

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K
CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported): May 10, 2005

Vail Resorts, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-9614
(Commission
File Number)

51-0291762
(IRS Employer

Identification No.)

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

81620
(Zip Code)

Registrant's telephone number, including area code:

(970) 845-2500

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
 Soliciting materials pursuant to Rule 14a-12 under the Exchange Act
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Item 1.01 Entry into a Material Definitive Agreement

On May 10, 2005, VAMHC, Inc. ("VAMHC"), a subsidiary of Vail Resorts, Inc. (the "Company"), agreed to sell the assets constituting the Vail Marriott Mountain Resort and Spa (the "Vail Marriott") to DiamondRock Hospitality Limited Partnership ("DiamondRock") for \$62 million, subject to certain adjustments to be determined at closing, pursuant to a purchase and sale agreement between VAMHC and DiamondRock (the "Agreement"). The transaction, currently expected to close in June 2005, is subject to customary closing conditions. After the sale of the Vail Marriott to DiamondRock, the Company will continue to manage the Vail Marriott pursuant to a management agreement with DiamondRock.

Item 8.01. Other Events.

On May 16, 2005, the Company issued a press release announcing the sale of the Vail Marriott. The press release is attached as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits. The following exhibits are filed herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, dated May 16, 2005

SIGNATURE

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

Dated: May 16, 2005 Vail Resorts, Inc.

By: /s/ Jeffrey W. Jones

Jeffrey W. Jones

Senior Vice President and Chief Financial Officer

Vail Resorts News Release

For immediate Release

Vail Resorts Contacts:

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VAIL RESORTS ANNOUNCES A CONTRACT TO SELL THE VAIL MARRIOTT MOUNTAIN RESORT & SPA

Sale price of \$62 million

Vail Resorts retains 15-year management contract

VAIL, Colo. – May 16, 2005 – Vail Resorts, Inc. (NYSE: MTN) announced today that one of its subsidiary companies has entered into a contract to sell the Vail Marriott Mountain Resort & Spa for \$62.0 million to DiamondRock Hospitality Limited Partnership ("DiamondRock"). The transaction price indicates a total value for the hotel of approximately \$180,000 per key. The sale price is subject to adjustment based on certain provisions of the agreement. The transaction is anticipated to close in June 2005, subject to certain closing conditions. After the transaction is completed, the hotel will retain its current name and will remain branded as a full-service Marriott resort. Vail Resorts, through its Vail Resorts Lodging Company subsidiary, will continue to manage the resort for 15 years through 2020 under a management contract with DiamondRock, that is co-terminus with a Marriott franchise agreement for the hotel.

The Company purchased the 345-room hotel in December 2001. Included in the original purchase were the hotel and two adjacent parcels of developable land. The land parcels, which have been earmarked for important real estate development projects by the Company, are not included as part of the hotel's sale.

Adam Aron, Vail Resorts chairman and chief executive officer, commented, "With this price tag, Vail Resorts is thrilled with this sale of the Vail Marriott. We will retain management of the hotel for at least 15 years, at the same time being able to implement our strategy of capitalizing on current robust hotel market valuations. Indeed, the price we will receive for the foregone cash flow streams resulting from the hotel's sale represents a significant premium of more than 50 percent above the cash flow stream multiples at which the resort business of Vail Resorts has traditionally been valued."

Aron added, "In looking at our investment in the Vail Marriott, we have been able to create for Vail visitors a greatly improved hotel facility through an impressive and expansive renovation, capitalize on two attractive and lucrative potential real estate development opportunities on land acquired with the hotel, retain management of the hotel for the extended future, and receive a handsome price on its sale. This has to be considered a very successful effort."

Aron continued, "Vail Resorts has great respect for the success of Marriott-branded hotel properties, and we greatly look forward to continuing to manage the hotel as a Marriott franchisee. At the same time, we equally look forward to working hand in hand with the principals of DiamondRock, individuals for whom we have the highest respect."

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

Statements in this press release, other than statements of historical information, are forward looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, including the possibility that the Vail Marriott sale will not happen, or will happen on financial terms other than as described above; failure to commence or complete the planned real estate development projects and/or achieve the anticipated short and long-term financial benefits from the development; and adverse changes in the real estate market. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. Investors are also directed to other risks discussed in the Company's Annual Report on Form 10-K for the fiscal year ended July 31, 2004 and other documents filed by the Company with the Securities and Exchange Commission.

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