local ("Local") guests. For the three months ended January 31, 2020, Destination guests comprised approximately 55% of our North American destination mountain resort skier visits (excluding complimentary access), while Local guests comprised approximately 45% of our North American destination mountain resort skier visits (excluding complimentary access), which compares to 53% and 47%, respectively, for the three months ended January 31, 2019. Destination guests generally purchase our higher-priced lift tickets (including pass products) and utilize more ancillary services such as ski school, dining and retail/rental, as well as lodging at or around our mountain resorts. Destination guest visitation is less likely to be impacted by changes in the weather during the current season, but may be more impacted by adverse economic conditions, the global geopolitical climate or weather conditions in the immediately preceding ski season. Local guests tend to be more value-oriented and weather sensitive.

We offer a variety of pass products for all of our Resorts, marketed towards both Destination and Local guests. Our pass product offerings range from providing access to one or a combination of our Resorts for a certain number of days to our Epic Pass, which allows pass holders unlimited and unrestricted access to all of our Resorts. The Epic Day Pass, which we began offering for the 2019/2020 North American ski season, is a customizable one to seven day pass product valid at each of our resorts, purchased in advance of the season, for those skier and riders who expect to ski a certain number of days during the season. Our pass program provides a compelling value proposition to our guests, which in turn assists us in developing a loyal base of customers who commit to ski at our Resorts generally in advance of the ski season and typically ski more days each season at our Resorts than those guests who do not buy pass products. Additionally, we have entered into strategic long-term season pass alliance agreements with third-party mountain resorts including Telluride Ski Resort in Colorado, Sun Valley Resort in Idaho, Snowbasin Resort in Utah, Hakuba Valley and Rusutsu Resort in Japan, Resorts of the Canadian Rockies in Canada, Les 3 Vallées in France, 4 Vallées in Switzerland and Skirama Dolomiti in Italy, which further increases the value proposition of our pass products. As such, our pass program drives strong customer loyalty; mitigates exposure to more weather sensitive guests; generates additional ancillary spending; and provides cash flow in advance of winter season operations. In addition, our pass program attracts new guests to our Resorts. All of our pass products, including the Epic Pass and Epic Day Pass, are predominately sold prior to the start of the ski season. Pass product revenue, although primarily collected prior to the ski season, is recognized in the Consolidated Condensed Statements of Operations throughout the ski season primarily based on historical visitation.

Lift revenue consists of pass product lift revenue (“pass revenue”) and non-pass product lift revenue (“non-pass revenue”). For the three months ended January 31, 2020 and 2019, approximately 58% and 53%, respectively, of our total lift revenue recognized was comprised of pass product revenue. Pass product revenue recognized year to date, which is primarily recognized in our second fiscal quarter, represents approximately 50% and 51% of our total North American pass product sales for the 2019/2020 and 2018/2019 North American ski seasons, respectively, with the remaining North American pass product revenue almost entirely recognized as lift revenue in our third fiscal quarter ending April 30. Pass product revenue, although primarily collected prior to the ski season, is recognized in the Consolidated Condensed Statements of Operations throughout the ski season primarily based on historical visitation. For the 2019/2020 North American ski season, our historical visitation trend has shifted the allocation of pass holder visitation to our fiscal third quarter as compared to our fiscal second quarter. As a result, our allocation of fiscal year 2020 pass revenue for the three months ended January 31, 2020 is approximately $11 million lower than it would have been under the prior year allocation.

The cost structure of our mountain resort operations has a significant fixed component with variable expenses including, but not limited to, land use permit or lease fees, credit card fees, retail/rental cost of sales and labor, ski school labor and dining operations; as such, profit margins can fluctuate greatly based on the level of revenues.

Lodging Segment

Operations within the Lodging segment include: (i) ownership/management of a group of luxury hotels through the RockResorts brand proximate to our Colorado and Utah mountain resorts; (ii) ownership/management of non-RockResorts branded hotels and condominiums proximate to our North American Resorts; (iii) National Park Service (“NPS”) concessionaire properties, including the Grand Teton Lodge Company (“GTLC”); (iv) a Colorado resort ground transportation company; and (v) mountain resort golf courses.

The performance of our lodging properties (including managed condominium units and our Colorado resort ground transportation company) proximate to our mountain resorts is closely aligned with the performance of the Mountain segment and generally experiences similar seasonal trends, particularly with respect to visitation by Destination guests. Revenues from such properties represented approximately 93% of Lodging segment net revenue (excluding Lodging segment revenue associated with reimbursement of payroll costs) for both the three months ended January 31, 2020 and 2019. Management primarily focuses on Lodging net revenue excluding payroll cost reimbursements and Lodging operating expense excluding reimbursed payroll costs (which are not measures of financial performance under GAAP) as the reimbursements are made based upon the costs incurred with no added margin; as such, the revenue and corresponding expense have no effect on our Lodging Reported EBITDA, which we use to evaluate Lodging segment performance. Revenue of the Lodging segment during our first and fourth fiscal quarters is generated primarily by the operations of our NPS concessionaire properties (as their operating season generally occurs from June to the end of September); mountain resort golf operations and seasonally lower volume from our other owned and managed properties and businesses.

Real Estate Segment

The principal activities of our Real Estate segment include the sale of land parcels to third-party developers and planning for future real estate development projects, including zoning and acquisition of applicable permits. We continue undertaking preliminary planning and design work on future projects and are pursuing opportunities with third-party developers rather than undertaking our own significant vertical development projects. Additionally, real estate development projects by third-party developers most often result in the creation of certain resort assets that provide additional benefit to the Mountain segment. We believe that, due to our low carrying cost of real estate land investments, we are well situated to promote future projects by third-party developers while limiting our financial risk. Our revenue from the Real Estate segment and associated expense can fluctuate significantly based upon the timing of closings and the type of real estate being sold, causing volatility in the Real Estate segment's operating results from period to period.

Recent Trends, Risks and Uncertainties

Together with those risk factors we have identified in our Form 10-K, we have identified the following important factors (as well as risks and uncertainties associated with such factors) that could impact our future financial performance or condition:

- The timing and amount of snowfall can have an impact on Mountain and Lodging revenue, particularly with regards to skier visits and the duration and frequency of guest visitation. To help mitigate this impact, we sell a variety of pass products prior to the beginning of the ski season which results in a more stabilized stream of lift revenue. Additionally, our pass products provide a compelling value proposition to our guests, which in turn create a guest commitment predominately prior to the start of the ski season. During fiscal 2019, pass product revenue represented approximately 47% of total lift revenue. Pass revenue increased approximately $41.1 million, or 17.2%, for the three months ended January 31, 2020 compared to the same period in the prior year, primarily due to increased pass product sales for the 2019/2020 North American ski season compared to the 2018/2019 North American ski season. Additionally, deferred revenue related to North American product pass sales was approximately $286.0 million as of January 31, 2020, excluding deferred revenue assumed in the Peak Resorts acquisition (compared to approximately $234.0 million as of January 31, 2019), which will be almost entirely recognized as lift revenue during our third fiscal quarter ending April 30, 2020, subject to final adjustments required under U.S. GAAP.

- The current outbreak of coronavirus, which originated in China and has recently spread to other regions, including the U.S., Japan and Europe, has led to certain global travel restrictions and other adverse global economic impacts. Although we are uncertain as to the ultimate severity and duration of the coronavirus outbreak and the impact it may have on our business, we have seen a marked negative change in performance in the week ended March 8, 2020 as compared to the prior week, with destination skier visits modestly below expectations. We expect this trend to continue and potentially worsen in upcoming weeks. We will continue to closely monitor relevant events so that we are able to respond to such developments as they occur.

- After a challenging start in the early season, destination guest visitation at our western U.S. resorts improved significantly during the holiday period and was in line with our expectations. The improvement continued through January though Colorado was modestly below our expectations for the post-holiday period, partially offset by strong performance at our Park City resort. Our Pacific Northwest resorts (Whistler Blackcomb and Stevens Pass) experienced the lowest snowfall in over 30 years through December 31, 2019, resulting in very poor results through the early season and critical holiday period. Visitation at those resorts continued to be challenging and below our expectation in January, with Whistler Blackcomb experiencing weaker than expected recovery in North American and international destination visitation. We cannot predict the impact that the early season period results or future weather conditions will have on our skier visitation and results of operations for the remainder of the 2019/2020 North American ski season.

- Key North American economic indicators have remained steady into calendar year 2020, including strong consumer confidence and declines in the unemployment rate. However, the growth in the North American economy may be impacted by economic challenges in North America or declining or slowing growth in economies outside of North America, accompanied by devaluation of currencies, rising inflation, trade tariffs and lower commodity prices. Given these economic uncertainties, we cannot predict what the impact of the overall North American or global economy will be on overall travel and leisure spending or more specifically, on our guest visitation, guest spending or other related trends for the remainder of the 2019/2020 North American ski season.

- As of January 31, 2020, we had $393.8 million available under the revolver component of our Eighth Amended and Restated Credit Agreement, dated as of August 15, 2018 and as amended most recently on September 23, 2019 (the "Vail Holdings Credit Agreement"), which represents the total commitment of $500.0 million less outstanding borrowings of $25.0 million and certain letters of credit outstanding of $81.2 million. Additionally, we have a credit facility which supports the liquidity needs of Whistler Blackcomb (the "Whistler Credit Agreement"). As of January 31, 2020, we had C$264.1 million ($199.6 million) available under the revolver component of the Whistler Credit Agreement (which represents the total commitment of C$300.0 million ($226.7 million) less outstanding borrowings of C$35.0 million ($26.4 million) and a letter of credit outstanding of C$0.9 million ($0.7 million)).

We believe that the terms of our credit agreements allow for sufficient flexibility in our ability to make future acquisitions, investments, distributions to stockholders and incur additional debt. This, combined with the continued positive cash flow from operating activities of our Mountain and Lodging segments less resort capital expenditures, has and is anticipated to continue to provide us with significant liquidity. We believe our liquidity will allow us to consider strategic investments and other forms of returning value to our stockholders including additional share repurchases and the continued payment of a quarterly cash dividend.

- On September 24, 2019, through a wholly-owned subsidiary, we acquired 100 percent of the outstanding stock of Peak Resorts, Inc. ("Peak Resorts") at a purchase price of $11.00 per share or approximately $264.5 million. In addition, contemporaneous with the closing the transaction, Peak Resorts was required to pay approximately $70.2 million of certain outstanding debt instruments and lease obligations in order to complete the transaction. Accordingly, the total purchase price, including the repayment of certain outstanding debt instruments and lease obligations, was approximately $334.7 million, for which we borrowed approximately $335.6 million under the Vail Holdings Credit Agreement to fund the acquisition, repayment of debt instruments and lease obligations, and associated acquisition related expenses. The newly acquired resorts include: Mount Snow in Vermont; Hunter Mountain in New York; Attitash Mountain Resort, Wildcat Mountain and Crotched Mountain in New Hampshire; Liberty Mountain Resort, Roundtop Mountain Resort, Whitetail Resort, Jack Frost and Big Boulder in Pennsylvania; Alpine Valley, Boston Mills, Brandywine and Mad River Mountain in Ohio; Hidden Valley and Snow Creek in Missouri; and Paoli Peaks in Indiana. The acquisition included the mountain operations of the resorts, including base area skier services (food and beverage, retail and rental, lift ticket offices and ski and snowboard school facilities), as well as lodging operations at certain resorts. We expect that the acquisition of Peak Resorts will positively contribute to our annual results of operations; however we cannot predict the ultimate impact the new resorts will have on our future results of operations.

RESULTS OF OPERATIONS

Summary

Below is a summary of operating results for the three and six months ended January 31, 2020, compared to the three and six months ended January 31, 2019 (in thousands):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2020	2019	2020	2019
Net income attributable to Vail Resorts, Inc.	$ 206,370	$ 206,349	$ 99,895	$ 98,554
Income before provision for income taxes	$ 284,331	$ 281,963	$ 127,939	$ 134,832
Mountain Reported EBITDA	$ 373,028	$ 352,225	$ 293,043	$ 275,818
Lodging Reported EBITDA	5,294	5,757	8,560	9,653
Resort Reported EBITDA	$ 378,322	$ 357,982	$ 301,603	$ 285,471
Real Estate Reported EBITDA	$ (1,299)	$ (1,133)	$ (2,205)	$ (2,405)

The consolidated condensed results of operations, including any consolidated financial metrics pertaining thereto, include the operations of Peak Resorts (acquired September 24, 2019), Falls Creek and Hotham (acquired April 4, 2019), Triple Peaks (acquired September 27, 2018) and Stevens Pass (acquired August 15, 2018), prospectively from their respective dates of acquisition.

Mountain Segment

Three months ended January 31, 2020 compared to the three months ended January 31, 2019

Mountain segment operating results for the three months ended January 31, 2020 and 2019 are presented by category as follows (in thousands, except effective ticket price ("ETP")). ETP is calculated as lift revenue divided by total skier visits for each applicable period presented.

	Three Months Ended January 31,		Percentage Increase (Decrease)
	2020	2019	
Net Mountain revenue:			
Lift	$ 484,348	$ 447,558	8.2 %
Ski school	102,743	92,244	11.4 %
Dining	75,719	65,409	15.8 %
Retail/rental	133,713	128,436	4.1 %
Other	49,022	42,426	15.5 %
Total Mountain net revenue	845,545	776,073	9.0 %
Mountain operating expense:			
Labor and labor-related benefits	195,224	172,818	13.0 %
Retail cost of sales	41,985	43,721	(4.0)%
Resort related fees	38,368	39,830	(3.7)%
General and administrative	77,975	65,847	18.4 %
Other	119,134	101,792	17.0 %
Total Mountain operating expense	472,686	424,008	11.5 %
Mountain equity investment income, net	169	160	5.6 %
Mountain Reported EBITDA	$ 373,028	$ 352,225	5.9 %
Total skier visits	7,096	6,521	8.8 %
ETP	$ 68.26	$ 68.63	(0.5)%

Mountain Reported EBITDA includes $4.6 million and $4.3 million of stock-based compensation expense for the three months ended January 31, 2020 and 2019, respectively.

Mountain Reported EBITDA increased by $20.8 million, or 5.9%, primarily due to strong North American pass sales growth for the 2019/2020 North American ski season and the incremental operations of Peak Resorts, partially offset by lower results at our western U.S. resorts and Whistler Blackcomb and an increase in general and administrative expense. Mountain segment results include $1.9 million and $2.9 million of acquisition and integration related expenses for the three months ended January 31, 2020 and 2019, respectively, which are recorded within Mountain other operating expense. Additionally, operating results from Whistler Blackcomb, which are translated from Canadian dollars to U.S. dollars, were positively affected by an increase in the Canadian dollar exchange rate as compared to the prior year.

Lift revenue increased $36.8 million, or 8.2%, primarily due to an increase in pass product revenue and incremental revenue from Peak Resorts, partially offset by a decrease in non-pass revenue at our western U.S. resorts and Whistler Blackcomb. Pass revenue increased 17.2%, which was driven by a combination of an increase in pricing and units sold and was also favorably impacted by increased pass sales to Destination guests, as well as the introduction of the Epic Day Pass. Non-pass revenue decreased 2.1% primarily due to decreased non-pass visitation at our western U.S. resorts and Whistler Blackcomb, partially offset by an increase in non-pass ETP (excluding Peak Resorts) of 4.0% and incremental non-pass revenue from Peak Resorts of approximately $25.9 million. Total non-pass ETP, including the impact of Peak Resorts, decreased 10.9%.

Ski school revenue increased $10.5 million, or 11.4%, primarily as a result of incremental revenue from Peak Resorts of approximately $7.5 million, as well as increased revenue from our western U.S. resorts and Whistler Blackcomb. Dining revenue increased $10.3 million, or 15.8%, primarily as a result of incremental revenue from Peak Resorts of approximately $11.7 million, partially offset by a decrease in revenue at our western U.S. resorts and Whistler Blackcomb. Retail/rental revenue increased $5.3 million, or 4.1%, primarily as a result of incremental revenues from Peak Resorts of approximately $12.6 million, partially offset by a decrease in retail sales volumes primarily at our stores proximate to the San Francisco Bay Area.

Other revenue mainly consists of other mountain activities revenue, employee housing revenue, guest services revenue, commercial leasing revenue, marketing and internet advertising revenue, private club revenue (which includes both club dues and amortization of initiation fees), municipal services revenue and other recreation activity revenue. Other revenue increased $6.6 million, or 15.5%, primarily as a result of incremental revenue from Peak Resorts.

Operating expense increased $48.7 million, or 11.5%, which was primarily attributable to incremental operating expenses from Peak Resorts. Additionally, operating expense includes $1.9 million and $2.9 million of acquisition and integration related expenses for the three months ended January 31, 2020 and 2019, respectively.

Labor and labor-related benefits increased 13.0% primarily due to incremental expenses from Peak Resorts of approximately $20.9 million, as well as normal wage adjustments. Retail cost of sales decreased 4.0% compared to a decrease in retail sales of 2.6%. Resort related fees decreased 3.7% primarily due to decreases in revenue on which those fees are based, partially offset by incremental expenses from Peak Resorts of approximately $1.8 million. General and administrative expense increased 18.4% primarily due to incremental expenses from Peak Resorts, Falls Creek and Hotham of approximately $7.3 million, as well as an increase in allocated corporate overhead costs. Other expense increased 17.0% primarily due to incremental operating expenses from Peak Resorts.

Mountain equity investment income, net primarily includes our share of income from the operations of a real estate brokerage joint venture.

Six months ended January 31, 2020 compared to the six months ended January 31, 2019

Mountain segment operating results for the six months ended January 31, 2020 and 2019 are presented by category as follows (in thousands, except ETP):

	Six Months Ended January 31,		Percentage Increase (Decrease)
	2020	2019	
Net Mountain revenue:			
Lift	$ 526,177	$ 472,243	11.4 %
Ski school	111,277	96,516	15.3 %
Dining	97,348	83,701	16.3 %
Retail/rental	181,628	171,778	5.7 %
Other	109,947	96,841	13.5 %
Total Mountain net revenue	1,026,377	921,079	11.4 %
Mountain operating expense:			
Labor and labor-related benefits	286,699	249,068	15.1 %
Retail cost of sales	65,264	66,137	(1.3)%
Resort related fees	42,814	43,194	(0.9)%
General and administrative	142,644	120,550	18.3 %
Other	197,273	167,422	17.8 %
Total Mountain operating expense	734,694	646,371	13.7 %
Mountain equity investment income, net	1,360	1,110	22.5 %
Mountain Reported EBITDA	$ 293,043	$ 275,818	6.2 %
Total skier visits	8,030	7,028	14.3 %
ETP	$ 65.53	$ 67.19	(2.5)%

Mountain Reported EBITDA includes $9.0 million and $8.2 million of stock-based compensation expense for the six months ended January 31, 2020 and 2019, respectively.

Mountain Reported EBITDA increased by $17.2 million, or 6.2%, primarily due to strong North American pass sales growth for the 2019/2020 North American ski season and the incremental operations of Peak Resorts, partially offset by lower results at our western U.S. resorts and Whistler Blackcomb and an increase in general and administrative expense. Mountain segment results include $10.9 million and $9.5 million of acquisition and integration related expenses for the six months ended January 31, 2020 and 2019, respectively, which are recorded within Mountain other operating expense.

As our North American resorts opened for ski season operations primarily during our second fiscal quarter, certain components of Mountain segment net revenue, such as North American lift and ski school revenues for the six months ended January 31, 2020 and 2019 are materially unchanged as compared to those same components for the three months ended January 31, 2020 and 2019. Accordingly, the primary basis for the changes to these components of our North American resorts for the six months ended January 31, 2020 as compared to the prior period are discussed above under the section heading "*Three months ended January 31, 2020 compared to the three months ended January 31, 2019.*" Additionally, lift revenue and ski school revenue both increased as a result of incremental revenue from Falls Creek and Hotham.

Dining revenue increased $13.6 million, or 16.3%, primarily due to incremental revenue from Peak Resorts. Retail/rental revenue increased $9.9 million, or 5.7%, primarily as a result of $16.5 million of incremental revenue from Peak Resorts, Falls Creek and Hotham, partially offset by a decrease in retail sales volumes primarily at our stores proximate to the San Francisco Bay Area.

Other revenue mainly consists of summer visitation and mountain activities revenue, employee housing revenue, guest services revenue, commercial leasing revenue, marketing and internet advertising revenue, private club revenue (which includes both club dues and amortization of initiation fees), municipal services revenue and other recreation activity revenue. Other revenue is also comprised of Australian ski area lodging and transportation revenue. Other revenue increased $13.1 million, or 13.5%, primarily as a result of incremental revenue from Peak Resorts of approximately $6.6 million, as well as increases in mountain activities and services revenue at our other North American resorts.

Operating expense increased $88.3 million, or 13.7%, which was primarily attributable to incremental post-acquisition operating expenses from Peak Resorts, Falls Creek, Hotham, Triple Peaks and Stevens Pass. Additionally, operating expense includes $10.9 million and $9.5 million of acquisition and integration related expenses for the six months ended January 31, 2020 and 2019, respectively.

Labor and labor-related benefits increased 15.1% primarily due to incremental expenses from Peak Resorts, Falls Creek, Hotham, Triple Peaks and Stevens Pass of approximately $33.7 million, as well as normal wage adjustments. General and administrative expense increased 18.3% primarily due to incremental expenses from Peak Resorts, Falls Creek and Hotham of approximately $11.4 million, as well as an increase in allocated corporate overhead costs. Other expense increased 17.8%, primarily due to incremental operating expenses from Peak Resorts, Falls Creek, Hotham and Triple Peaks.

Mountain equity investment income, net primarily includes our share of income from the operations of a real estate brokerage joint venture.

Lodging Segment

Three months ended January 31, 2020 compared to the three months ended January 31, 2019

Lodging segment operating results for the three months ended January 31, 2020 and 2019 are presented by category as follows (in thousands, except average daily rates ("ADR") and revenue per available room ("RevPAR")):

	Three Months Ended January 31, 2020	Three Months Ended January 31, 2019	Percentage Increase (Decrease)
Lodging net revenue:			
Owned hotel rooms	$ 11,251	$ 11,548	(2.6)%
Managed condominium rooms	31,500	28,046	12.3 %
Dining	11,111	10,189	9.0 %
Transportation	7,725	7,722	— %
Other	13,855	12,120	14.3 %
	75,442	69,625	8.4 %
Payroll cost reimbursements	3,445	3,624	(4.9)%
Total Lodging net revenue	78,887	73,249	7.7 %
Lodging operating expense:			
Labor and labor-related benefits	33,929	32,173	5.5 %
General and administrative	13,327	11,515	15.7 %
Other	22,892	20,180	13.4 %
	70,148	63,868	9.8 %
Reimbursed payroll costs	3,445	3,624	(4.9)%
Total Lodging operating expense	73,593	67,492	9.0 %
Lodging Reported EBITDA	$ 5,294	$ 5,757	(8.0)%
Owned hotel statistics [(1)]:			
ADR	$ 265.15	$ 269.45	(1.6)%
RevPAR	$ 143.15	$ 177.04	(19.1)%
Managed condominium statistics:			
ADR	$ 404.14	$ 407.11	(0.7)%
RevPAR	$ 144.85	$ 145.76	(0.6)%
Owned hotel and managed condominium statistics (combined):			
ADR	$ 371.45	$ 372.43	(0.3)%
RevPAR	$ 144.56	$ 150.61	(4.0)%

[(1)] Owned hotel RevPAR for the three months ended January 31, 2020 declined from the prior comparative period primarily due to the inclusion of properties acquired through the Peak Resorts acquisition, partially offset by the sale of a higher-occupancy lodging property that occurred in April 2019.

Lodging Reported EBITDA includes $0.9 million and $0.8 million of stock-based compensation expense for the three months ended January 31, 2020 and 2019, respectively. Lodging Reported EBITDA decreased $0.5 million, or 8.0%, primarily due to an increase in general and administrative expense, partially offset by the benefit of the incremental operations of Peak Resorts.

Revenue from managed condominium rooms increased $3.5 million, or 12.3%, primarily due to incremental revenue from our managed lodging properties at Peak Resorts of approximately $1.5 million, as well as increased revenue at our lodging properties proximate to our western U.S. resorts. Other revenue increased $1.7 million, or 14.6%, primarily due to increases in ancillary revenue and incremental revenue from our lodging properties at Peak Resorts of approximately $0.7 million.

Operating expense (excluding reimbursed payroll costs) increased 9.8%. Labor and labor related benefits increased 5.5 % primarily due to incremental labor expenses from Peak Resorts. General and administrative expense increased 15.7% associated with a $1.3 million accrual during the period for a contingent obligation in addition to higher allocated corporate overhead costs. Other expenses increased 13.4% primarily due to incremental expenses from Peak Resorts of approximately $1.5 million, as well as increases in property tax expense and variable operating expenses associated with increases in revenue.

Revenue from payroll cost reimbursement and the corresponding reimbursed payroll costs relate to payroll costs at managed hotel properties where we are the employer and all payroll costs are reimbursed by the owners of the properties under contractual arrangements. Since the reimbursements are made based upon the costs incurred with no added margin, the revenue and corresponding expense have no effect on our Lodging Reported EBITDA.

Six months ended January 31, 2020 compared to the six months ended January 31, 2019

Lodging segment operating results for the six months ended January 31, 2020 and 2019 are presented by category as follows (in thousands, except ADR and RevPAR):

	Six Months Ended January 31,		Percentage Increase (Decrease)
	2020	2019	
Lodging net revenue:			
Owned hotel rooms	$ 31,197	$ 31,147	0.2 %
Managed condominium rooms	46,240	39,164	18.1 %
Dining	29,254	26,318	11.2 %
Transportation	10,076	10,196	(1.2)%
Golf	10,543	9,459	11.5 %
Other	27,699	24,588	12.7 %
	155,009	140,872	10.0 %
Payroll cost reimbursements	6,636	7,277	(8.8)%
Total Lodging net revenue	161,645	148,149	9.1 %
Lodging operating expense:			
Labor and labor-related benefits	71,544	65,624	9.0 %
General and administrative	23,713	21,191	11.9 %
Other	51,192	44,404	15.3 %
	146,449	131,219	11.6 %
Reimbursed payroll costs	6,636	7,277	(8.8)%
Total Lodging operating expense	153,085	138,496	10.5 %
Lodging Reported EBITDA	$ 8,560	$ 9,653	(11.3)%
Owned hotel statistics[1]:			
ADR	$ 247.92	$ 245.76	0.9 %
RevPAR	$ 155.22	$ 167.47	(7.3)%
Managed condominium statistics:			
ADR	$ 313.72	$ 323.44	(3.0)%
RevPAR	$ 100.40	$ 103.33	(2.8)%
Owned hotel and managed condominium statistics (combined):			
ADR	$ 291.74	$ 294.63	(1.0)%
RevPAR	$ 111.59	$ 117.21	(4.8)%

[1] Owned hotel RevPAR for the six months ended January 31, 2020 declined from the prior comparative period primarily due to the inclusion of properties acquired through the Peak Resorts acquisition, partially offset by the sale of a higher-occupancy lodging property that occurred in April 2019.

Lodging Reported EBITDA includes $1.7 million and $1.6 million of stock-based compensation expense for the six months ended January 31, 2020 and 2019, respectively. Lodging Reported EBITDA decreased $1.1 million, or 11.3%, primarily due to an increase in general and administrative expense and an increase in expenses across our lodging properties, partially offset by the benefit of the incremental operations of Peak Resorts and Triple Peaks.

Revenue from managed condominium rooms increased $7.1 million, or 18.1%, primarily due to incremental revenue from our lodging properties at Peak Resorts, Crested Butte and Okemo of approximately $3.5 million, as well as an increase in revenue at our lodging properties proximate to our western U.S. resorts.

Dining revenue increased $2.9 million, or 11.2%, primarily due to incremental revenue from our lodging properties at Peak Resorts, Okemo and Crested Butte. Golf revenue increased $1.1 million, or 11.5%, primarily due to incremental revenue from our Okemo and Peak Resorts golf operations. Other revenue increased $3.1 million, or 12.7%, primarily due to incremental revenue from our lodging properties at Peak Resorts, Okemo and Crested Butte of approximately $1.4 million, as well as a business interruption insurance recovery related to a closed event facility in Breckenridge and increases in ancillary revenue.

Operating expense (excluding reimbursed payroll costs) increased 11.6%. Labor and labor-related benefits increased 9.0%, primarily due to incremental labor expenses from Peak Resorts, Okemo, Crested Butte of approximately $4.5 million, as well as normal wage increases. General and administrative expense increased 11.9% primarily associated with a $1.3 million accrual during the period for a contingent obligation in addition to higher allocated corporate overhead costs. Other expense increased 15.3% primarily due to incremental expenses from Peak Resorts, Okemo and Crested Butte of approximately $3.6 million, as well as an increase in property tax expense and variable operating expenses associated with increases in revenue.

Revenue from payroll cost reimbursement and the corresponding reimbursed payroll costs relate to payroll costs at managed hotel properties where we are the employer and all payroll costs are reimbursed by the owners of the properties under contractual arrangements. Since the reimbursements are made based upon the costs incurred with no added margin, the revenue and corresponding expense have no effect on our Lodging Reported EBITDA.

Real Estate Segment

Our Real Estate net revenue is primarily determined by the timing of closings and the mix of real estate sold in any given period. Different types of projects have different revenue and profit margins; therefore, as the real estate inventory mix changes, it can greatly impact Real Estate segment net revenue, operating expense, gain on sale of real property and Real Estate Reported EBITDA.

Three months ended January 31, 2020 compared to the three months ended January 31, 2019

Real Estate segment operating results for the three months ended January 31, 2020 and 2019 are presented by category as follows (in thousands):

	Three Months Ended January 31,		Percentage Increase (Decrease)
	2020	2019	
Total Real Estate net revenue	$ 206	$ 256	(19.5)%
Total Real Estate operating expense	1,505	1,389	8.4 %
Real Estate Reported EBITDA	$ (1,299)	$ (1,133)	(14.7)%

Three months ended January 31, 2020

Other operating expense of $1.5 million was primarily comprised of general and administrative costs, such as labor and labor-related benefits, professional services and allocated corporate overhead costs.

Three months ended January 31, 2019

Other operating expense of $1.4 million was primarily comprised of general and administrative costs, such as labor and labor-related benefits, professional services and allocated corporate overhead costs.

Six months ended January 31, 2020 compared to the six months ended January 31, 2019

Real Estate segment operating results for the six months ended January 31, 2020 and 2019 are presented by category as follows (in thousands):

	Six Months Ended January 31,		Percentage Increase (Decrease)
	2020	2019	
Total Real Estate net revenue	$ 4,386	$ 354	1,139.0%
Real Estate operating expense:			
Cost of sales (including sales commission)	3,932	—	nm
Other	2,866	2,759	3.9%
Total Real Estate operating expense	6,798	2,759	146.4%
Gain on sale of real property	207	—	nm
Real Estate Reported EBITDA	$ (2,205)	$ (2,405)	8.3%

Six months ended January 31, 2020

During the six months ended January 31, 2020, we closed on the sale of a development land parcel for $4.1 million which was recorded within Real Estate net revenue, with a corresponding cost of sale (including sales commission) of $3.9 million.

Other operating expense of $2.9 million was primarily comprised of general and administrative costs, such as labor and labor-related benefits, professional services and allocated corporate costs.

Six months ended January 31, 2019

Other operating expense of $2.8 million was primarily comprised of general and administrative costs, such as labor and labor-related benefits, professional services and allocated corporate costs.

Other Items

In addition to segment operating results, the following material items contributed to our overall financial results for the three and six months ended January 31, 2020 and 2019 (in thousands).

	Three Months Ended January 31,		Increase (Decrease)	Six Months Ended January 31,		Increase (Decrease)
	2020	2019		2020	2019	
Depreciation and amortization	$ (63,812)	$ (55,238)	15.5 %	$ (121,657)	$ (106,281)	14.5 %
Foreign currency (loss) gain on intercompany loans	$ (798)	$ 450	(277.3)%	$ (438)	$ (1,861)	76.5 %
Interest expense, net	$ (26,134)	$ (21,002)	24.4 %	$ (48,824)	$ (39,640)	23.2 %
Provision for income taxes	$ (67,313)	$ (63,973)	5.2 %	$ (20,750)	$ (27,568)	(24.7)%
Effective tax rate expense	23.7%	22.7%	1.0 pts	16.2%	20.4%	(4.2 pts)

Depreciation and amortization. Depreciation and amortization expense for the three and six months ended January 31, 2020 increased $8.6 million and $15.4 million, respectively, compared to the same period in the prior year, primarily due to assets acquired in the Peak Resorts, Falls Creek, Hotham, Triple Peaks and Stevens Pass acquisitions.

Foreign currency (loss) gain on intercompany loans. Foreign currency (loss) gain on intercompany loans for the three and six months ended January 31, 2020 decreased $1.2 million and increased $1.4 million, respectively, as a result of the Canadian dollar fluctuating relative to the U.S. dollar compared to the same respective periods in the prior year, and was associated with an intercompany loan from Vail Holdings, Inc. to Whistler Blackcomb in the original amount of $210.0 million that was funded, effective as of November 1, 2016, in connection with the acquisition of Whistler Blackcomb. This intercompany loan requires foreign currency remeasurement to Canadian dollars, the functional currency for Whistler Blackcomb. As a result, foreign currency fluctuations associated with the loan are recorded within our results of operations.

Interest expense, net. Interest expense, net for the three and six months ended January 31, 2020 increased $5.1 million and $9.2 million, respectively, compared to the same period in the prior year, primarily due to interest expense associated with incremental term loan borrowings under the Vail Holdings Credit Agreement of $335.6 million, which were used to fund the Peak Resorts acquisition, as well as incremental interest expense associated with debt obligations assumed in the Peak Resorts acquisition.

Provision for income taxes. The effective tax rate provision for the three and six months ended January 31, 2020 was 23.7% and 16.2%, compared to 22.7% and 20.4%, respectively, for the three and six months ended January 31, 2019. The interim period effective tax rate is primarily driven by (i) anticipated pre-tax book income for the full fiscal year, adjusted for items that are deductible/non-deductible for tax purposes only (i.e., permanent items); (ii) excess tax benefits from employee share awards and enacted tax legislation, which are both recorded as discrete items; (iii) taxable income generated by state and foreign jurisdictions that varies from anticipated consolidated pre-tax book loss and (iv) the amount of net income attributable to noncontrolling interests.

The decrease in the effective tax rate provision during the six months ended January 31, 2020 compared to the six months ended January 31, 2019 was primarily due to the U.S. federal tax reform rate reduction impact on the lapse in the statute of limitations for an uncertain tax position, partially offset by a decrease in excess tax benefits from employee share awards that were exercised (stock appreciation rights) and that vested (restricted stock awards), which are recorded within provision for income taxes on the Company's Consolidated Condensed Statements of Operations. Excess tax benefits totaled $2.8 million and $4.7 million, respectively, for the six months ended January 31, 2020 and 2019.

Reconciliation of Segment Earnings and Net Debt

The following table reconciles net income attributable to Vail Resorts, Inc. to Total Reported EBITDA for the three and six months ended January 31, 2020 and 2019 (in thousands):

	Three Months Ended January 31,		Six Months Ended January 31,	
	2020	2019	2020	2019
Net income attributable to Vail Resorts, Inc.	$ 206,370	$ 206,349	$ 99,895	$ 98,554
Net income attributable to noncontrolling interests	10,648	11,641	7,294	8,710
Net income	217,018	217,990	107,189	107,264
Provision for income taxes	67,313	63,973	20,750	27,568
Income before provision for income taxes	284,331	281,963	127,939	134,832
Depreciation and amortization	63,812	55,238	121,657	106,281
Loss (gain) on disposal of fixed assets and other, net	709	(1,097)	(1,558)	(478)
Change in fair value of contingent consideration	1,600	700	2,736	1,900
Investment income and other, net	(361)	(507)	(638)	(970)
Foreign currency loss (gain) on intercompany loans	798	(450)	438	1,861
Interest expense, net	26,134	21,002	48,824	39,640
Total Reported EBITDA	$ 377,023	$ 356,849	$ 299,398	$ 283,066
Mountain Reported EBITDA	$ 373,028	$ 352,225	$ 293,043	$ 275,818
Lodging Reported EBITDA	5,294	5,757	8,560	9,653
Resort Reported EBITDA	378,322	357,982	301,603	285,471
Real Estate Reported EBITDA	(1,299)	(1,133)	(2,205)	(2,405)
Total Reported EBITDA	$ 377,023	$ 356,849	$ 299,398	$ 283,066

The following table reconciles long-term debt, net to Net Debt (in thousands):

	January 31,	
	2020	2019
Long-term debt, net	$ 1,817,058	$ 1,345,262
Long-term debt due within one year	63,556	48,493
Total debt	1,880,614	1,393,755
Less: cash and cash equivalents	126,793	158,561
Net Debt	$ 1,753,821	$ 1,235,194

LIQUIDITY AND CAPITAL RESOURCES

Changes in significant sources of cash for the six months ended January 31, 2020 and 2019 are presented by categories as follows (in thousands).

	Six Months Ended January 31,	
	2020	2019
Net cash provided by operating activities	$ 537,689	$ 506,181
Net cash used in investing activities	$ (445,746)	$ (404,324)
Net cash used in financing activities	$ (69,836)	$ (105,011)

Six months ended January 31, 2020 compared to the six months ended January 31, 2019

We generated $537.7 million of cash from operating activities during the six months ended January 31, 2020, an increase of $31.5 million compared to $506.2 million of cash generated during the six months ended January 31, 2019. The increase in operating cash flows was primarily a result of increased North American pass product sales for the 2019/2020 North American ski season, of which only a portion has been reflected as lift revenue in operating results as of January 31, 2020, as well as improved Mountain segment operating results for the six months ended January 31, 2020 compared to the six months ended January 31, 2019. These increases were partially offset by a decrease in accounts payable (excluding accounts payable assumed through acquisitions) and an increase in cash interest payments primarily associated with incremental term loan borrowings under our Vail Holdings Credit Agreement. Additionally, we generated approximately $4.2 million of proceeds from real estate development land parcel sales during the six months ended January 31, 2020 compared to $0.1 million in proceeds from real estate development project closings that occurred in the prior year.

Cash used in investing activities for the six months ended January 31, 2020 increased by $41.4 million primarily due to cash payments of $327.6 million, net of cash acquired, related to the acquisition of Peak Resorts during the six months ended January 31, 2020, as compared to cash payments of $292.6 million, net of cash acquired, related to the acquisitions of Triple Peaks and Stevens Pass during the six months January 31, 2019. In addition, cash used in investing activities increased due to additional capital expenditures of $8.3 million during the six months ended January 31, 2020 compared to the six months ended January 31, 2019.

Cash used in financing activities decreased by $35.2 million during the six months ended January 31, 2020 compared to the six months ended January 31, 2019, primarily due to an increase in proceeds from incremental borrowings under the term loan portion of our Vail Holdings Credit Agreement from $265.6 million during the six months ended January 31, 2019, which were used to fund the Triple Peaks and Stevens Pass acquisitions, to $335.6 million during the six months ended January 31, 2020, which were used to fund the Peak Resorts acquisition. Additionally, repurchases of common stock decreased by $63.6 million. These decreases in cash used in financing activities were partially offset by (i) an increase in net payments on borrowings under the revolver portion of our Vail Holdings Credit Agreement of $53.0 million, (ii) an increase in dividends paid of $23.3 million, (iii) an increase of $15.3 million in net payments on borrowings under our Whistler Credit Agreement and (iv) a payment for contingent consideration with regard to our lease for Park City.

Significant Sources of Cash

We had $126.8 million of cash and cash equivalents as of January 31, 2020, compared to $158.6 million as of January 31, 2019. We currently anticipate that our Mountain and Lodging segment operating results will continue to provide a significant source of future operating cash flows (primarily those generated in our second and third fiscal quarters).

In addition to our $126.8 million of cash and cash equivalents at January 31, 2020, we had $393.8 million available under the revolver component of our Vail Holdings Credit Agreement as of January 31, 2020 (which represents the total commitment of $500.0 million less outstanding borrowings of $25.0 million and certain letters of credit outstanding of $81.2 million). Additionally, we had C$264.1 million ($199.6 million) available under the revolver component of our Whistler Credit Agreement (which represents the total commitment of C$300.0 million ($226.7 million) less outstanding borrowings of C$35.0 million ($26.4 million) and a letter of credit outstanding of C$0.9 million ($0.7 million). We expect that our liquidity needs in the near term will be met by continued use of operating cash flows and borrowings under both the Vail Holdings Credit Agreement and Whistler Credit Agreement, if needed. The Vail Holdings Credit Agreement and the Whistler Credit Agreement provide adequate flexibility and are priced favorably with any new borrowings currently priced at LIBOR plus 1.5% and Bankers Acceptance Rate plus 1.75%, respectively.

Significant Uses of Cash

Capital Expenditures

We have historically invested significant amounts of cash in capital expenditures for our resort operations, and we expect to continue to do so, subject to operating performance particularly as it relates to discretionary projects. In addition, we may incur capital expenditures for retained ownership interests associated with third-party real estate development projects. Currently planned capital expenditures primarily include investments that will allow us to maintain our high-quality standards, as well as certain incremental discretionary improvements at our Resorts, throughout our owned hotels and in technology that can impact the full network. We evaluate additional discretionary capital improvements based on an expected level of return on investment. We currently anticipate we will spend approximately $155 million to $160 million on resort capital expenditures during calendar year 2020, excluding one-time items associated with integrations, the one-time Triple Peaks and Stevens Pass transformation plan, one-time Peak Resorts capital improvements, real estate related capital and approximately $4 million of reimbursable investments associated with insurance recoveries that we had originally expected to occur in calendar 2019. We expect that our total capital plan, including one-time items, will be approximately $210 million to $215 million. Included in these estimated capital expenditures are approximately $95 million to $100 million of maintenance capital expenditures, which are necessary to maintain appearance and level of service appropriate to our resort operations. Discretionary expenditures expected for calendar year 2020 include, among other projects, a 250 acre lift-served terrain expansion in the signature McCoy Park area of Beaver Creek, a new four-person high speed lift to service the popular Peak 7 in Breckenridge, a replacement of the four-person Peru lift at Keystone with a six-person high speed chairlift (subject to government approvals) and a significant increase in the seating capacity at the Rendezvous Lodge Restaurant on Blackcomb Mountain at Whistler Blackcomb. Additionally, we remain focused on investments that will further our company-wide data driven approach, including the second phase of implementing our automated digital marketing platform that will allow us to aggregate a more holistic view of the guest that will drive improvements in personalization and engagement across all lines of business, including ski school and rentals. We are also planning to completely revamp and upgrade our digital ski rental online platforms and our EpicMix mobile app, which will offer new functionality and an improved user experience. We plan to continue to invest in corporate infrastructure and technology to improve our scalability and efficiency, including the implementation of an automated workforce planning system to optimize our labor scheduling and improved financial systems to enhance business analytics. We are planning to complete the $3 million initial phase of a two-year, $15 million investment program across Peak Resorts. We are also planning to complete the second and final phase of a two-year, $35 million investment program for Crested Butte, Okemo and Stevens Pass, and planning to spend approximately $24 million on integration activities primarily related to Peak Resorts. We currently plan to utilize cash on hand, borrowings available under our credit agreements and/or cash flow generated from future operations to provide the cash necessary to complete our capital plans.

Acquisition of Peak Resorts

On September 23, 2019, we entered into an amendment to our Vail Holdings Credit Agreement in which the term loan was increased by approximately $335.6 million, and we utilized the proceeds to fund the acquisition of 100 percent of the outstanding stock of Peak Resorts on September 24, 2019 at a purchase price of $11.00 per share or approximately $264.5 million, and to prepay certain portions of Peak Resorts outstanding debt and lease obligations that were required to be paid in order to complete the transaction.

Debt

As of January 31, 2020, principal payments on the majority of our long-term debt ($1,522.0 million of the total $1,866.6 million debt outstanding as of January 31, 2020) are not due until fiscal 2025 and beyond. As of January 31, 2020 and 2019, total long-term debt, net (including long-term debt due within one year) was $1,880.6 million and $1,393.8 million, respectively. Net Debt (defined as long-term debt, net plus long-term debt due within one year less cash and cash equivalents) increased from $1,235.2 million as of January 31, 2019 to $1,753.8 million as of January 31, 2020, primarily due to $335.6 million in incremental term loans, as discussed above, resulting from the September 23, 2019 amendment of our Vail Holdings Credit Agreement. Additionally, in conjunction with the acquisition of Peak Resorts, we assumed certain debt obligations of Peak Resorts, which have maturities ranging from 2021 through 2036 and were recorded at their estimated fair values of approximately $184.7 million. See Notes to the Consolidated Condensed Financial Statements for additional information.

The Vail Holdings Credit Agreement provides for (i) a revolving loan facility in an aggregate principal amount of $500.0 million and (ii) a term loan facility of $1.25 billion. We expect that our liquidity needs in the near term will be met by continued use of operating cash flows and borrowings under both the Vail Holdings Credit Agreement and Whistler Credit Agreement.

Our debt service requirements can be impacted by changing interest rates as we had approximately $0.9 billion of variable-rate debt outstanding as of January 31, 2020. A 100-basis point change in our borrowing rates would cause our annual interest payments to change by approximately $9.4 million. Additionally, the annual payments associated with the financing of the Canyons Resort transaction increase by the greater of CPI less 1%, or 2%. The fluctuation in our debt service requirements, in addition to interest rate and inflation changes, may be impacted by future borrowings under our credit agreements or other alternative financing arrangements we may enter into. Our long term liquidity needs depend upon operating results that impact the borrowing capacity under our credit agreements, which can be mitigated by adjustments to capital expenditures, flexibility of investment activities and the ability to obtain favorable future financing. We can respond to liquidity impacts of changes in the business and economic environment by managing our capital expenditures, the timing of new real estate development activity and the payment of our regular quarterly cash dividend on our common stock.

Dividend Payments

In fiscal 2011, our Board of Directors approved the commencement of a regular quarterly cash dividend on our common stock at an annual rate of $0.60 per share, subject to quarterly declaration. Since the initial commencement of a regular quarterly cash dividend, our Board of Directors has annually approved an increase to our cash dividend on our common stock and on March 5, 2020, our Board of Directors approved a quarterly cash dividend of $1.76 per share (or approximately $71.0 million per quarter based upon shares outstanding as of January 31, 2020). For the six months ended January 31, 2020, we paid cash dividends of $3.52 per share ($142.1 million in the aggregate). These dividends were funded through available cash on hand and borrowings under the revolving portion of our Vail Holdings Credit Agreement. Subject to the discretion of our Board of Directors, applicable law and contractual restrictions, we anticipate paying regular quarterly cash dividends on our common stock for the foreseeable future. The amount, if any, of the dividends to be paid in the future will depend on our available cash on hand, anticipated cash needs, overall financial condition, restrictions contained in our Vail Holdings Credit Agreement, future prospects for earnings and cash flows, as well as other factors considered relevant by our Board of Directors.

Share Repurchase Program

Our share repurchase program is conducted under authorizations made from time to time by our Board of Directors. On March 9, 2006, our Board of Directors initially authorized the repurchase of up to 3,000,000 shares of Vail Resorts common stock (“Vail Shares”) and later authorized additional repurchases of up to 3,000,000 Vail Shares (July 16, 2008) and 1,500,000 Vail Shares (December 4, 2015), for a total authorization to repurchase up to 7,500,000 Vail Shares. During the six months ended January 31, 2020 and 2019, respectively, we repurchased 95,618 Vail Shares (at a total cost of approximately $21.4 million) and 353,007 Vail Shares (at a total cost of approximately $85.0 million). Since inception of this stock repurchase program through January 31, 2020, we have repurchased 6,000,341 Vail Shares at a cost of approximately $379.4 million. As of January 31, 2020, 1,499,659 Vail Shares remained available to repurchase under the existing repurchase authorization. Vail Shares purchased pursuant to the repurchase program will be held as treasury shares and may be used for the issuance of shares under our share award plan. Repurchases under the program may be made from time to time at prevailing prices as permitted by applicable laws, and subject to market conditions and other factors. The timing as well as the number of Vail Shares that may be repurchased under the program will depend on several factors, including our future financial performance, our available cash resources and competing uses for cash that may arise in the future, the restrictions in our Vail Holdings Credit Agreement, prevailing prices of Vail Shares and the number of Vail Shares that become available for sale at prices that we believe are attractive. The share repurchase program has no expiration date.

Covenants and Limitations

We must abide by certain restrictive financial covenants under our credit agreements. The most restrictive of those covenants include the following covenants: for the Vail Holdings Credit Agreement, Net Funded Debt to Adjusted EBITDA ratio and the Interest Coverage ratio (each as defined in the Vail Holdings Credit Agreement); for the Whistler Credit Agreement, Consolidated Total Leverage Ratio and Consolidated Interest Coverage Ratio (each as defined in the Whistler Credit Agreement); and for the EPR Secured Notes, Maximum Leverage Ratio and Consolidated Fixed Charge Ratio (each as defined in the EPR Agreements). In addition, our financing arrangements limit our ability to make certain restricted payments, pay dividends on or redeem or repurchase stock, make certain investments, make certain affiliate transfers and may limit our ability to enter into certain mergers, consolidations or sales of assets and incur certain indebtedness. Our borrowing availability under the Vail Holdings Credit Agreement is primarily determined by the Net Funded Debt to Adjusted EBITDA ratio, which is based on our segment operating performance, as defined in the Vail Holdings Credit Agreement. Our borrowing availability under the Whistler Credit Agreement is primarily determined based on the commitment size of the credit facility and our compliance with the terms of the Whistler Credit Agreement.

We were in compliance with all restrictive financial covenants in our debt instruments as of January 31, 2020. We expect that we will meet all applicable financial maintenance covenants in our credit agreements throughout the fiscal year ending July 31, 2020. However, there can be no assurance we will meet such financial covenants. If such covenants are not met, we would be required to seek a waiver or amendment from the banks participating in the credit agreements. There can be no assurance that such waivers or amendments would be granted, which could have a material adverse impact on our liquidity.

OFF BALANCE SHEET ARRANGEMENTS

We do not have off balance sheet transactions that are expected to have a material effect on our financial condition, revenue, expenses, results of operations, liquidity, capital expenditures or capital resources.

FORWARD-LOOKING STATEMENTS

Except for any historical information contained herein, the matters discussed or incorporated by reference in this Form 10-Q contain certain forward-looking statements within the meaning of the federal securities laws. These statements relate to analyses and other information available as of the date hereof, which are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to our contemplated future prospects, developments and business strategies.

These forward-looking statements are identified by their use of terms and phrases such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “will” and similar terms and phrases, including references to assumptions. Although we believe that our plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, we cannot assure you that such plans, intentions or expectations will be achieved. Important factors that could cause actual results to differ materially from our forward-looking statements include, but are not limited to:

- *prolonged weakness in general economic conditions, including adverse effects on the overall travel and leisure related industries;*
- *willingness or ability of our guests to travel due to terrorism, the uncertainty of military conflicts or outbreaks of contagious diseases (such as the current outbreak of coronavirus), and the cost and availability of travel options and changing consumer preferences;*
- *unfavorable weather conditions or the impact of natural disasters;*
- *risks related to our reliance on information technology, including our failure to maintain the integrity of our customer or employee data and our ability to adapt to technological developments or industry trends;*
- *risks related to cyber-attacks;*
- *the seasonality of our business combined with adverse events that occur during our peak operating periods;*
- *competition in our mountain and lodging businesses;*
- *the high fixed cost structure of our business;*
- *our ability to fund resort capital expenditures;*
- *risks related to a disruption in our water supply that would impact our snowmaking capabilities and operations;*
- *our reliance on government permits or approvals for our use of public land or to make operational and capital improvements;*
- *risks related to federal, state, local and foreign government laws, rules and regulations;*
- *risks related to changes in security and privacy laws and regulations which could increase our operating costs and adversely affect our ability to market our products and services effectively;*
- *risks related to our workforce, including increased labor costs, loss of key personnel and our ability to hire and retain a sufficient seasonal workforce;*
- *adverse consequences of current or future legal claims;*
- *a deterioration in the quality or reputation of our brands, including our ability to protect our intellectual property and the risk of accidents at our mountain resorts;*
- *our ability to successfully integrate acquired businesses, or that acquired businesses may fail to perform in accordance with expectations, including Hotham, Falls Creek, Peak Resorts or future acquisitions;*
- *our ability to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 with respect to acquired businesses;*
- *risks associated with international operations;*
- *fluctuations in foreign currency exchange rates where the Company has foreign currency exposure, primarily the Canadian and Australian dollars;*
- *changes in accounting judgments and estimates, accounting principles, policies or guidelines or adverse determinations by taxing authorities, as well as risks associated with uncertainty of the impact of tax reform legislation in the United States; and*
- *a materially adverse change in our financial condition.*

All forward-looking statements attributable to us or any persons acting on our behalf are expressly qualified in their entirety by these cautionary statements.

If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, our actual results may vary materially from those expected, estimated or projected. Given these uncertainties, users of the information included in this Form

10-Q, including investors and prospective investors, are cautioned not to place undue reliance on such forward-looking statements. Actual results may differ materially from those suggested by the forward-looking statements that we make for a number of reasons, including those described in Part I, Item 1A “Risk Factors” of our Form 10-K. All forward-looking statements are made only as of the date hereof. Except as may be required by law, we do not intend to update these forward-looking statements, even if new information, future events or other circumstances have made them incorrect or misleading.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk. Our exposure to market risk is limited primarily to the fluctuating interest rates associated with variable rate indebtedness. As of January 31, 2020, we had approximately $0.9 billion of variable rate indebtedness, representing approximately 50.3% of our total debt outstanding, at an average interest rate during the three and six months ended January 31, 2020 of 4.2% and 3.8%, respectively. Based on variable-rate borrowings outstanding as of January 31, 2020, a 100-basis point (or 1.0%) change in our borrowing rates would result in our annual interest payments changing by approximately $9.4 million. Our market risk exposure fluctuates based on changes in underlying interest rates.

During the six months ended January 31, 2020, we entered into interest rate swap agreements to fix the interest rate on a portion of our Vail Holdings Credit Agreement, which has the effect of fixing the underlying floating interest rate component of $400.0 million of the principal amount outstanding at an effective rate of 1.46%.

Foreign Currency Exchange Rate Risk. We are exposed to currency translation risk because the results of our international entities are reported in local currency, which we then translate to U.S. dollars for inclusion in our Consolidated Condensed Financial Statements. As a result, changes between the foreign exchange rates, in particular the Canadian dollar and Australian dollar compared to the U.S. dollar, affect the amounts we record for our foreign assets, liabilities, revenues and expenses, and could have a negative effect on our financial results. Additionally, we also have foreign currency transaction exposure from an intercompany loan to Whistler Blackcomb that is not deemed to be permanently invested, which have and could materially change due to fluctuations in the Canadian dollar exchange rate. The results of Whistler Blackcomb and our Australian resorts are reported in Canadian dollars and Australian dollars, respectively, which we then translate to U.S. dollars for inclusion in our Consolidated Condensed Financial Statements. We do not currently enter into hedging arrangements to minimize the impact of foreign currency fluctuations on our operations.

The following table summarizes the amounts of foreign currency translation adjustments, net of tax, representing losses, and foreign currency loss on intercompany loans recognized in comprehensive income (in thousands).

	Six Months Ended January 31,	
	2020	**2019**
Foreign currency translation adjustments, net of tax	$ (9,025)	$ (14,773)
Foreign currency loss on intercompany loans	$ (438)	$ (1,861)

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Management of the Company, under the supervision and with participation of the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), evaluated the effectiveness of the Company’s disclosure controls and procedures as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Act”) as of the end of the period covered by this report on Form 10-Q.

During the six months ended January 31, 2020, the Company implemented certain internal controls in connection with its adoption of the new lease accounting standard. There were no other changes in the Company’s internal control over financial reporting that occurred during its most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Based upon their evaluation of the Company’s disclosure controls and procedures, the CEO and the CFO concluded that the disclosure controls and procedures are effective to provide reasonable assurance that information required to be disclosed by the Company in the reports that it files or submits under the Act is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure and are effective to provide reasonable assurance that such information is recorded, processed, summarized and reported within the time periods specified by the SEC’s rules and forms.

The Company, including its CEO and CFO, does not expect that the Company's controls and procedures will prevent or detect all error and all fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to various lawsuits arising in the ordinary course of business. We believe that we have adequate insurance coverage and/or have accrued for all loss contingencies for asserted and unasserted matters and that, although the ultimate outcome of such claims cannot be ascertained, current pending and threatened claims are not expected, individually or in the aggregate, to have a material adverse impact on our financial position, results of operations and cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors we previously disclosed in our Annual Report on Form 10-K, filed with the SEC on September 26, 2019, as of and for the year ended July 31, 2019.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Exchangeable Shares

On October 17, 2016, the Company acquired all of the outstanding common shares of Whistler Blackcomb. Part of the consideration paid to Whistler Blackcomb shareholders consisted of 3,327,719 Vail Shares and 418,095 shares of the Company's wholly-owned Canadian subsidiary (the "Exchangeco Shares"). Each Exchangeco Share is exchangeable by the holder thereof for one Vail Share (subject to customary adjustments for stock splits or other reorganizations). In addition, the Company may require all outstanding Exchangeco Shares to be exchanged into an equal number of Vail Shares upon the occurrence of certain events and at any time following the seventh anniversary of the closing of the transaction. Exchangeco Shares, while outstanding, are substantially the economic equivalent of the corresponding Vail Shares. As of January 31, 2020, 55,057 Exchangeco Shares had not yet been exchanged into Vail Shares.

The shares issued at closing of the Whistler Blackcomb acquisition were issued in reliance upon Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act"), which exempts from the registration requirements under the Securities Act any securities that are issued in exchange for one or more bona fide outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange shall have the right to appear, by any court expressly authorized by law to grant such approval. Although exempt from the registration requirements under the Securities Act, such shares are listed and freely tradeable on the New York Stock Exchange.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following exhibits are either filed or furnished herewith or, if so indicated, incorporated by reference to the documents indicated in parentheses, which have previously been filed or furnished with the Securities and Exchange Commission.

Exhibit Number	Description
10.1	Fifth Amending Agreement, dated as of November 21, 2019, among Whistler Mountain Resort Limited Partnership and Blackcomb Skiing Enterprises Limited Partnership, as borrowers, the Guarantors Party thereto, and The Toronto-Dominion Bank, as administrative agent, on its own behalf and on behalf of the Lenders.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the interactive data file as its XBRL tags are embedded within the inline XBRL document.
101.SCH	XBRL Schema Document.
101.CAL	XBRL Calculation Linkbase Document.
101.DEF	XBRL Definition Linkbase Document.
101.LAB	XBRL Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	The cover page from this Quarterly Report on Form 10-Q, formatted in inline XBRL.

SIGNATURES

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 thereunto duly authorized.

		Vail Resorts, Inc.
Date: March 9, 2020	By:	/s/ Michael Z. Barkin
		Michael Z. Barkin Executive Vice President and Chief Financial Officer (Principal Financial Officer)
Date: March 9, 2020	By:	/s/ Ryan H. Siurek
		Ryan H. Siurek Senior Vice President, Controller and Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.1

FIFTH AMENDING AGREEMENT

THIS FIFTH AMENDING AGREEMENT (the "**Amendment**") is dated as of November 21, 2019 and is entered into between Whistler Mountain Resort Limited Partnership ("**Whistler LP**"), by its general partner, Whistler Blackcomb Holdings Inc. (the "**Parent GP**"), and Blackcomb Skiing Enterprises Limited Partnership ("**Blackcomb LP**" and together with Whistler LP, the "**Borrowers**"), by its general partner, Parent GP, the guarantors party hereto, each of the lenders party hereto, and The Toronto-Dominion Bank, as administrative agent (the "**Administrative Agent**");

WHEREAS the Borrowers, the lenders from time to time party thereto (the "**Lenders**"), the guarantors from time to time party thereto (the "**Guarantors**") and the Administrative Agent are parties to an Amended and Restated Credit Agreement dated as of November 12, 2013, as amended by a First Amending Agreement dated as of October 30, 2014, a Second Amending Agreement and Waiver dated as of October 14, 2016, a Third Amending Agreement dated as of February 13, 2017 and a Fourth Amending Agreement dated as of November 30, 2019 (as amended, restated, amended and restated, supplemented, extended or otherwise modified to but excluding the date hereof, the "**Credit Agreement**");

AND WHEREAS the Borrowers have submitted an extension request (the "**Extension Reques**t") to extend the Maturity Date under the Credit Agreement to December 15, 2024 (the "**New Maturity Date**");

AND WHEREAS pursuant to Section 18.01 of the Credit Agreement, the Extension Request requires the approval of all of the affected Lenders;

AND WHEREAS the parties wish to make certain ancillary amendments to the Credit Agreement in connection with the Extension Request;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto hereby agree as follows:

ARTICLE 1
INTERPRETATION

Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

ARTICLE 2
AMENDMENTS TO CREDIT AGREEMENT

Subject to the satisfaction of each of the conditions set forth in this Amendment, and in reliance on the representations, warranties and agreements contained in this Amendment, the Credit Agreement is hereby amended as follows:

2.1 Definition of Maturity Date

Section 1.01 of the Credit Agreement is hereby amended by deleting the definition of "Maturity Date" in its entirety and replacing it with the following:

""**Maturity Date**" means December 15, 2024, or any subsequent date to which the Maturity Date is extended in accordance with Section 2.11."

2.2 Additional Definitions

Section 1.01 of the Credit Agreement is hereby amended by adding the following definitions in alphabetical order:

"“**CDOR Scheduled Unavailability Date**” has the meaning attributed thereto in Section 3.07(1)(c).

“**CDOR Successor Rate**” has the meaning set forth in Section 3.07(1).

“**LIBO Successor Rate**” has the meaning set forth in Section 3.08(1)(a).

“**LIBOR Scheduled Unavailability Date**” has the meaning set forth in Section 3.08(1)(c).

“**LIBOR Screen Rate**” has the meaning set forth in Section 3.08(1)(a).”

2.3 CDOR Discontinuation

Article 3 of the Credit Agreement is hereby amended by adding the following Section 3.07:

“**3.07 CDOR Discontinuation**

(1) If the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrowers or the Majority Lenders notify the Administrative Agent that the Borrower or Majority Lenders (as applicable) have determined that:

(a) adequate and reasonable means do not exist for ascertaining CDOR (including, in all references within this Section 3.07, the BA Discount Rate), including because the Reuters Screen CDOR Page is not available or published on a current basis for the applicable Interest Period, and such circumstances are unlikely to be temporary;

(b) the administrator of CDOR or a Governmental Authority having jurisdiction has made a public statement identifying a specific date after which CDOR will permanently or indefinitely cease to be made available or permitted to be used for determining the interest rate of loans;

(c) a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which CDOR shall no longer be permitted to be used for determining the interest rate of loans (each such specific date in paragraph (b) above and in this paragraph (c) a “**CDOR Scheduled Unavailability Date**”); or

(d) syndicated loans currently being executed, or that include language similar to that contained in this Section 3.07(1), are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace CDOR,

then reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrowers may mutually agree upon a successor rate to CDOR, and the Administrative Agent and the Borrowers may amend this Agreement to replace CDOR with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar Canadian Dollars denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a “**CDOR Successor Rate**”), together with any proposed CDOR Successor Rate conforming changes and any such amendment shall become effective at 5:00 p.m. (Toronto time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrowers unless, prior to such time, Lenders comprising the Majority Lenders have delivered to the Administrative Agent written notice that such Majority Lenders do not accept such amendment.

(2) If no CDOR Successor Rate has been determined and the circumstances under Section 3.07(1)(a) above exist or a CDOR Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrowers and each Lender. Thereafter, (i) the obligation of the Lenders to make or maintain Bankers' Acceptances and BA Equivalent Notes, shall be suspended (to the extent of the affected Bankers' Acceptances, BA Equivalent Notes, or Interest Periods) and (ii) CDOR shall no longer be utilized as a component in determining the Canadian Prime Rates. Upon receipt of such notice, a Borrower may revoke any pending request for an Advance of, conversion to or rollover of Bankers' Acceptances or BA Equivalent Notes (to the extent of the affected Bankers' Acceptances, BA Equivalent Notes, or Interest Periods) or, failing that, will be deemed to have converted such request into a request for a Canadian Prime Rate Advance (subject to the foregoing clause (ii)) in the amount specified therein.

(3) Notwithstanding anything else herein, any definition of the CDOR Successor Rate (exclusive of any margin) shall provide that in no event shall such CDOR Successor Rate be less than zero for the purposes of this Agreement."

2.4 LIBOR Discontinuation

Article 3 of the Credit Agreement is hereby amended by adding the following Section 3.08:

"**3.08 LIBOR Discontinuation**

(1) If the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Borrowers or the Majority Lenders notify the Administrative Agent that the Borrower or Majority Lenders (as applicable) have determined that:

(a) adequate and reasonable means do not exist for ascertaining the LIBOR Rate, including because the "LIBOR01 Page" of the Reuters Money Rates Service (or any successor source from time to time for such rate) (the "**LIBOR Screen Rate**") is not available or published on a current basis for an Advance in the applicable currency or for the applicable Interest Period and such circumstances are unlikely to be temporary;

(b) the administrator of the LIBOR Screen Rate or a Governmental Authority having jurisdiction over the administrator of the LIBOR Screen Rate has made a public statement identifying a specific date after which the LIBOR Screen Rate will permanently or indefinitely cease to be made available or permitted to be used for determining the interest rate of loans;

(c) a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBOR Rate or the LIBOR Screen Rate shall no longer be permitted to be used for determining the interest rate of loans (each such specific date in paragraph (b) above and in this paragraph (c) a "**LIBOR Scheduled Unavailability Date**"); or

(d) syndicated loans currently being executed, or that include language similar to that contained in this Section 3.08(1), are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace the LIBOR Rate,

then reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice, as applicable, the Administrative Agent and the Borrowers may mutually agree upon a successor rate to the LIBOR Rate, and the Administrative Agent and the Borrowers may amend this Agreement to replace the LIBOR Rate with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar U.S. Dollar denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "**LIBO Successor Rate**"), together with any proposed LIBO Successor Rate conforming changes and any such amendment shall become effective at 5:00 p.m. (Toronto time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrowers unless, prior to such time, Lenders comprising the Majority Lenders have delivered to the Administrative Agent written notice that such Majority Lenders do not accept such amendment.

(2) If no LIBO Successor Rate has been determined and the circumstances under Section 3.08(1)(a) above exist or a LIBOR Scheduled Unavailability Date has occurred (as applicable), the Administrative Agent will promptly so notify the Borrowers and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBOR Advances shall be suspended (to the extent of the affected LIBOR Advances or Interest Periods). Upon receipt of such notice, a Borrower may revoke any pending request for an Advance of, conversion to or rollover of LIBOR Advances (to the extent of the affected LIBOR Advances or Interest Periods) or, failing that, will be deemed to have converted such request into a request for U.S. Base Rate Advances in the amount specified therein.

(3) Notwithstanding anything else herein, any definition of the LIBO Successor Rate (exclusive of any margin) shall provide that in no event shall such LIBO Successor Rate be less than zero for the purposes of this Agreement."

2.5 Qualified Financial Contract

The Credit Agreement is hereby amended by adding the following Article 24:

"**ARTICLE 24**
QUALIFIED FINANCIAL CONTRACT MATTERS

24.01 Acknowledgment Regarding Any Supported QFCs

To the extent that the Credit Documents provide support, through a guarantee or otherwise, for any Hedge Obligation or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**", and each such QFC, a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Credit Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States.

(b) In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Credit Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Credit Documents were governed by the laws of the United States or a state of the United States.

(c) "**BHC Act Affiliate**" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"**Covered Entity**" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"**QFC**" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D)."

ARTICLE 3
REPRESENTAIONS AND WARRANTIES

3.1 Representations and Warranties

Each of the Parent GP and the Loan Parties represents and warrants that the representations and warranties contained in Section 7.01 of the Credit Agreement continue to be true and correct as if made on and as of the date hereof except for those changes to the representations and warranties which have been disclosed to and accepted by the Administrative Agent and the Lenders pursuant to Section 18.01 of the Credit Agreement and any representation and warranty which is stated to be made only as of a certain date (and then as of such date). Each of the Parent GP and the Loan Parties further represents and warrants that:

(a) no Default or Event of Default has occurred and is continuing or would exist after giving effect to the amendments contemplated hereto;

(b) it has all requisite corporate, partnership or other power and authority to enter into and perform its obligations under this Amendment;

(c) the execution, delivery and performance of this Amendment has been duly authorized by all corporate, partnership or other analogous actions required and this Amendment has been duly executed and delivered by it, and constitutes a legal, valid and binding obligation enforceable against it in accordance with its terms, subject only to any limitations under Laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally; and (ii) general equitable principles including the discretion that a court may exercise in granting of equitable remedies; and

(d) the execution and delivery of this Amendment and the performance of its obligations hereunder and compliance with the terms, conditions and provisions hereof, will not (i) conflict with or result in a breach of any of the material terms, conditions or provisions of (a) its partnership agreement or other constating documents, as applicable, or by laws, (b) any Law, (c) any Material Agreement or Material Permit, or (d) any judgment, injunction, determination or award which is binding on it; or (ii) result in, require or permit (x) the imposition of any Encumbrance in, on or with respect to the Assets now owned or hereafter acquired by it (other than pursuant to the Security Documents or which is a Permitted Encumbrance), (y) the acceleration of the maturity of any material Debt binding on or affecting it, or (z) any third party to terminate or acquire any rights materially adverse to Parent GP or the applicable Loan Party under any Material Agreement.

ARTICLE 4
CONFIRMATION OF SECURITY

4.1 Confirmation of Security Documents

Each of the Parent GP, the Borrowers and the other Loan Parties hereby acknowledges and confirms that each Security Document to which it is a party:

(a) is and shall remain in full force and effect in all respects, notwithstanding the amendments and supplements to the Credit Agreement made pursuant to this Amendment, and has not been amended, terminated, discharged or released;

(b) constitutes a legal, valid and binding obligation of the undersigned, enforceable against the undersigned in accordance with its terms; and

(c) shall, together with that portion of the Security constituted thereby, continue to exist and apply to all of the Guaranteed Obligations and other obligations of the undersigned including, without limitation, any and all obligations, liabilities and indebtedness of the undersigned pursuant to Accommodations or otherwise outstanding under the Credit Agreement and the other Credit Documents to which it is a party.

4.2 Nature of Acknowledgements

The foregoing acknowledgements and confirmations (i) are in addition to and shall not limit, derogate from or otherwise affect any provisions of the Credit Agreement or the other Credit Documents, and (ii) do not serve as an acknowledgment by any of the Lenders or the Administrative Agent that, in the event of a future change to the constitution of any Loan Party, any material change to the terms of the Credit Agreement or the other Credit Documents or any other change of circumstances, a similar acknowledgment and confirmation need be entered into.

4.3 Further Assurances

The parties hereto shall from time to time do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this Agreement.

ARTICLE 5
CONDITIONS

The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent:

(a) the Administrative Agent shall have received a copy of this Amendment duly executed by all parties hereto;

(b) the Administrative Agent shall have received, on behalf of the Lenders, payment in full from the Borrowers of all fees relating to the Amendment;

(c) each of the Borrowers shall have delivered to the Administrative Agent evidence of the corporate or partnership authority of each such party to execute, deliver and perform its obligations under the Amendment, and, as applicable, all other agreements and documents executed by such party in connection therewith, all in form and substance satisfactory to the Administrative Agent and the Lenders;

(d) no Default or Event of Default shall have occurred and be continuing; and

(e) all representations and warranties set out in the Credit Documents and this Amendment shall be true and correct as if made on and as of the date hereof except for those changes to the representations and warranties which have been disclosed to and accepted by the Administrative Agent and the Lenders pursuant to Section 18.01 of the Credit Agreement and any representation and warranty which is stated to be made only as of a certain date (and then as of such date).

ARTICLE 6
MISCELLANEOUS

6.1 Benefits

This Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors and assigns.

6.2 References to the Credit Agreement

As of and from the effective date of this Amendment, each reference to the “Credit Agreement” in any of the Credit Documents (including the Credit Agreement) shall be deemed to be a reference to the Credit Agreement, as amended by this Amendment.

6.3 Governing Law

This Amendment and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

6.4 Credit Document

This Amendment shall be a Credit Document.

6.5 Limited Effect

Except as expressly provided herein, all of the terms and provisions of the Credit Agreement are and shall remain in full force and effect and are hereby ratified and confirmed by the Borrowers.

6.6 Counterparts

This Amendment may be executed in any number of counterparts, including by facsimile or portable document format, each of which shall be deemed to be an original.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written.

WHISTLER MOUNTAIN RESORT LIMITED PARTNERSHIP, by its general partner, **WHISTLER BLACKCOMB HOLDINGS INC.**, as Borrower

By: /s/ Michael Barkin

Name: Michael Barkin

Title: CFO and EVP

BLACKCOMB SKIING ENTERPRISES LIMITED PARTNERSHIP, by its general partner, **WHISTLER BLACKCOMB HOLDINGS INC.**, as Borrower

By: /s/ Michael Barkin

Name: Michael Barkin

Title: CFO and EVP

THE TORONTO-DOMINION BANK, as Administrative Agent

By: /s/ Feroz Haq

Feroz Haq

Director, Loan Syndications - Agency

THE TORONTO-DOMINION BANK, as Lender

By: /s/ Rahim Kabani
Rahim Kabani
Managing Director

By: /s/ Ben Montgomery
Ben Montgomery
Director

BANK OF AMERICA, N.A., CANADA BRANCH, as Lender

By: /s/ David Rafferty
Vice President

BANK OF MONTREAL, as Lender

By: /s/ Doug Mills
Doug Mills
Managing Director - Corporate Finance Division

By: /s/ Tony Chong
Tony Chong
Director - Corporate Finance Division

WELLS FARGO BANK, N.A., CANADIAN BRANCH, as Lender

By: /s/ Andre-Gilles Charbonneau
Andre-Gilles Charbonneau
Vice President
Wells Fargo Commercial Banking

ROYAL BANK OF CANADA, as Lender

By: /s/ Jenny J. Wang
Jenny J. Wang
Vice President

CANADIAN IMPERIAL BANK OF COMMERCE, as Lender

By: /s/ Zee Noorani
Zee Noorani
Authorized Signatory

By: /s/ Thomas MacGregor
Thomas MacGregor
Authorized Signatory

FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC, as Lender

By: /s/ Oliver Sumugod
Oliver Sumugod
Director

By: /s/ Matt van Remmen
Matt van Remmen
Managing Director

HSBC BANK CANADA, as Lender

By: /s/ Doug Remington
Doug Remington
Vice President

By: /s/ Hai Pham
Hai Pham
Assistant Vice President - Corporate Banking

WHISTLER MOUNTAIN RESORT LIMITED PARTNERSHIP, by its general partner, **WHISTLER BLACKCOMB HOLDINGS INC.**, as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

BLACKCOMB SKIING ENTERPRISES LIMITED PARTNERSHIP, by its general partner, **WHISTLER BLACKCOMB HOLDINGS INC.**, as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WHISTLER BLACKCOMB HOLDINGS INC., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WHISTLER & BLACKCOMB MOUNTAIN RESORTS LIMITED, as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

PEAK TO CREEK LODGING COMPANY LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

BLACKCOMB MOUNTAIN DEVELOPMENT LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

GARIBALDI LIFTS LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WHISTLER BLACKCOMB EMPLOYMENT CORP., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WHISTLER/BLACKCOMB MOUNTAIN EMPLOYEE HOUSING LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WHISTLER SKI SCHOOL LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

CRANKWORX EVENTS INC., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WHISTLER HELI-SKIING LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

PEAK TO CREEK HOLDINGS CORP., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WB LAND INC., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WHISTLER BLACKCOMB GENERAL PARTNER LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WB/T DEVELOPMENT LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

BLACKCOMB SKIING ENTERPRISES LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

AFFINITY SNOWSPORTS INC., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WHISTLER ALPINE CLUB INC., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

WB LAND (CREEKSIDE SNOW SCHOOL) INC., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

1016563 B.C. LTD., as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

SUMMIT SKI LIMITED, as Guarantor

By: /s/ Michael Barkin
Name: Michael Barkin
Title: CFO and EVP

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Robert A. Katz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vail Resorts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 9, 2020

/s/ ROBERT A. KATZ

Robert A. Katz
Chief Executive Officer

Exhibit 31.2

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Michael Z. Barkin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Vail Resorts, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 9, 2020

/s/ MICHAEL Z. BARKIN

Michael Z. Barkin

Executive Vice President and Chief Financial Officer

Exhibit 32

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
AND THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned hereby certifies in his capacity as an officer of Vail Resorts, Inc. (the "Company") that the Company's Quarterly Report on Form 10-Q for the quarter ended January 31, 2020 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in such Report fairly presents, in all material respects, the financial condition and the results of operations of the Company at the end of and for the periods covered by such Report.

Date: March 9, 2020

/s/ ROBERT A. KATZ

Robert A. Katz

Chief Executive Officer

Date: March 9, 2020

/s/ MICHAEL Z. BARKIN

Michael Z. Barkin

Executive Vice President and Chief Financial Officer

This certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, is not a part of the Form 10-Q to which it refers, and is, to the extent permitted by law, provided by each of the above signatories to the extent of his respective knowledge. This certification is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Vail Resorts, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing. A signed original of this written statement required by Section 906 has been provided to Vail Resorts, Inc. and will be furnished to the Securities and Exchange Commission or its staff upon request.