## Section 1: 10-Q (10-Q)

# 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, 2017.**

**OR**

**☐ 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 001-35363**

## Peak Resorts, Inc.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Missouri** | **43-1793922** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **17409 Hidden Valley Drive Wildwood, Missouri (Address of principal executive offices)** | **63025 (Zip Code)** |

**(636) 938-7474**
**(Registrant's telephone number, including area code)**

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

Yes ☒ No ☐

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

Large accelerated filer ☐ Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

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 9, 2017, 13,982,400 shares of the registrant's common stock were outstanding.

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**PART I FINANICAL INFORMATION**

ITEM 1. FINANCIAL STATEMENTS

**Peak Resorts Inc. and Subsidiaries**
**Condensed Consolidated Balance Sheets**
**(In thousands, except share and per share data)**

| | (Unaudited) January 31, 2017 | April 30, 2016 |
|---|---|---|
| **Assets** | | |
| **Current assets** | | |
| Cash and cash equivalents | $ 33,881 | $ 5,396 |
| Restricted cash balances | 5,780 | 61,099 |
| Income tax receivable | 5,056 | - |
| Accounts receivable | 3,303 | 4,772 |
| Inventory | 3,844 | 2,730 |
| Deferred income taxes | 1,092 | 1,092 |
| Prepaid expenses and deposits | 1,231 | 2,680 |
| | 54,187 | 77,769 |
| **Property and equipment-net** | 188,255 | 192,178 |
| **Land held for development** | 37,569 | 37,542 |
| **Restricted cash, construction** | 36,538 | - |
| **Intangible assets, net** | 803 | 846 |
| **Goodwill** | 5,009 | 5,009 |
| **Other assets** | 641 | 619 |
| | $ 323,002 | $ 313,963 |
| **Liabilities and Stockholders' Equity** | | |
| **Current liabilities** | | |
| Acquisition line of credit | $ 4,500 | $ 15,500 |
| Accounts payable and accrued expenses | 16,636 | 18,696 |
| Accrued salaries, wages and related taxes and benefits | 2,614 | 919 |
| Unearned revenue | 17,046 | 13,233 |
| EB-5 investor funds in escrow | 500 | 52,004 |
| Current portion of deferred gain on sale/leaseback | 333 | 333 |
| Current portion of long-term debt and capitalized lease obligation | 4,205 | 2,456 |
| | 45,834 | 103,141 |
| **Long-term debt** | 173,979 | 118,343 |
| **Capitalized lease obligation** | 3,328 | 4,419 |
| **Deferred gain on sale/leaseback** | 2,929 | 3,178 |
| **Deferred income taxes** | 12,672 | 12,672 |
| **Other liabilities** | 549 | 576 |
| **Commitments and contingencies** | | |
| **Preferred stock**, $.01 par value per share, $1,000 liquidation preference per share, 40,000 shares authorized, 20,000 and 0 issued at January 31, 2017 and April 30, 2016, respectively | 16,204 | - |
| **Stockholders' Equity** | | |
| Common stock, $.01 par value per share, 20,000,000 shares authorized, 13,982,400 shares issued | 140 | 140 |
| Additional paid-in capital | 86,322 | 82,728 |
| Accumulated Deficit | (18,955) | (11,234) |
| | 67,507 | 71,634 |
| | $ 323,002 | $ 313,963 |

See Notes to Unaudited Condensed Consolidated Financial Statements.

**Peak Resorts, Inc. and Subsidiaries**
**Condensed Consolidated Statements of Earnings (Loss) (Unaudited)**
**(In thousands, except share and per share data)**

| | (Unaudited) Three months ended January 31, | | (Unaudited) Nine months ended January 31, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Revenues** | $ 56,385 | $ 38,667 | $ 71,986 | $ 50,254 |
| **Costs and Expenses** | | | | |
| Resort operating expenses | 33,669 | 25,346 | 58,448 | 46,336 |
| Depreciation and amortization | 3,209 | 2,558 | 9,642 | 7,471 |
| General and administrative expenses | 1,793 | 1,104 | 4,682 | 3,069 |
| Land and building rent | 345 | 357 | 998 | 1,033 |
| Real estate and other taxes | 654 | 664 | 1,754 | 1,545 |
| | 39,670 | 30,029 | 75,524 | 59,454 |
| **Other Operating Income** | | | | |
| Gain on involuntary conversion | - | 195 | - | 195 |
| **Income (Loss) from Operations** | 16,715 | 8,833 | (3,538) | (9,005) |
| **Other Income (Expense)** | | | | |
| Interest, net of interest capitalized of $411 and $1,194 in 2017 and $83 and $279 in 2016, respectively | (3,289) | (2,802) | (9,493) | (8,080) |
| Gain on sale/leaseback | 84 | 84 | 250 | 250 |
| Investment income | 1 | - | 4 | 4 |
| | (3,204) | (2,718) | (9,239) | (7,826) |
| **Income (Loss) before Income Tax Benefit** | 13,511 | 6,115 | (12,777) | (16,831) |
| **Income Tax Expense (Benefit)** | 5,346 | 2,415 | (5,056) | (6,564) |
| **Net Income (Loss)** | $ 8,165 | $ 3,700 | $ (7,721) | $ (10,267) |
| Basic earnings (loss) per common share | $ 0.58 | $ 0.26 | $ (0.55) | $ (0.73) |
| Diluted earnings (loss) per common share | $ 0.47 | $ 0.26 | $ (0.55) | $ (0.73) |
| Cash dividends declared per common share | $ - | $ 0.1375 | $ - | $ 0.4125 |

See Notes to Unaudited Condensed Consolidated Financial Statements.

**Peak Resorts Inc. and Subsidiaries**
**Condensed Consolidated Statements of Stockholders' Equity (Unaudited)**
**(In thousands except share data)**
**Nine Months ended January 31, 2017**

| | Common Stock Shares | Common Stock Dollars | Additional Paid-in Capital | Accumulated Deficit | Total |
|---|---|---|---|---|---|
| Balances, April 30, 2016 | 13,982,400 | $ 140 | $ 82,728 | $ (11,234) | $ 71,634 |
| Net loss | - | - | - | (7,721) | (7,721) |
| Issuance of warrants in a private placement | - | - | 3,446 | - | 3,446 |
| Stock based compensation | - | - | 148 | - | 148 |
| Balances, January 31, 2017 | 13,982,400 | $ 140 | $ 86,322 | $ (18,955) | $ 67,507 |

See Notes to Unaudited Condensed Consolidated Financial Statements.

**Peak Resorts, Inc. and Subsidiaries**
**Condensed Consolidated Statements of Cash Flows (Unaudited)**
**(In thousands)**
**Nine Months ended January 31,**

| | Nine months ended January 31, | |
|---|---|---|
| | **2017** | **2016** |
| **Cash Flows from Operating Activities** | | |
| Net loss | $ (7,721) | $ (10,267) |
| Adjustments to reconcile loss to net cash used in operating activities: | | |
| Depreciation and amortization of property and equipment and intangibles | 9,642 | 7,471 |
| Amortization of deferred financing costs | 710 | - |
| Amortization of other liabilities | (27) | (27) |
| Gain on sale/leaseback | (250) | (250) |
| Stock based compensation | 148 | - |
| Changes in operating assets and liabilities: | | |
| Income tax receivable | (5,056) | (6,564) |
| Accounts receivable | 1,469 | 181 |
| Inventory | (1,114) | (1,661) |
| Prepaid expenses and deposits | 1,449 | (518) |
| Other assets | (22) | 197 |
| Accounts payable and accrued expenses | (2,601) | 13,070 |
| Accrued salaries, wages and related taxes and benefits | 1,695 | 1,241 |
| Unearned revenue | 3,813 | 5,235 |
| Net cash provided by operating activities | 2,135 | 8,108 |
| **Cash Flows from Investing Activities** | | |
| Additions to property and equipment | (5,134) | (16,626) |
| Business combination (net of cash acquired of $1,640) | - | (33,236) |
| Additions to land held for development | (27) | (100) |
| Change in restricted cash | 18,781 | (18,001) |
| Net cash provided by (used in) investing activities | 13,620 | (67,963) |
| **Cash Flows from Financing Activities** | | |
| Borrowings on long-term debt and capitalized lease obligation | 61,615 | 3,950 |
| Gross proceeds from issuance of preferred stock and warrants | 20,000 | - |
| Issuance costs associated with issuance of preferred stock and warrants | (350) | - |
| Proceeds from hunter loan financing | - | 36,500 |
| Additions to (release from) to EB-5 investor funds held in escrow | (51,504) | 22,002 |
| Payment on long-term debt and capital lease obligations | (12,558) | (1,293) |
| Involuntary conversion of assets | - | 410 |
| Payment of deferred financing costs | (4,473) | (1,334) |
| Distributions to stockholders | - | (5,768) |
| Net cash provided by financing activities | 12,730 | 54,467 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 28,485 | (5,388) |
| **Cash and Cash Equivalents, April 30** | 5,396 | 16,849 |
| **Cash and Cash Equivalents, January 31** | $ 33,881 | $ 11,461 |
| **Supplemental Schedule of Cash Flow Information** | | |
| Cash paid for interest, including $1,194 and $279 capitalized in 2017 and 2016, respectively | $ 11,079 | $ 8,351 |
| **Supplemental Disclosure of Noncash Investing** | | |

| | | |
|---|---|---|
| **and Financing Activities** | | |
| Land held for development financed with long-term borrowings | $ - | $ 100 |
| Assets under construction included in accounts payable | $ 542 | $ - |

See Notes to Unaudited Condensed Consolidated Financial Statements.

**Note 1. Nature of Business**

Description of business: Peak Resorts, Inc. (the "Company") and its subsidiaries operate in a single business segment—ski resort operations. The Company's ski resort operations consist of snow skiing, snowboarding and snow sports areas in Wildwood and Weston, Missouri; Bellefontaine and Cleveland, Ohio; Paoli, Indiana; Blakeslee and Lake Harmony, Pennsylvania; Bartlett, Bennington and Pinkham Notch, New Hampshire; West Dover, Vermont; and Hunter, New York; and an eighteen-hole golf course in West Dover, Vermont. The Company also manages hotels in Bartlett, New Hampshire; West Dover, Vermont; and Hunter, New York.

In the opinion of management, the accompanying financial statements have been prepared in accordance with United States generally accepted accounting principles for interim financial information and with Rule 10-01 of Regulation S-X and include all adjustments (consisting of normal recurring accruals) considered necessary for fair presentation of the interim periods presented.

Results for interim periods are not indicative of the results expected for a full fiscal year due to the seasonal nature of the Company's business. Due to the seasonality of the ski industry, the Company typically incurs significant operating losses during its first and second fiscal quarters. The accompanying unaudited consolidated interim 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 April 30, 2016.

**Note 2. Significant Accounting Policies**

***Preferred Stock***

The Company considers whether substantive redemption features exist in the instrument in which case it may be classified outside of equity, such as temporary equity or as a liability. Additionally, the Company evaluates whether the instrument contains any embedded or stand-alone instruments, which require separate recognition. The Company presents mandatorily redeemable preferred stock as a liability and contingently redeemable preferred stock and preferred stock that is redeemable outside the control of the Company as temporary equity on the consolidated balance sheets.

***Warrants***

The Company accounts for its warrants as either equity or liabilities based upon the characteristics and provisions of each instrument. Warrants classified as equity are recorded at fair value as of the date of issuance on the Company's balance sheet and no further adjustments to their valuation are made. Warrants classified as a liability are recorded at fair value at each reporting period, and the corresponding non-cash gain or loss is recorded in current period earnings. When warrants are issued in conjunction with preferred stock, the warrants are recorded based on the proceeds received allocated to the two elements' relative fair values.

***Basic and Diluted Earnings (Loss) per Common Share***

Basic earnings (loss) per common share is computed by dividing net income (loss) available to common shareholders by the weighted average common shares issued and outstanding for the period. Net income (loss) available to common shareholders represents net income adjusted for preferred stock dividends including dividends declared, accretions of discounts on preferred stock issuances and cumulative dividends related to the current dividend period that have not been declared as of year-end. In addition, for diluted earnings (loss) per common share, net income (loss) available to common shareholders can be affected by the conversion of the registrant's convertible preferred stock. Where the effect of this conversion would have been dilutive, net income (loss) available to common shareholders is adjusted by the associated preferred dividends. This adjusted net income (loss) is divided by the weighted average number of common shares issued and

outstanding for each period plus amounts representing the dilutive effect of stock options outstanding, restricted stock, restricted stock units, outstanding warrants, and the dilution resulting from the conversion of the registrant's convertible preferred stock, if applicable. The effects of convertible preferred stock and outstanding warrants and stock options are excluded from the computation of diluted earnings (loss) per common share in periods in which the effect would be antidilutive. Dilutive potential common shares are calculated using the treasury stock and if-converted methods.

***New Accounting Standards***

In July 2015, the Financial Accounting Standards Board ("FASB") issued guidance in Accounting Standards Update ("ASU") 2015-11, Inventory (Topic 330): "Simplifying the Measurement of Inventory" ("ASU 2015-11"), which requires the Company to subsequently measure inventory at the lower of cost and net realizable value rather than the lower of cost or market. For public business entities, the guidance is effective on a prospective basis for interim and annual periods beginning after December 15, 2016, with early adoption permitted. Pursuant to the Jumpstart Our Business Startups Act ("JOBS Act"), the Company is permitted to adopt the standard for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments in this update should be applied prospectively with earlier application permitted for all entities as of the beginning of an interim or annual reporting period. The Company plans to evaluate the impact of the adoption of ASU 2015-11 during fiscal year 2018 and its impact on financial statements, systems, and internal controls of the Company. Based on the results of the evaluation, the Company will determine a transition approach and determine the full impact of the adoption on the financial statements.

In November 2015, the FASB issued guidance in ASU 2015-17, Income Taxes (Topic 740): "Balance Sheet Classification of Deferred Taxes," ("ASU 2015-17") which requires deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. For public business entities, the guidance is effective for financial statements issued for annual periods beginning after December 15, 2016, and interim periods within those annual periods. Pursuant to the JOBS Act, the Company is permitted to adopt the standard for annual reporting periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. Early application is permitted for all entities as of the beginning of an interim or annual reporting period. The Company is currently evaluating the impact of the adoption of ASU 2015-17 on the consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). The pronouncement requires the recognition of a liability for lease obligations and a corresponding right-of-use asset on the balance sheet and disclosure of key information about leasing arrangements. This pronouncement is effective for reporting periods beginning after December 15, 2018 using a modified retrospective adoption method. While the Company is currently evaluating the provisions of ASU 2016-02 to determine how it will be affected, the primary effect of adopting the new standard will be to record assets and obligations for current operating leases.

In March 2016, the FASB issued ASU 2016-08, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2016-08"), an update of ASU 2014-09, requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. ASU 2016-08 will replace most existing revenue recognition guidance under U.S. generally accepted accounting principles when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. Early adoption is not permitted. The updated standard becomes effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Pursuant to the JOBS Act, the Company is permitted to adopt the standard for annual reporting periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. The Company currently expects to adopt the new revenue standards in its first quarter of fiscal year 2020 utilizing the full retrospective transition method. The Company does not expect adoption of the new revenue standards to have a material impact on its consolidated financial statements.

In March 2016, the FASB issued ASU 2016-09, "Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting." The new guidance requires entities to record all excess tax benefits and tax deficiencies as income tax expense or benefit in the income statement when the awards vest or are settled. The guidance also requires entities to present excess tax benefits as an operating activity and cash paid to a taxing authority to satisfy statutory withholding as a financing activity on the statement of cash flows. Additionally, the guidance allows entities to make a policy election to account for forfeitures either upon occurrence or by estimating forfeitures. The standard is effective for financial statements issued for fiscal years beginning after December 15, 2016. Pursuant to the JOBS Act, the Company is permitted to adopt the standard for annual reporting periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted. The Company has not yet selected a transition method and is currently evaluating the effect that the updated standard will have on the consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments." The new guidance is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. For public business entities, the standard is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Pursuant to the JOBS Act, the Company is permitted to adopt the standard for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, provided that all of the amendments are adopted in the same period. The guidance requires application using a retrospective transition method. The Company is currently evaluating the impacts the adoption of this accounting standard will have on the Company's statement of cash flows.

In November 2016, the FASB issued ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash." The new guidance is intended to add and clarify guidance on the classification and presentation of restricted cash in the statement of cash flows. For public business entities, the standard is effective for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Pursuant to the JOBS Act, the Company is permitted to adopt the standard for fiscal years beginning after December 15, 2018, and interim periods thereafter. Early adoption is permitted. The guidance requires application using a retrospective transition method to all periods presented. The Company expects to implement this standard in its first quarter of fiscal year 2020 utilizing the retrospective transition method. The Company, although still evaluating the impact, believes the adoption of this accounting standard will have an impact on the Company's presentation of the statement of cash flows.

In January 2017, the FASB issued ASU 2017-01, "Business Combinations (Topic 805)". This update clarifies the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets of businesses. ASU 2017-01 is effective for interim and annual periods beginning after December 15, 2017 on a prospective basis. Pursuant to the JOBS Act, the Company is permitted to adopt the standard for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. The Company is currently evaluating the impact that this update will have on its consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU 2017-04, "Simplifying the Test for Goodwill Impairment (Topic 350)" ("ASU 2017-04"). This update eliminates the current two-step approach used to test goodwill for impairment and requires an entity to apply a one-step quantitative test and record the amount of goodwill impairment as the excess of a reporting unit's carrying amount over its fair value, not to exceed the total amount of goodwill allocated to the reporting unit. ASU 2017-04 is effective for fiscal years, including interim periods within, beginning after December 15, 2019 (upon the first goodwill impairment test performed during that fiscal year). Pursuant to the JOBS Act, the Company is permitted to adopt the standard for interim or annual goodwill impairment tests in fiscal years beginning after December 15, 2020. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. A reporting entity must apply the amendments in ASU 2017-04 using a prospective approach. The Company does not expect the adoption of ASU 2017-04 to have a material impact to its consolidated financial position, results of operations or cash flow.

**Note 3. Income Taxes**

Deferred income tax assets and liabilities are measured at enacted tax rates in the respective jurisdictions where the Company operates. In assessing the ability to realize deferred tax assets, the Company considers whether it is more likely than not that some portion or all deferred tax assets will not be realized and a valuation allowance would be provided if necessary. The FASB Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," also provides guidance with respect to the accounting for uncertainty in income taxes recognized in a Company's consolidated financial statements, and it prescribes a recognition threshold and measurement attribute criteria for the consolidated financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The Company does not have any material uncertain tax positions.

The income tax receivable is a result of the expected tax rate for the fiscal year ending April 30, 2017 applied to the loss before income tax for the nine months ended January 31, 2017. Due to the seasonality of the ski industry, the Company typically incurs significant operating losses during its first and second fiscal quarters.

**Note 4. Long-term Debt / Line of Credit**

Long-term debt at January 31, 2017 and April 30, 2016 consisted of borrowings pursuant to the loans and other credit facilities discussed below, as follows (dollars in thousands):

| | (Unaudited) January 31, 2017 | April 30, 2016 |
|---|---|---|
| Attitash/Mount Snow Debt; payable in monthly interest only payments at an increasing interest rate (11.10% at January 31, 2017 and April 30, 2016); remaining principal and interest due on December 1, 2034 | $ 51,050 | $ 51,050 |
| Credit Facility Debt; payable in monthly interest only payments at an increasing interest rate (10.28% at January 31, 2017 and 10.13% at April 30, 2016); remaining principal and interest due on December 1, 2034 | 37,562 | 37,562 |
| West Lake Water Project EB-5 Debt; payable in quarterly interest only payments (1.0% at January 31, 2017); remaining principal and interest due on December 27, 2021 | 30,000 | - |
| Carinthia Ski Lodge EB-5 Debt; payable in quarterly interest only payments (1.0% at January 31, 2017); remaining principal and interest due on December 27, 2021 | 21,500 | - |
| Hunter Mountain Debt; payable in monthly interest only payments at an increasing interest rate (8.0% at January 31, 2017 and April 30, 2016); remaining principal and interest due on January 5, 2036 | 21,000 | 21,000 |
| Royal Banks of Missouri Debt; payable in principal and interest payment at prime plus 1.0% (4.75% at January 31, 2017); remaining principal and interest due on February 6, 2020 | 10,000 | - |
| Sycamore Lake (Alpine Valley) Debt; payable in monthly interest only payments at an increasing interest rate (10.72% at January 31, 2017 and 10.56% at April 30, 2016); remaining principal and interest due on December 1, 2034 | 4,550 | 4,550 |
| Wildcat Mountain Debt; payable in monthly installments of $27, including interest at a rate of 4.00%; remaining principal and interest due on December 22, 2020 | 3,472 | 3,612 |
| Other debt | 2,964 | 3,231 |
| Less unamortized debt issuance costs | (5,666) | (1,903) |
| | 176,432 | 119,102 |
| Less: current maturities | 2,453 | 759 |
| | $ 173,979 | $ 118,343 |

***Debt Restructure***

On November 10, 2014, in connection with the Company's initial public offering, the Company entered into a Restructure Agreement with certain affiliates of EPR Properties ("EPR"), the Company's primary lender, providing for the (i) prepayment of approximately $75.8 million of formerly non-prepayable debt secured by the Crotched Mountain, Attitash, Paoli Peaks, Hidden Valley and Snow Creek resorts and (ii) retirement of one of the notes associated with the future development of Mount Snow (the "Debt Restructure"). On December 1, 2014, the Company entered into various agreements in order to effectuate the Debt Restructure, as more fully described in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 5, 2014 and below (collectively, the "Debt Restructure Agreements"). Pursuant to the Debt Restructure, the Company paid a defeasance fee of $5.0 million to EPR in addition to the consideration described below.

In exchange for the prepayment right, the Company granted EPR a purchase option on the Boston Mills, Brandywine, Jack Frost, Big Boulder and Alpine Valley properties, subject to certain conditions. If EPR exercises a purchase option, EPR will enter into an agreement with the Company for the lease of each such acquired property for an initial term of 20 years, plus options to extend the lease for two additional periods of ten years each. All previously existing option agreements between the Company and EPR were terminated.

Over the years, the Company has depreciated the book value of these properties pursuant to applicable accounting rules, and as such, it has a low basis in the properties. As a result, the Company will realize significant gains on the sale of the properties to EPR if the option is exercised. The Company will be required to pay capital gains tax on the difference between the purchase price of the properties and the tax basis in the properties, which is expected to be a substantial cost. To date, EPR has not exercised the option.

Additionally, the Company agreed to extend the maturity dates on all non-prepayable notes and mortgages secured by the Mount Snow, Boston Mills, Brandywine, Jack Frost, Big Boulder and Alpine Valley properties remaining after the Debt Restructure by seven years to December 1, 2034, and to extend the lease for the Mad River property, previously terminating in 2026, until December 31, 2034 (the "Lease Amendment").

The Company also granted EPR a right of first refusal to provide all or a portion of the financing associated with any purchase, ground lease, sale/leaseback, management or financing transaction contemplated by the Company with respect to any new or existing ski resort property for a period of seven years or until financing provided by EPR for such transactions equals or exceeds $250 million in the aggregate. Proposed financings from certain types of institutional lenders providing a loan to value ratio of less than 60% (as relates to the applicable property being financed) are excluded from the right of first refusal. The Company granted EPR a separate right of first refusal in the event that the Company wishes to sell, transfer, convey or otherwise dispose of any or all of the Attitash ski resort for seven years. The Attitash right excludes the financing or mortgaging of Attitash.

In connection with the Debt Restructure, the Company entered into a Master Credit and Security Agreement with EPR (the "Master Credit Agreement") governing the restructured debt with EPR. Pursuant to the Master Credit Agreement, EPR agreed to maintain the following loans to the Company following the prepayment of certain outstanding debt with proceeds from the Company's initial public offering: (i) a term loan in the amount of approximately $51.1 million to the Company and its subsidiary Mount Snow, Ltd., (included in the table above as the "Attitash/Mount Snow Debt"); (ii) a term loan in the amount of approximately $23.3 million to the Company and its subsidiaries Brandywine Ski Resort, Inc. and Boston Mills Ski Resort, Inc. (the "Boston Mills/Brandywine Debt"); (iii) a term loan in the amount of approximately $14.3 million to the Company and its subsidiary JFBB Ski Areas, Inc. (the "JFBB Debt" and together with the Boston Mills/Brandywine Debt, included in the table above as the "Credit Facility Debt"); and (iv) a term loan in the amount of approximately $4.6 million to the Company and its subsidiary Sycamore Lake, Inc. (included in the table above as the "Sycamore Lake (Alpine Valley) Debt").

Interest will be charged at a rate of (i) 10.13% per annum as to each of the Boston Mills/Brandywine Debt and JFBB Debt; (ii) 10.40% per annum as to the Sycamore Lake (Alpine Valley) Debt; and (iii) 10.93% per annum pursuant to the Attitash/Mount Snow Debt. Each of the notes governing the restructured debt provides that interest will increase each year by the lesser of the following: (x) three times the percentage increase in the Consumer Price Index as defined in the notes ("CPI") from the CPI in effect on the applicable adjustment date over the CPI in effect on the immediately preceding adjustment date or (y) 1.5% (the "Capped CPI Index). Past due amounts will be charged a higher interest rate and be subject to late charges.

The Master Credit Agreement further provides that in addition to interest payments, the Company must pay the following with respect to all restructured debt other than the Attitash/Mount Snow Debt: an additional annual payment equal to 10% of the gross receipts attributable to the properties serving as collateral of the restructured debt (other than Mount Snow) for such year in excess of an amount equal to the quotient obtained by dividing (i) the annual interest payments payable pursuant to the notes governing the restructured debt (other than with respect to the Attitash/Mount Snow Debt) for the immediately preceding year by (ii) 10%. The Company must pay the following with respect to the Attitash/Mount Snow Debt: an additional annual payment equal to 12% of the gross receipts generated at Mount Snow for such year in excess of an amount equal to the quotient obtained by dividing (i) the annual interest payments payable under the note governing the Attitash/Mount Snow Debt for the immediately preceding year by (ii) 12%. An additional interest payment of $0.2 million was due for the three and nine months ended January 31, 2017.

The Master Credit Agreement includes restrictions on certain transactions, including mergers, acquisitions, leases, asset sales, loans to third parties, and the incurrence of certain additional debt and liens. The Master Credit Agreement includes certain financial covenants, some of which were modified by the terms set forth in the Modification of Master Credit Agreements entered into by the Company and EPR effective as of October 24, 2016 (the "Modification Agreement"). The

Modification Agreement modified the financial covenants of the Master Credit Agreement, Hunter Mountain Credit Agreement and Bridge Loan Agreement, as defined herein (together, the "EPR Credit Agreements").

Financial covenants set forth in the Master Credit Agreement consist of a maximum leverage ratio (as defined in the Master Credit Agreement) of 65%, above which the Company and certain of its subsidiaries are prohibited from incurring additional indebtedness, and a consolidated fixed charge coverage ratio (as defined in the Master Credit Agreement) covenant. As modified by the Modification Agreement, no later than 30 days after the closing of the Private Placement with CAP 1 LLC, as defined in Note 5, "Private Placement," the Company shall deliver to the lender either (the "One Month Interest Obligation") (i) a letter of credit in favor of the lender in the amount equal to one month of the lease payment obligations and debt service payments, as defined in the EPR Credit Agreements; or (ii) cash equal to the same amount. The terms of the Modification Agreement further provide that the lender may draw upon any letter of credit issued pursuant to the Modification Agreement upon the occurrence of certain events (the "Letter of Credit Events"), including, but not limited to, (i) any event of default under the EPR Credit Agreements; (ii) the Company's failure to maintain a consolidated fixed charge coverage ratio of 1.50:1.00 on a rolling four quarter basis, as calculated pursuant to the terms of the EPR Credit Agreements, on or after May 1, 2017; and (iii) at any time within 60 days prior to the expiration date of any letter of credit. In the event of the occurrence of any Letter of Credit Events, the Company must replace the One Month Interest Obligation with (i) a replacement letter of credit in favor of the lender in the amount equal to three months of lease payment obligations and debt service payments, as defined in the EPR Credit Agreements; or (ii) cash in the same amount. Pursuant to the terms of the Modification Agreement, the Company must obtain the consent of the lender prior to redeeming any preferred or common stock. The Private Placement closed on November 2, 2016, and the Company provided EPR with the One Month Interateral Obligation letter of credit (the "Interest Letter of Credit") in the amount of $1.1 million on December 1, 2016 in accordance with the terms of the Modification Agreement. The Interest Letter of Credit is collateralized by a certificate of deposit in the amount of $1.1 million. The Master Credit Agreement prohibits the Company from paying dividends if the fixed charge coverage ratio is below 1.25:1.00 and during default situations. During the first two quarters of fiscal year 2017, the Company's fixed charge coverage ratios fell below the required ratios, resulting in the actions described above. As of January 31, 2017, the Company is in compliance with all debt covenants.

Under the terms of the Master Credit Agreement and pursuant to the Master Cross Default Agreement, as amended, the occurrence of a change of control is an event of default. A change of control will be deemed to occur if (i) within two years after the effective date of the Hunter Mountain Credit Agreement, the Company's named executive officers (Messrs. Timothy Boyd, Stephen Mueller and Richard Deutsch) cease to beneficially own and control less than 50% of the amount of the Company's outstanding voting stock that they own as of the effective date of the Master Credit Agreement, or (ii) the Company ceases to beneficially own and control less than all of the outstanding shares of voting stock of those subsidiaries which are borrowers under the Master Credit Agreement. Other events of default include, but are not limited to, a default on other indebtedness of the Company or its subsidiaries.

None of the restructured debt may be prepaid without the consent of EPR. Upon an event of default, as defined in the Debt Restructure Agreements, EPR may, among other things, declare all unpaid principal and interest due and payable. Each of the notes governing the restructured debt matures on December 1, 2034.

As a condition to the Debt Restructure, the Company entered into the Master Cross Default Agreement with EPR (the "Master Cross Default Agreement"). The Master Cross Default Agreement provides that any event of default under existing or future loan or lien agreements between the Company or its affiliates and EPR, and any event of default under the Lease Amendment, shall automatically constitute an event of default under each of such loan and lien agreements and Lease Amendment, upon which EPR will be entitled to all of the remedies provided under such agreements and Lease Amendment in the case of an event of default.

Also in connection with the Debt Restructure, the Company and EPR entered into the Guaranty Agreement (the "2014 Guaranty Agreement"). The 2014 Guaranty Agreement obligates the Company and its subsidiaries as guarantors of all debt evidenced by the Debt Restructure Agreements. The table below illustrates the potential interest rates applicable to the Company's fluctuating interest rate debt for each of the next five years, assuming an effective rate increase by the Capped CPI Index:

| Rates as of January 31, | Attitash/Mount Snow Debt | Credit Facility Debt | Hunter Mountain Debt | Sycamore Lake/(Alpine Valley) Debt |
|---|---|---|---|---|
| 2017[1] | 11.10% | 10.28% | 8.00% | 10.72% |
| 2018 | 11.27% | 10.43% | 8.14% | 10.88% |

| | | | | |
|---|---|---|---|---|
| 2019 | 11.44% | 10.59% | 8.28% | 11.04% |
| 2020 | 11.61% | 10.75% | 8.43% | 11.21% |
| 2021 | 11.78% | 10.91% | 8.57% | 11.38% |
| 2022 | 11.96% | 11.07% | 8.72% | 11.55% |

[1] For 2017, the dates of the rates presented are as follows: (i) April 1, 2016 for the Attitash/Mount Snow Debt; (ii) October 1, 2016 for the Credit Facility Debt; (iii) January 6, 2016 for the Hunter Mountain Debt; and (iv) December 1, 2016 for the Sycamore Lake (Alpine Valley) Debt.

The Capped CPI Index is an embedded derivative, but the Company has concluded that the derivative does not require bifurcation and separate presentation at fair value because the Capped CPI Index was determined to be clearly and closely related to the debt instrument.

***Wildcat Mountain Debt***

The Wildcat Mountain Debt due December 22, 2020 represents amounts owed pursuant to a promissory note in the principal amount of $4.5 million made by WC Acquisition Corp. in favor of Wildcat Mountain Ski Area, Inc., Meadow Green-Wildcat Skilift Corp. and Meadow Green-Wildcat Corp. (the "Wildcat Note"). The Wildcat Note, dated November 22, 2010, was made in connection with the acquisition of Wildcat Mountain, which was effective as of October 20, 2010. The interest rate as set forth in the Wildcat Note is fixed at 4.00%.

***Hunter Mountain Debt***

On January 6, 2016, the Company completed the acquisition of the Hunter Mountain ski resort located in Hunter, New York through the purchase of all of the outstanding stock of each of Hunter Mountain Ski Bowl, Inc., Hunter Mountain Festivals, Ltd., Hunter Mountain Rentals, Inc., Hunter Resort Vacations, Inc., Hunter Mountain Base Lodge, Inc., and Frosty Land, Inc. (collectively, "Hunter Mountain") pursuant to the terms of the Stock Purchase Agreement with Paul Slutzky, Charles B. Slutzky, David Slutzky, Gary Slutzky and Carol Slutzky-Tenerowicz entered into on November 30, 2015. The Company acquired Hunter Mountain for total cash consideration of $35.0 million plus the assumption of two capital leases estimated at approximately $1.7 million. A portion of the Hunter Mountain acquisition price was financed pursuant to the Master Credit and Security Agreement (the "Hunter Mountain Credit Agreement") entered into between the Company and EPR as of January 6, 2016.

The Hunter Mountain Debt due January 5, 2036 represents amounts owed pursuant to a promissory note (the "Hunter Mountain Note") in the principal amount of $21.0 million made by the Company in favor of EPR pursuant to the Hunter Mountain Credit Agreement, which was effective as of January 6, 2016. The Company used $20.0 million of the Hunter Mountain Debt to finance the Hunter Mountain acquisition and $1.0 million to cover closing costs and to add to its interest reserve account.

The Hunter Mountain Credit Agreement and Hunter Mountain Note provide that interest will be charged at an initial rate of 8.00%, subject to an annual increase beginning on February 1, 2017 by the lesser of the following: (x) three times the percentage increase in the CPI (as defined in the Hunter Mountain Note) from the CPI in effect on the applicable adjustment date over the CPI in effect on the immediately preceding adjustment date or (y) 1.75%. Past due amounts will be charged a higher interest rate and be subject to late charges.

The Hunter Mountain Credit Agreement further provides that in addition to interest payments, the Company must pay an additional annual payment equal to 8.00% of the gross receipts in excess of $35.0 million that are attributable to all collateral under the Hunter Mountain Note for such year.

The Hunter Mountain Credit Agreement includes restrictions or limitations on certain transactions, including mergers, acquisitions, leases, asset sales, loans to third parties, and the incurrence or guaranty of certain additional debt and liens. Financial covenants and dividend restrictions set forth in the Hunter Mountain Credit Agreement are identical to those set forth in the Master Credit Agreement, as modified by the Modification Agreement, described above. In accordance with the terms of the Modification Agreement, the Company provided EPR with the Interest Letter of Credit on December 1, 2016 in the amount of $1.1 million, collateralized by a certificate of deposit for the same amount. During the first two quarters of fiscal year 2017, the Company's fixed charge coverage ratios fell below the required ratios, resulting in the actions described above. As of January 31, 2017, the Company is in compliance with all debt covenants.

Under the terms of the Hunter Mountain Credit Agreement, the occurrence of a change of control is an event of default. A change of control will be deemed to occur if (i) within two years after the effective date of the Hunter Mountain Credit Agreement, the Company's named executive officers (Messrs. Boyd, Mueller and Deutsch) cease to beneficially own and control less than 50% of the amount of the Company's outstanding voting stock that they own as of the effective date of the Hunter Mountain Credit Agreement, or (ii) the Company ceases to beneficially own and control less than all of the outstanding shares of voting stock of those subsidiaries which are borrowers under the Hunter Mountain Credit Agreement. Other events of default include, but are not limited to, a default on other indebtedness of the Company or its subsidiaries.

The Hunter Mountain Note may not be prepaid without the consent of EPR. Upon an event of default, as defined in the Hunter Mountain Note, EPR may, among other things, declare all unpaid principal and interest due and payable. The Hunter Mountain Note matures on January 5, 2036.

In connection with entry into the Hunter Mountain Credit Agreement on January 6, 2016, the Company entered into the Amended and Restated Master Cross-Default Agreement with EPR, which adds the Hunter Mountain Credit Agreement, Hunter Mountain Note and related transaction documents to the scope of loan agreements to which the cross-default provisions of the Master Cross Default Agreement apply.

Also on January 6, 2016, in connection with entry into the Hunter Mountain Credit Agreement, the Company entered into a Guaranty Agreement for the benefit of EPR, which adds the Company's new Hunter Mountain subsidiary borrowers under the Hunter Mountain Credit Agreement as guarantors pursuant to the same terms of the 2014 Guaranty Agreement and adds the debt evidenced by the Hunter Mountain Credit Agreement and Hunter Mountain Note to the debt guaranteed by the Company pursuant to the 2014 Guaranty Agreement.

Substantially all of the Company's assets serve as collateral for the Company's long-term debt.

Future aggregate annual principal payments under all indebtedness (including the Company' line of credit, current debt and long-term debt) reflected by fiscal year are as follows (in thousands):

| | | (Unaudited) January 31, |
|---|---|---|
| 2017 (Remaining) | $ | 227 |
| 2018 | | 7,071 |
| 2019 | | 1,114 |
| 2020 | | 9,498 |
| 2021 | | 2,834 |
| Thereafter | | 165,854 |
| | $ | 186,598 |

Deferred financing costs are net of accumulated amortization of $1,192 and $482 at January 31, 2017 and April 30, 2016, respectively. Amortization of deferred financing costs will be $221 for the remainder of the year ending April 30, 2017, $939 for the year ended April 30, 2018 and $932 for each of the three years ending April 30, 2019, 2020 and 2021.

***Line of Credit / Royal Banks of Missouri Debt***

The remaining $15.0 million of the Hunter Mountain acquisition price was financed with funds drawn on the Company's line of credit with Royal Banks of Missouri pursuant to the Credit Facility, Loan and Security Agreement (the "Line of Credit Agreement") between the Company and Royal Banks of Missouri, effective as of December 22, 2015. The Company drew an additional $0.5 million to pay closing costs. On July 20, 2016, the Company borrowed an additional $1.75 million under the Line of Credit Agreement for working capital purposes. Additionally, on August 5, 2016, the Company borrowed the remaining $2.75 million under the Credit Agreement for working capital purposes, bringing the total principal amount borrowed under the Line of Credit Agreement to $20.0 million.

The Line of Credit Agreement provides for a 12-month line of credit for up to $20.0 million to be used for acquisition purposes and working capital of up to 5.0% of the acquisition purchase price, subject to the Company's ability to extend the line of credit for up to an additional 12-month period upon the satisfaction of certain conditions. In connection with entry into the Line of Credit Agreement, the Company executed a promissory note (the "Initial Line of Credit Note") in favor of Royal Banks of Missouri, pursuant to which the initial amounts borrowed under the Line of Credit Agreement matured on December 22, 2016 and January 6, 2017 and were repaid or converted, as described in the paragraph below. The additional $1.75 million borrowed by the Company on July 20, 2016 was borrowed pursuant to the terms of the Initial Line of Credit Note. The remaining $2.75 million drawn under the Line of Credit Agreement on August 5, 2016 was borrowed

pursuant to a second promissory note executed by the Company on August 5, 2016 (the "Second Line of Credit Note"), maturing on August 5, 2017.

On December 15, 2016 and January 5, 2017, the Company repaid $0.5 million and $5.0 million, respectively, of the total amount outstanding under the Line of Credit Agreement with proceeds from the Private Placement described in Note 5. On January 6, 2017, pursuant to the terms of the Line of Credit Agreement, the Company elected to convert $10.0 million of the outstanding amount to a term loan (included in the table above as the "Royal Banks of Missouri Debt"). The terms of the Royal Banks of Missouri Debt are evidenced by a promissory note in favor of Royal Banks of Missouri in the principal amount of $10.0 million, dated as of January 6, 2017 (the "Royal Banks Note").

The Royal Banks of Missouri Debt bears interest at the prime rate plus 1.0% per annum. The Royal Banks Note matures on February 6, 2020. Except in the case of default, the Company may prepay the Royal Banks of Missouri Debt without penalty. From and after maturity of the Royal Banks Note and in the case of any default, interest on the unpaid principal and interest shall accrue at an annual rate equal to five percentage points over the rate of interest otherwise payable on outstanding amounts. Events of default under the Royal Banks Note include any default under the terms of the Line of Credit Agreement.

The Royal Banks Note is subject to the terms and conditions set forth in the Line of Credit Agreement, as described herein.

As of January 31, 2017, a total of $4.5 million remained outstanding under the Line of Credit Agreement, which includes $1.75 million borrowed pursuant to the terms of the Initial Line of Credit Note and $2.75 million borrowed pursuant to the Second Line of Credit Note. The remaining line of credit debt is included as a current liability given the initial 12-month term.

Interest on the amounts borrowed pursuant to the Initial Line of Credit Note is charged at the prime rate plus 1.0%, provided that past due amounts shall be subject to higher interest rates and late charges. The effective rate at January 31, 2017 was 4.75% on the line of credit borrowings made pursuant to the Initial Line of Credit Note.

Interest on the amount borrowed pursuant to the Second Line of Credit Note is charged at 6.00% per annum, provided that past due amounts shall be subject to higher interest rates and late charges. The Company is required to make interest only payments under the Second Line of Credit Note.

The Line of Credit Agreement includes restrictions or limitations on certain transactions, including mergers, acquisitions, leases, asset sales, loans to third parties, and the incurrence of certain additional debt and liens. Financial covenants set forth in the Line of Credit Agreement consist of a maximum leverage ratio (as defined in the Line of Credit Agreement) of 65%, above which the Company is prohibited from incurring additional indebtedness, and a debt service coverage ratio (as defined in the Line of Credit Agreement) of 1.25:1.00 on a fiscal year basis. The Line of Credit Agreement requires that the Company comply with the consolidated fixed charge coverage ratio requirements and provisions set forth in the Master Credit Agreement, as modified by the Modification Agreement, and includes identical dividend payment restrictions as the Master Credit Agreement. In accordance with the terms of the Modification Agreement, the Company provided EPR with the Interest Letter of Credit on December 1, 2016 in the amount of $1.1 million, collateralized by a certificate of deposit for the same amount. During the first two quarters of fiscal year 2017, the Company's fixed charge coverage ratios fell below the required ratios, resulting in the actions described above. As of January 31, 2017, the Company is in compliance with all debt covenants.

If the outstanding line of credit debt is not paid in full by the maturity date, and the Company is otherwise in full compliance with the terms and conditions of the Line of Credit Agreement and Initial Line of Credit Note, the Company may elect to convert only the outstanding debt borrowed pursuant to the Initial Line of Credit Note to a three-year term loan, subject to an additional extension, with principal payments amortized over a 20-year period bearing interest at the prime rate plus 1.00% per annum. The amount borrowed pursuant to the Second Line of Credit Note is not subject to the renewal and conversion provisions of the Line of Credit Agreement.

Except in the case of a default, the Company may prepay all or any portion of the outstanding line of credit debt and all accrued and unpaid interest due prior to the maturity date without prepayment penalty.

In the case of a default, the outstanding line of credit debt shall, at the lender's option, bear interest at the rate of 5.0% percent per annum in excess of the interest rate otherwise payable thereon, which interest shall be payable on demand.

Under the terms of the Line of Credit Agreement, the occurrence of a change of control is an event of default. A change of control will be deemed to occur if (i) for so long as the line of credit debt is outstanding and such individuals are employed by the Company, the Company's key shareholders (Messrs. Timothy Boyd, Stephen Mueller and Richard Deutsch) cease to beneficially own and control less than 50% of the amount of the Company's outstanding voting stock that they own

as of the effective date of the Line of Credit Agreement, or (ii) the Company ceases to beneficially own and control less than all of the outstanding shares of voting stock of the subsidiary borrowers. Other events of default include, but are not limited to, a default on other indebtedness of the Company or its subsidiaries.

Amounts outstanding under the Line of Credit Agreement are secured by the assets of each of the subsidiary borrowers under the Line of Credit Agreement.

***West Lake Water Project and Carinthia Ski Lodge EB-5 Debt***

The Company established two affiliate limited partnerships of Mount Snow, Carinthia Group 1, L.P. and Carinthia Group 2, L.P. (collectively, the ''Partnership''), to operate two Mount Snow development projects funded by $52.0 million raised by the Partnership pursuant to the U.S. government's Immigrant Investor Program, commonly known as the EB-5 program (the "EB-5 Program"). The EB-5 Program was first enacted in 1992 to stimulate the U.S. economy through the creation of jobs and capital investments in U.S. companies by foreign investors. In turn, these foreign investors are, pending petition approval, granted visas for lawful residence in the U.S. Mount Snow GP Services LLC, a wholly owned subsidiary of Mount Snow, Ltd. (wholly owned by the Company), serves as the general partner for the Partnership. The Company has evaluated the Partnership under ASC 810, "Consolidations," and determined the Partnership does not require consolidation because the Company does not have a variable interest in the Partnership.

The Mount Snow development projects include: (i) the West Lake Water Project, which includes the construction of a new water storage reservoir for snowmaking; and (ii) the Carinthia Ski Lodge Project, which includes the construction of a new skier service building. In December 2016, the first I-526 petition submitted by an investor in the EB-5 Program was approved, and the $52.0 million was released from escrow to the Partnership. Upon release of the EB-5 Program funds, the Company was reimbursed in full for the approximately $15.0 million that the Company had invested in the construction of the Mount Snow development projects while awaiting release of the funds. The remaining $36.5 million is included in long-term asset restricted cash, construction, due to the earmark associated with the Mount Snow development project.

Mount Snow, Ltd. formed West Lake Water Project LLC and Carinthia Ski Lodge LLC, each wholly owned by Mount Snow, Ltd., to manage the construction of the West Lake Water Project and Carinthia Ski Lodge Project, respectively.

Pursuant to the terms of the EB-5 Program, the Partnership is obligated to invest or loan the funds raised from its EB-5 investors in or to a business carrying on a commercial venture. In accordance with these requirements, on December 27, 2016, the Partnership entered into a loan agreement with West Lake Water Project LLC providing West Lake Water Project LLC a line of credit of up to $30.0 million (the "West Lake Loan Agreement") to be used in the construction of the West Lake Water Project. In connection with entry into the West Lake Loan Agreement, West Lake Water Project LLC executed a line of credit note in favor of the Partnership in the amount of $30.0 million (the "West Lake Note"). The debt owed pursuant to the West Lake Loan Agreement and West Lake Note is included in the table above as the "West Lake Water Project EB-5 Debt."

Also on December 27, 2016, the Partnership entered into a loan agreement with Carinthia Ski Lodge LLC providing Carinthia Ski Lodge LLC a line of credit of up to $22.0 million (the "Carinthia Lodge Loan Agreement") to be used in the construction of the new Carinthia skier service building. In connection with entry into the Carinthia Lodge Loan Agreement, Carinthia Ski Lodge LLC executed a line of credit note in favor of the Partnership in the amount of $22.0 million (the "Carinthia Lodge Note"). The debt owed pursuant to the Carinthia Lodge Loan Agreement and Carinthia Lodge Note is included in the table above as the "Carinthia Ski Lodge EB-5 Debt." Amounts borrowed pursuant to the EB-5 Loan Agreements, as defined below, can be used only for construction of the West Lake Water Project and Carinthia Ski Lodge Project.

The terms of the West Lake Loan Agreement and Carinthia Lodge Loan Agreement (together, the "EB-5 Loan Agreements") and the West Lake Note and Carinthia Lodge Note (together, the "EB-5 Notes") are identical. Amounts outstanding under the EB-5 Notes accrue simple interest at a fixed rate of 1.0% per annum until the maturity date, which is December 27, 2021, subject to extension of up to an additional two years at the option of the borrowers with lender consent. If the maturity date is extended, amounts outstanding under the EB-5 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, amounts outstanding shall bear interest at the rate of 5.0% per annum, subject to the extension increases. Events of default under the EB-5 Loan Agreements include failure to make payments due; breaches of covenants, representations and warranties; incurrence of certain judgments and liens against the borrowers or assets; assignments or notice of bulk sales of assets on behalf of creditors; commencement of bankruptcy or dissolution proceedings; and cessation of the West Lake Water Project or Carinthia Ski Lodge Project prior to completion.

For so long as amounts under the EB-5 Loan Agreements are outstanding, the borrowers are 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 the loan proceeds; selling equity interests to any person other than the Company; merging; and making loans to or investing in affiliates or other persons.

The borrowers under the EB-5 Notes are prohibited from prepaying outstanding amounts owed if such prepayment would jeopardize any of the EB-5 investor limited partners' ability to be admitted to the U.S. via the EB-5 Program.

As a condition to entry into each of the EB-5 Loan Agreements, the Company executed guaranties of collection (the "EB-5 Guaranties") with respect to each of the West Lake Loan Agreement and Carinthia Lodge Loan Agreement pursuant to which the Company unconditionally guaranteed all amounts due under the EB-5 Notes owed to the Partnership. Pursuant to the terms of the EB-5 Guaranties, which are guaranties of collection rather than of payment, in the event the borrowers under the EB-5 Loan Agreements fail to make any payments due, or upon the acceleration of payments due, the lenders must exhaust any and all legal remedies for collection against the borrowers before proceeding against the Company.

***Bridge Loan Financing***

On September 1, 2016, the Company entered into the Master Credit and Security Agreement with EPR (the "Bridge Loan Agreement") pursuant to which EPR agreed to loan up to $10.0 million to the Company for working capital purposes, subject to certain conditions and adjustment as provided in the Bridge Loan Agreement and as previously disclosed. Amounts borrowed pursuant to the Bridge Loan Agreement were evidenced by a promissory note (the "Bridge Loan Note"), also dated as of September 1, 2016. The Company borrowed a total of $5.5 million under the Bridge Loan Agreement and Bridge Loan Note. The total outstanding balance and all interest due was repaid by the Company upon receipt of the proceeds from the Private Placement, as defined in Note 5, which closed on November 2, 2016.

**Note 5. Private Placement**

***Purchase Agreement***

On August 22, 2016, the Company entered into the securities purchase agreement (the "Purchase Agreement") with CAP 1 LLC (the "Investor") in connection with the sale and issuance (the "Private Placement") of $20 million in Series A Cumulative Convertible Preferred Stock, par value $0.01 per share (the "Series A Preferred Stock"), and three warrants (the "Warrants") to purchase shares of the Company's common stock, par value $0.01 per share (the "Common Stock"), as follows: (i) 1,538,462 shares of Common Stock at $6.50 per share; (ii) 625,000 shares of Common Stock at $8.00 per share; and (iii) 555,556 shares of Common Stock at $9.00 per share.

The Purchase Agreement also grants to the Company the right to require the Investor to purchase an additional 20,000 shares of Series A Preferred Stock for $1,000 per share, along with additional warrants, all on the same terms and conditions as the Private Placement, as long as (i) there is no material adverse effect; (ii) the average closing price of the Common Stock for the ten trading days prior to the execution of the documents for such additional shares is not less than the average closing price of the Common Stock for the ten trading days prior to the execution of the Purchase Agreement; (iii) the Investor is reasonably satisfied with the manner in which the Company intends to use the net cash proceeds of such issuance; and (iv) the Company has successfully implemented an EB-5 Program with respect to Mount Snow and one investor's application has approved. The Company's right to require the additional purchase expires two years from the closing of the Private Placement.

The Company's stockholders approved the issuance of the Series A Preferred Stock and the Warrants at the Company's 2016 Annual Meeting of Stockholders held on October 24, 2016. On November 2, 2016, the Company completed the sale and issuance of the Series A Preferred Stock and Warrants to the Investor.

On November 4, 2016, the Company used a portion of the proceeds from the Private Placement to repay the entire $5.5 million borrowed pursuant to the Bridge Loan Agreement and Bridge Loan Note described in Note 4 and an additional $1.1 million of the proceeds to fund the Interest Letter of Credit also described in Note 4.

The rights and preferences of the Series A Preferred Stock are set forth in the Certificate of Designation of Series A Cumulative Convertible Preferred Stock filed by the Company with the Missouri Secretary of State on October 26, 2016 (the "Certificate of Designation"), and include, among other things, the following:

*Ranking; Seniority*

The Series A Preferred Stock shall generally rank, with respect to liquidation, dividends and redemption, (i) senior to common stock and to any other junior capital stock; (ii) on parity with any parity capital stock; (iii) junior to any senior

capital stock; and (iv) junior to all of the Company's existing and future indebtedness (except indebtedness issued on or prior to the Expiration Date (as defined below) that is convertible into or exercisable for any class or series of capital stock).

Additionally, until the earlier of (i) such date as no Series A Preferred Stock remains outstanding and (ii) January 1, 2027 (such earlier date, the "Expiration Date"), the Company is prohibited from (i) creating or issuing capital stock (or securities convertible into capital stock) that grants holders the right to receive dividends or interest prior to the Expiration Date when there are accrued or unpaid dividends with respect to the Series A Preferred Stock or the right to receive any liquidation payment prior to the Expiration Date at a time when the Series A Preferred Stock holders have not received their full liquidation value of $1,000 per share of Series A Preferred Stock (the "Liquidation Value"); (ii) paying any dividend or interest on capital stock (or securities convertible into capital stock) when there are accrued or unpaid dividends with respect to the Series A Preferred Stock; (iii) paying any liquidation payment on capital stock (or securities convertible into capital stock) at a time when the Series A Preferred Stock holders have not received their full Liquidation Value; or (iv) issuing any indebtedness convertible into or exercisable for capital stock.

The Company shall not make any redemption payment on any capital stock (or any security convertible into capital stock) at any time prior to the Expiration Date when any shares of Series A Preferred Stock have not been redeemed except for the redemption of junior securities to the extent permitted under "Dividend Rights" below. The foregoing shall not restrict the Company's ability to create, authorize the creation of, issue, sell, or obligate itself to issue (i) any indebtedness (other than, prior to the Expiration Date, indebtedness convertible into capital stock); or (ii) any common stock (or any capital stock convertible into common stock (other than any capital stock that is prohibited by this paragraph)).

*Dividend Rights*

From and after the date that is nine months from the date of issuance, cumulative dividends shall accrue on the Series A Preferred Stock on a daily basis in arrears at the rate of 8% per annum on the Liquidation Value. All accrued and accumulated dividends on the Series A Preferred Stock shall be paid prior and in preference to any dividend or distribution on or redemption of any junior securities, provided that the Company may, prior to the payment of all accrued and accumulated dividends on the Series A Preferred Stock, (i) declare or pay any dividend or distribution payable on the common stock in shares of common stock; or (ii) repurchase common stock held by employees or consultants of the Company upon termination of their employment or services pursuant to agreements providing for such repurchase. The Company may also redeem or repurchase junior securities at any time when there are no accrued or accumulated unpaid dividends on the Series A Preferred Stock.

*Liquidation*

In the event of any liquidation, dissolution or winding up of the Company, the holders of Series A Preferred Stock shall be entitled to be paid out of the assets of the Company available for distribution to its stockholders, before any payment shall be made to the holders of junior securities, and subject to the rights of any parity or senior securities, an amount in cash equal to $1,000 per share plus all unpaid accrued and accumulated dividends. The Series A Preferred Stock shall not be entitled to any further payment or other participation in any distribution of the available assets of the Company. Neither the consolidation nor merger with or into any other person or entity, nor the voluntary sale, lease, transfer or conveyance of all or substantially all of the Company's property or business, shall be deemed to constitute a liquidation.

*Redemption*

The Series A Preferred Stock is subject to redemption at the option of the Company at a price per share equal to 125% of the Liquidation Value, plus all unpaid accrued and accumulated dividends, whether or not declared, at any time on or after the third anniversary of the issuance of the Series A Preferred Stock that the average closing price of the common stock on the 30 trading days preceding notice of the exercise of the redemption right is greater than 130% of the Conversion Price, as defined below (the "Redemption Price").

In addition, upon a change of control, any holder of Series A Preferred Stock shall have the right to elect to have all or any portion of its then outstanding Series A Preferred Stock redeemed for cash at the Redemption Price by the Company or the surviving entity of such change of control. The Redemption Price may, at the option of the Company, be paid in shares of common stock. The change in control redemption features results in the Company not being solely in control of the redemption feature. This means the Company does not control settlement by delivery of its own common shares (because, there is no cap on the maximum number of common shares that could be potentially issuable upon redemption). As such cash settlement of the instrument could be presumed and the instrument is currently classified as temporary equity. As of January

31, 2017, the Series A Preferred Stock has not been adjusted to its redemption amount as the Company does not currently expect to exercise its redemption option and a change of control is not within the Company's control.

*Conversion*

Upon the earlier of a change of control or the nine-month anniversary of the date of issuance, the holders of the Series A Preferred Stock have the right to convert the Series A Preferred Stock into shares of common stock equal to the number of shares to be converted, times the Liquidation Value, divided by the Conversion Price and receive in cash all accrued and unpaid dividends. The initial conversion price per share is $6.29, subject to adjustment pursuant to the terms of the Certificate of Designation (the "Conversion Price"). The conversion feature is not considered to be a beneficial conversion feature. Holders of the Series A Preferred Stock also have basic anti-dilution rights.

*Voting Rights*

Each holder of Series A Preferred Stock shall be entitled to vote, on an as-converted basis, with holders of outstanding shares of common stock, voting together as a single class, with respect to any and all matters presented to the stockholders of the Company.

*Warrants*

The terms of the Warrants issued in the Private Placement are all identical except for the number of shares for which the Warrants are exercisable and the exercise prices of each of the Warrants, which are as stated above. Each of the Warrants may be exercised in whole or in part at any time for a period of 12 years from the date of issuance. The exercise price must be paid in cash. The exercise price of the Warrants and the number of shares of common stock issuable upon exercise of the Warrants are subject to adjustment in the event of a stock split, stock dividend, reorganization, reclassification, consolidation, merger, sale and similar transaction.

The following table shows the warrants outstanding for the nine months ending January 31, 2017.

| | Shares | Weighted Average Exercise Price |
|---|---|---|
| Warrants outstanding - beginning of the year | - | $ - |
| Warrants exercised | - | - |
| Warrants granted | 2,719,018 | 7.36 |
| Warrants expired | - | - |
| Warrants outstanding - end of period | 2,719,018 | $ 7.36 |

***Registration Rights Agreement***

In connection with the closing of the Private Placement, on November 2, 2016, the Company entered into a Registration Rights Agreement with the Investor that grants the following registration rights with respect to the common stock issuable upon conversion of the Series A Preferred Stock and exercise of the Warrants, exercisable by the holders of a majority of the registrable securities: (i) at any time after six months following the closing date, demand registration rights on a Form S-3 (i.e., a short-form registration); (ii) at any time after six months following the closing date, demand registration rights on a Form S-1 (i.e., a long-form registration); and (iii) piggyback registration rights.

The Company is not required to effect more than four short-form registrations or two long-form registrations during any nine-month period or any demand registration unless the number of registrable securities sought to be registered is at least 30% of the registrable securities for a short-form registration or 50% of the registrable securities for a long-form registration and, in any event, not less than 100,000 registrable securities. The Company may delay the filing of or causing to be effective any registration statement if the Company determines in good faith that such registration will (i) materially and adversely affect the negotiation or consummation of any actual or pending material transaction; or (ii) otherwise have a material adverse effect, provided that the Company may not exercise such right to delay more than once in any consecutive 12 month period or for more than 90 days. The Registration Rights Agreement also includes customary provisions regarding market standoffs, registration procedures and expenses, blackout periods, indemnification, reporting required to comply with Rule 144 under the Securities Act of 1933, as amended, and confidentiality.

***Stockholders' Agreement***

On November 2, 2016, in connection with the closing of the Private Placement, the Company entered into the Stockholders' Agreement (the "Stockholders' Agreement") together with Timothy D. Boyd, Stephen J. Mueller and Richard K. Deutsch (the "Management Stockholders") and the Investor.

The Stockholders' Agreement provides that Investor has a right to nominate a director to sit on the Company's board of directors so long as it beneficially owns, on a fully diluted, as-converted basis, at least 20% of the outstanding equity securities of the Company, subject to satisfaction of reasonable qualification standards and Nominating and Corporate Governance Committee approval of the nominee. On November 2, 2016, the board of directors appointed Rory A. Held to serve as a director of the Company upon the nomination of the Investor pursuant to the terms of the Stockholders' Agreement and the recommendation of the Nominating and Corporate Governance Committee.

The Stockholders' Agreement restricts transfers of the Company's securities by the Investor and the Management Stockholders, or subjects such transfers to certain conditions, except (i) to permitted transferees; (ii) pursuant to a public sale; (iii) pursuant to a merger or similar transaction; or (iv) with respect to the Investor, with the prior consent of the Company, which shall not be unreasonably withheld. Transferees of Management Stockholders (other than transferees pursuant to a public sale or merger or similar transaction) generally remain bound by the Stockholders' Agreement. Transferees of the Investor (other than affiliates) do not have all of the Investor's rights thereunder.

In the event of a desired transfer of equity securities held by Management Stockholders (other than pursuant to clauses (i) through (iii) in the paragraph above) the Investor may exercise a right of first offer to purchase all, but not less than all, of the offered shares and has tag along rights providing the Investor the right to participate in the transfer in accordance with the terms of the Stockholders' Agreement. In the event of a desired transfer of equity securities held by the Investor (other than pursuant to clauses (i) through (iii) in the paragraph above) the Company shall have a right of first refusal to purchase all, but not less than all, of the offered shares.

Pursuant to the terms of the Stockholders' Agreement, for so long as at least 50% of the Series A Preferred Stock issued in the Private Placement is outstanding and the Investor beneficially owns, on a fully diluted, as-converted basis, at least 11.4% of the outstanding equity securities of the Company (the "11.4% Ownership Requirement"), the Investor shall have pre-emptive rights with respect to future issuances of securities, subject to standard exceptions. Furthermore, for so long as the Investor meets the 11.4% Ownership Requirement, the Investor's approval is required in order for the Company or any subsidiary to (i) materially change the nature of its business from owning, operating and managing ski resorts; (ii) acquire or dispose of any resorts, assets or properties for aggregate consideration equal to or greater than 30% of the enterprise value of the Company and its subsidiaries; or (iii) agree to do any of the foregoing.

The Stockholders' Agreement terminates upon the earliest of (i) the date on which none of the Investor or the Management Stockholders owns any equity securities; (ii) the dissolution, liquidation or winding up of the Company; (iii) a change of control; or (iv) the unanimous agreement of all stockholders party to the Stockholders' Agreement.

**Note 6. Acquisition**

Effective January 6, 2016, the Company acquired all of the outstanding common stock of Hunter Mountain in Hunter, New York, for $35.0 million paid to the sellers in cash and the Company's assumption of $1.7 million in capitalized lease obligations. During the year ended April 30, 2016, the Company incurred approximately $0.1 million in transaction costs. The Company also incurred $1.3 million of financing costs which were capitalized as deferred financing costs associated with the debt obligations.

The Company financed $20.0 million of the acquisition price pursuant to the terms of the Hunter Mountain Credit Agreement and Hunter Mountain Note with EPR, which bears interest at a rate of 8.0%, subject to annual increases as discussed in Note 4, "Long-term Debt/Line of Credit/Bridge Loan Financing." The Company borrowed an additional $1.0 million under the Hunter Mountain Credit Agreement to fund closing and other costs. Debt under the Hunter Mountain Note requires monthly interest payments until its maturity on January 5, 2036. An additional $15.0 million of the Hunter Mountain acquisition price was financed through a draw on the Company's line of credit with Royal Banks of Missouri, which bears interest at the prime rate plus 1.0% and matures on December 22, 2016, as discussed in Note 4.

Hunter Mountain's results of operations are included in the accompanying consolidated financial statements for the quarter ended January 31, 2017 from the date of acquisition. The allocation of the purchase price is as follows (in thousands):

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 1,640 |
| Accounts receivable | | 395 |
| Inventories | | 341 |
| Prepaids | | 246 |
| Buildings and improvements | | 14,052 |
| Land | | 6,200 |
| Equipment | | 19,120 |
| Other assets | | 4 |
| Goodwill | | 4,382 |
| Intangible assets | | 865 |
| Total assets acquired | | 47,245 |
| Accounts payable and accrued expenses | | 1,481 |
| Accrued salaries, wages and related taxes & benefits | | 250 |
| Unearned revenue and deposits | | 2,993 |
| Capital Lease Obligations | | 1,724 |
| Deferred tax liability | | 5,797 |
| Net assets acquired | $ | 35,000 |

The Company paid $35.0 million for the transaction and as part of the allocation received $1.6 million in cash, resulting in a net cash change of $33.4 million in cash. As part of the transaction, the Company has recognized goodwill associated with the expected synergies of combining operations as well as the overall enterprise value of the resort. No goodwill will arise for income tax purposes and accordingly, none of the book goodwill will be deductible for tax purposes. Hunter Mountain will be considered its own reporting unit with respect to goodwill impairment, which will be completed at least annually.

The following presents the unaudited pro forma consolidated financial information as if the acquisition of Hunter Mountain was completed on May 1, 2015, the beginning of the Company's 2016 fiscal year. The following pro forma financial information includes adjustments for depreciation and interest paid pursuant to the Hunter Mountain Note and property and equipment recorded at the date of acquisition. This 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 acquisition taken place on May 1, 2015 (in thousands except per share data):

| | | **(Unaudited)** | | **(Unaudited)** |
|---|---|---|---|---|
| | | **Three months ended January 31, 2016** | | **Nine months ended January 31, 2016** |
| Net revenues | $ | 40,441 | $ | 56,552 |
| Net earnings (loss) | $ | 2,032 | $ | (15,250) |
| Pro forma basic and diluted earnings (loss) per share | $ | 0.15 | $ | (1.09) |

**Note 7. Financial Instruments and Concentrations of Credit Risk**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments to which the Company is a party:

Cash and cash equivalents, restricted cash: Due to the highly liquid nature of the Company’s short-term investments, the carrying values of cash and cash equivalents and restricted cash approximate their fair values.

Accounts receivable: The carrying value of accounts receivable approximate their fair value because of their short-term nature.

Accounts payable and accrued expenses: The carrying value of accounts payable and accrued liabilities approximates fair value due to the short- term maturities of these amounts.

Long-term debt: The fair value of the Company's long-term debt is estimated based on the quoted market prices for the same or similar issues or on the current rates offered to the Company for debt of the same remaining maturities. The interest rates on the Company's long-term debt instruments are consistent with those currently available to the Company for borrowings with similar maturities and terms and, accordingly, their fair values are consistent with their carrying values.

Concentrations of credit risk: The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and restricted cash. The Company's cash and cash equivalents and restricted cash are on deposit with financial institutions where such balances will, at times, be in excess of federally insured limits. Excess cash balances are collateralized by the backing of government securities. The Company has not experienced any loss as a result of those deposits.

**Note 8. Commitments and Contingencies**

Restricted cash: The provisions of certain of the Company's debt instruments generally require that the Company make and maintain a deposit, to be held in escrow for the benefit of the lender, in an amount equal to the estimated minimum interest payment for the upcoming fiscal year. In addition, the Company is holding the earmarked construction funds associated with the West Lake Water and Carinthia Ski Lodge EB-5 Projects in restricted cash.

Construction commitment: As of January 31, 2017, the Company had $4.2 million in third party commitments currently outstanding with its main contractor on the Mount Snow development project.

Loss contingencies: The Company is periodically involved in various claims and legal proceedings, many of which occur in the normal course of business. Management routinely assesses the likelihood of adverse judgments or outcomes, including consideration of its insurable coverage and discloses or records estimated losses in accordance with ASC 450, "Contingencies". After consultation with legal counsel, the Company does not anticipate that liabilities arising out of these claims would, if plaintiffs are successful, have a material adverse effect on its business, operating results or financial condition.

Leases: The Company leases certain land, land improvements, buildings and equipment under non-cancelable operating leases. Certain of the leases contain escalation provisions based generally on changes in the CPI with maximum annual percentage increases capped at 1.5% to 4.5%. Additionally, certain leases contain contingent rental provisions which are based on revenue. The amount of contingent rentals was insignificant in all periods presented. Total rent expense under such operating leases was $432 and $1,245 for the three and nine months ended January 31, 2017, respectively, and $438 and $1,298 for the three and nine months ended January 31, 2016, respectively. The Company also leases certain equipment under capital leases.

Future minimum rentals under all non-cancelable leases with remaining lease terms of one year or more for years subsequent to January 31, 2017 are as follows (in thousands):

| | Capital Leases | Operating Leases |
|---|---|---|
| 2017 (Remaining) | $ 690 | $ 412 |
| 2018 | 2,097 | 1,620 |
| 2019 | 1,952 | 1,576 |
| 2020 | 935 | 1,543 |
| 2021 | 26 | 1,518 |
| Thereafter | 1 | 8,822 |
| | 5,701 | $ 15,491 |
| Less: amount representing interest | 621 | |
| | 5,080 | |
| Less: current portion | 1,752 | |
| Long-term portion | $ 3,328 | |

**Note 9. Earnings (Loss) Per share**

The computation of basic and diluted earnings (loss) per share for the three and nine month periods ended January 31, 2017 and 2016 is as follows (in thousands except share and per share data):

| | Three Months ended January 31, | | Nine Months ended January 31, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Net Earnings (Loss)** | $ 8,165 | $ 3,700 | $ (7,721) | $ (10,267) |
| Weighted number of shares: | | | | |
| Common shares outstanding for basic and diluted earnings (loss) per share | 13,982,400 | 13,982,400 | 13,982,400 | 13,982,400 |
| Vested restricted stock units for basic and diluted earnings (loss) per share | 34,503 | 12,964 | 30,947 | 4,321 |
| | 14,016,903 | 13,995,364 | 14,013,347 | 13,986,721 |
| **Basic earnings (loss) per share** | $ 0.58 | $ 0.26 | $ (0.55) | $ (0.73) |
| Weighted number of shares: | | | | |
| Unvested restricted stock units for diluted earnings per share | 60,951 | 7,112 | - | - |
| Conversion of preferred stock for diluted earnings per share | 3,145,089 | - | - | - |
| | 17,222,943 | 14,002,476 | 14,013,347 | 13,986,721 |
| **Diluted earnings (loss) per share** | $ 0.47 | $ 0.26 | $ (0.55) | $ (0.73) |

The Company has 50,283 outstanding unvested restricted stock units and 3,179,650 shares reserved for issuance upon the conversion of the Series A Preferred Stock as of January 31, 2017, and 21,336 outstanding unvested restricted stock units as of January 31, 2016 that have not been included in the calculation of diluted earnings per share because the impact is anti-dilutive due to the net loss for the periods.

**Note 10. Subsequent Events**

***Declaration of Cash Dividend***

On February 15, 2017, the Company's board of directors declared a cash dividend of $0.07 per common share payable on March 10, 2017 to shareholders of record on February 27, 2017.

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

The following discussion of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q and with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2016. In addition to historical condensed consolidated financial information, the following discussion contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. See "Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q.

Unless the context suggests otherwise, references in this Quarterly Report on Form 10-Q to the "Company", "Peak", "our", "us", or "we" refer to Peak Resorts, Inc. and its consolidated subsidiaries.

**Overview**

We are a leading owner and operator of high-quality, individually branded ski resorts in the U.S. We currently operate 14 ski resorts primarily located in the Northeast and Midwest, 13 of which we own. The majority of our resorts are

located within 100 miles of major metropolitan markets, including New York City, Boston, Philadelphia, Cleveland and St. Louis, enabling day and overnight drive accessibility. Our resorts are comprised of nearly 1,650 acres of skiable terrain that appeal to a wide range of ages and abilities. We offer a breadth of activities, services and amenities, including skiing, snowboarding, terrain parks, tubing, dining, lodging, equipment rentals and sales, ski and snowboard instruction and mountain biking and other summer activities. We believe that both the day and overnight drive segments of the ski industry are appealing given their stable revenue base, high margins and attractive risk-adjusted returns. We have successfully acquired and integrated 11 ski resorts since our incorporation in 1997 and we expect to continue executing this strategy.

We and our subsidiaries operate in a single business segment—resort operations. The consolidated unaudited financial data presented in this Quarterly Report on Form 10-Q is comprised of the data of our 14 ski resorts. Also included in the financial information presented are ancillary services, primarily consisting of food and beverage services, equipment rental, ski instruction, hotel/lodging and retail.

**Seasonality and Quarterly Results**

Our resort operations are seasonal in nature. In particular, revenue and profits for our operations are substantially lower and historically result in losses from late spring to late fall, which occur during our first and second fiscal quarters. Revenue and profits generated by our summer operations are not sufficient to fully offset our off-season expenses from our operations. Therefore, the operating results for any interim period are not necessarily indicative of the results that may be achieved for any subsequent quarter or for a full year.

**Recent Events**

We experienced unfavorably warm weather across all of our resorts during the 2015/2016 ski season. While weather trends during the 2016/2017 ski season have still trailed historical average levels, we have not experienced the significant weather challenges during the three months ended January 31, 2017 as experienced during the same period last year. Season pass sales from the beginning of the 2016/2017 ski season through the end of the third quarter were up 28.0% in units and 23.0% in dollars, compared to the prior year. In addition, paid skier visits for the Company's 14-resort portfolio were up 40.0% through the end of the third quarter compared to the same prior-year period. These preliminary, unaudited results are interim period data for the individually branded ski resorts and are subject to completion of the Company's customary year-end closing procedures.

We unveiled the new Peak Pass for the 2016/2017 winter season, which is our new multi-resort ski pass product that features a total of six pass options valid at seven different mountain locations across four states in the Northeast, including Mount Snow in Vermont; Attitash, Wildcat and Crotched Mountains in New Hampshire; Hunter Mountain in New York; and Jack Frost and Big Boulder in Pennsylvania.

At the beginning of fiscal 2017, the Company experienced lower than normal liquidity levels. The unfavorably warm weather during the 2015/2016 ski season resulted in fewer ski days and lower profitability for the Company. Furthermore, the Company experienced unexpected delays in the release of funds raised pursuant to the U.S. government's Immigrant Investor Program (the "EB-5 program"), as more fully discussed in "Liquidity and Capital Resources – Significant Uses of Cash," to finance the development of two capital projects at our Mount Snow resort—the West Lake Water Project and the Carinthia Ski Lodge Project. We raised $52.0 million for the Mount Snow development projects, which was sitting in escrow pending the approval of the first program investor's I-526 Petition, as defined herein, at the beginning of fiscal 2017.

Based on the timeline originally anticipated for approval of the first investor's I-526 Petition and corresponding release of EB-5 program funds from escrow, we commenced construction of the West Lake Water Project in the second half of calendar year 2015. Through the second quarter of fiscal 2017, we had funded approximately $15.0 million of the West Lake Water Project costs, for which we would be reimbursed once the EB-5 funds were released from escrow. In December 2016, we received approval from the United States Citizenship and Immigration Services ("USCIS") for our first investor's I-526 Petition, allowing the funds spent by the Company to be released from escrow and reimbursed to the Company in full. We now estimate the West Lake Water Project will be substantially completed in advance of the 2017-2018 ski season, and the Carinthia Lodge Project substantially completed in advance of the 2018-2019 ski season.

Due to our constrained liquidity position as a result of the unfavorable weather during the prior ski season and delay in the release of EB-5 program funds, the Company took a number of steps in fiscal 2017 to manage cash flow and improve the Company's liquidity position. The Company borrowed additional funds for working capital and received significant capital in connection with a private placement, as discussed in more detail below. As a result of these steps, and with the release of EB-5 funds from escrow, we believe that we are now in a strong cash position to carry us through the 2017/2018 ski season.

***Financing***

On July 20, 2016 and August 5, 2016, the Company borrowed an additional $1.75 million and $2.75 million, respectively, under its line of credit with Royal Banks of Missouri for working capital purposes. In addition, the Company entered into a new credit agreement with EPR Properties ("EPR"), its primary lender, pursuant to which the Company borrowed $5.5 million as a bridge loan for working capital purposes. See "Liquidity and Capital Resources—Line of Credit" and "Liquidity and Capital Resources—Bridge Loan Financing" for additional information. On November 4, 2016, we used a portion of the proceeds from the closing of the Private Placement discussed below to repay the entire $5.5 million outstanding under this credit agreement.

***Private Placement***

On August 22, 2016, the Company entered into the securities purchase agreement (the "Purchase Agreement") with CAP 1 LLC (the "Investor") in connection with the sale and issuance (the "Private Placement") of $20 million in Series A Cumulative Convertible Preferred Stock, par value $0.01 per share (the "Series A Preferred Stock"), and three warrants (the "Warrants") to purchase shares of the Company's common stock, as follows: (i) 1,538,462 shares of common stock at $6.50 per share; (ii) 625,000 shares of common stock at $8.00 per share; and (iii) 555,556 shares of common stock at $9.00 per share.

The Purchase Agreement also grants to the Company the right to require the Investor to purchase an additional 20,000 shares of Series A Preferred Stock for $1,000 per share, along with additional warrants, all on the same terms and conditions as the Private Placement, as long as (i) there is no material adverse effect; (ii) the average closing price of the common stock for the ten trading days prior to the execution of the documents for such additional shares is not less than the average closing price of the common stock for the ten trading days prior to the execution of the Purchase Agreement; (iii) the Investor is reasonably satisfied with the manner in which the Company intends to use the net cash proceeds of such issuance; and (iv) the Company has successfully implemented an EB-5 program with respect to Mount Snow and one investor's application has been approved. The Company's right to require the additional purchase expires two years from the closing of the Private Placement.

In order to close the Private Placement, the Company's stockholders were required to approve amendments to the Company's amended and restated articles of incorporation to provide for an increase in the number of authorized shares of common stock and authorize the creation of preferred stock. Pursuant to applicable rules of The Nasdaq Stock Market, the Company's stockholders were also required to approve the issuance of the Series A Preferred Stock and the Warrants, as well as the issuance of shares of common stock upon the conversion of the Series A Preferred Stock and exercise of the Warrants pursuant to the terms of the Private Placement. The Company's stockholders approved these matters on October 24, 2016 at the Company's 2016 Annual Meeting of Stockholders. On November 2, 2016, the Company completed the sale and issuance of the Series A Preferred Stock and the Warrants to the Investor in the Private Placement.

The terms of the Series A Preferred Stock are set forth in the Certificate of Designation filed by the Company with the Missouri Secretary of State on October 26, 2016. The key terms of the Series A Preferred Stock are as follows:

- $1,000 per share liquidation value (the "Liquidation Value");
- Convertible upon a change of control, or after nine months, into a number of shares of common stock equal to the number of shares to be converted times the Liquidation Value, divided by $6.29 (the "Conversion Price");
- Initial nine-month, dividend-free period with a subsequent cumulative dividend of 8.0% per annum on the Liquidation Value;
- Redeemable by the Company after three years at 125% of the Liquidation Value, plus accrued and unpaid dividends if the common stock trades at more than 130% of the conversion price for a 30-day period;
- Senior as to dividends, liquidation and redemption, with limitations on the Company's ability to issue convertible debt and senior securities; and
- Voting rights on an as-converted basis with holders of outstanding shares of common stock, voting together as a single class, with respect to any and all matters presented to the stockholders of the Company.

The terms of the Warrants issued in the Private Placement are all identical except for the number of shares for which the Warrants are exercisable and the exercise prices of each of the Warrants. Each of the Warrants may be exercised in whole or in part at any time for a period of 12 years from the date of issuance. The exercise price must be paid in cash. The exercise price of the Warrants and the number of shares of common stock issuable upon exercise of the Warrants are subject to

adjustment in the event of a stock split, stock dividend, reorganization, reclassification, consolidation, merger, sale and similar transaction.

Concurrently with the closing of the Private Placement, the Company entered into the Registration Rights Agreement with the Investor providing the Investor with certain on-demand and piggy-back registration rights with respect to the common stock issuable upon conversion of the Series A Preferred Stock and exercise of the Warrants. In addition, the Company, management stockholders and the Investor executed the Stockholders' Agreement upon the Private Placement closing, generally granting the Investor pre-emptive rights, rights of first offer, director nomination rights and approval rights over certain changes in the Company's business and certain acquisitions and divestitures.

On November 2, 2016, the board of directors appointed Rory A. Held to serve as a director of the Company upon the nomination of the Investor pursuant to the terms of the Stockholders' Agreement and the recommendation of the Nominating and Corporate Governance Committee.

***Modification Agreement***

The Company is currently a party to credit agreements with EPR that required the Company to pay to EPR an additional three months of lease payment obligations and debt service payments upon the Company's failure to maintain a consolidated fixed charge coverage ratio of 1.50:1.00 on a rolling four quarter basis. In June 2016, the Company and EPR had determined that the Company did not maintain the necessary consolidated fixed charge coverage ratio for the year ended April 30, 2016. The amount of the additional debt service deposits due to EPR was approximately $3.23 million.

Effective as of October 24, 2016, the Company and EPR entered into an agreement that eliminates the need of the Company to pay these additional debt service deposits, as required by the credit agreements. Instead, pursuant to the modification agreement, the additional debt service deposits due to EPR have been reduced to $1.1 million in cash or letter of credit, subject to increase upon failure to meet the fixed charge coverage ratio, which will not be measured again until on or after May 1, 2017.

The terms of the modification agreement became effective in connection with the closing of the Private Placement on November 2, 2016. On December 1, 2016, the Company provided a letter of credit to EPR in the amount of $1.1 million in satisfaction of the terms of the modification agreement. See "Liquidity and Capital Resources—Debt Restructure" for a more detailed discussion of the modification agreement.

***Resort Acquisition***

On January 6, 2016, the Company completed the acquisition of the Hunter Mountain ski resort located in Hunter, New York, through the purchase of all of the outstanding stock of each of Hunter Mountain Ski Bowl, Inc., Hunter Mountain Festivals, Ltd., Hunter Mountain Rentals, Inc., Hunter Resort Vacations, Inc., Hunter Mountain Base Lodge, Inc., and Frosty Land, Inc. (collectively, "Hunter Mountain") pursuant to the terms of the Stock Purchase Agreement with Paul Slutzky, Charles B. Slutzky, David Slutzky, Gary Slutzky and Carol Slutzky-Tenerowicz entered into on November 30, 2015. The Company acquired Hunter Mountain for total cash consideration of $35.0 million plus the assumption of two capital leases estimated at approximately $1.7 million.

A portion of the Hunter Mountain acquisition price was financed pursuant to the Master Credit and Security Agreement (the "Hunter Mountain Credit Agreement") entered into between the Company and EPR, the Company's primary lender, on January 6, 2016. The remainder was financed with funds drawn on the Company's line of credit with Royal Banks of Missouri pursuant to the Credit Facility, Loan and Security Agreement (the "Line of Credit Agreement") between the Company and Royal Banks of Missouri, effective as of December 22, 2015. See "Liquidity and Capital Resources—Significant Sources of Cash" for additional information.

***Capital Projects***

The Company did not have any major capital projects in the quarter ended January 31, 2017. In fiscal 2016, the Company had one major capital project. We started the construction of the West Lake Water Project at Mount Snow which has been financed through the EB-5 program. The West Lake Water Project includes the construction of a new water storage reservoir for snowmaking with capacity of up to 120 million gallons.

**Results of Operations**

The following historical unaudited consolidated statements of operations during the three and nine months ended January 31, 2017 and 2016 have been derived from the condensed unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. Effective January 6, 2016, we acquired the Hunter Mountain ski resort. The results of operations of Hunter Mountain have been included in our financial statements since the date of the acquisition.

***Comparison of Operating Results for the Three Months Ended January 31, 2017 and 2016***

The following table presents our condensed unaudited consolidated statements of operations for the three months ended January 31, 2017 and 2016 (dollars in thousands):

| | Three months ended January 31, | | | |
|---|---|---|---|---|
| | 2017 | 2016 | $ change | % change |
| Revenues | | | | |
| Lift and tubing tickets | $ 30,470 | $ 20,717 | $ 9,753 | 47.1% |
| Food and beverage | 8,946 | 5,972 | 2,974 | 49.8% |
| Equipment rental | 4,886 | 3,354 | 1,532 | 45.7% |
| Ski instruction | 4,683 | 3,384 | 1,299 | 38.4% |
| Hotel/lodging | 2,883 | 2,080 | 803 | 38.6% |
| Retail | 3,314 | 2,133 | 1,181 | 55.4% |
| Other | 1,203 | 1,027 | 176 | 17.1% |
| | 56,385 | 38,667 | 17,718 | 45.8% |
| Costs and Expenses | | | | |
| Resort operating expenses | | | | |
| Labor and labor related expenses | 18,202 | 13,858 | 4,344 | 31.3% |
| Retail and food and beverage cost of sales | 4,876 | 3,426 | 1,450 | 42.3% |
| Power and utilities | 3,736 | 2,477 | 1,259 | 50.8% |
| Other | 6,855 | 5,585 | 1,270 | 22.7% |
| | 33,669 | 25,346 | 8,323 | 32.8% |
| Depreciation and amortization | 3,209 | 2,558 | 651 | 25.4% |
| General and administrative expenses | 1,793 | 1,104 | 689 | 62.4% |
| Land and building rent | 345 | 357 | (12) | -3.4% |
| Real estate and other taxes | 654 | 664 | (10) | -1.5% |
| | 39,670 | 30,029 | 9,641 | 32.1% |
| Other operating income | | | | |
| Gain on involuntary conversion | - | 195 | (195) | -100.0% |
| Income from Operations | 16,715 | 8,833 | 7,882 | 89.2% |
| Other Income (expense) | | | | |
| Interest, net of interest capitalized of $411 and $83 in 2017 and 2016, respectively | (3,289) | (2,802) | (487) | 17.4% |
| Gain on sale/leaseback | 84 | 84 | - | 0.0% |
| Investment income | 1 | - | 1 | |
| | (3,204) | (2,718) | (486) | 17.9% |
| Earnings before income tax expense | 13,511 | 6,115 | 7,396 | 120.9% |
| Income tax expense | 5,346 | 2,415 | 2,931 | 121.4% |
| Net Income | $ 8,165 | $ 3,700 | $ 4,464 | 120.6% |
| Total Reported EBITDA | $ 19,924 | $ 11,196 | $ 8,728 | 78.0% |

Revenue increased $17.7 million, or 45.8%, for the three months ended January 31, 2017 compared to the three months ended January 31, 2016. The increase is attributable to more normalized weather patterns compared to the same period in the prior year. In addition the full period impact of the Hunter Mountain acquisition, which was effective January 6, 2016, had a favorable impact in all revenue categories.

Resort operating expenses increased $8.3 million, or 32.8%, for the three months ended January 31, 2017 compared to the same period in the prior year. This was primarily attributable to the impact of increased revenues in all categories and the full period impact of the Hunter Mountain acquisition.

Depreciation and amortization increased $0.7 million, or 25.4%, for the three months ended January 31, 2017 compared to the three months ended January 31, 2016 as a result of assets acquired from the Hunter Mountain acquisition.

General and administrative expenses increased $0.7 million, or 62.4%, for the three months ended January 31, 2017 compared to the three months ended January 31, 2016 primarily driven by an increase in salary expense due to the adoption of the Annual Incentive Plan ("AIP"), a performance-based incentive program for key management employees. In addition, there was an increase in director compensation due to the additional work associated with the closing of the Private Placement.

During the three months ended January 31, 2016, the Company's Mad River Mountain resort burned down due to a fire, resulting in a gain on involuntary conversion during the period. The same period in the current year did not have any involuntary conversions.

The increase in interest expense of $0.5 million resulted from the additional interest associated with the debt incurred for the acquisition of Hunter Mountain as well as additional borrowings associated with our Royal Banks of Missouri line of credit.

Income tax expense increased $2.9 million as a result of an increase in the income before income tax expense of $7.4 million for the three months ended January 31, 2017 compared to the three months ended January 31, 2016.

***Comparison of Operating Results for the Nine Months Ended January 31, 2017 and 2016***

The following table presents our condensed unaudited consolidated statements of operations for the nine months ended January 31, 2017 and 2016 (dollars in thousands):

| | Nine months ended January 31, | | | |
|---|---|---|---|---|
| | 2017 | 2016 | $ change | % change |
| Revenues | | | | |
| Lift and tubing tickets | $ 30,470 | $ 20,717 | $ 9,753 | 47.1% |
| Food and beverage | 14,161 | 8,913 | 5,248 | 58.9% |
| Equipment rental | 4,886 | 3,354 | 1,532 | 45.7% |
| Ski instruction | 4,683 | 3,384 | 1,299 | 38.4% |
| Hotel/lodging | 6,743 | 4,855 | 1,888 | 38.9% |
| Retail | 3,736 | 2,588 | 1,148 | 44.4% |
| Summer activities | 4,748 | 4,302 | 446 | 10.4% |
| Other | 2,559 | 2,141 | 418 | 19.5% |
| | 71,986 | 50,254 | 21,732 | 43.2% |
| Costs and Expenses | | | | |
| Resort operating expenses | | | | |
| Labor and labor related expenses | 33,719 | 26,411 | 7,308 | 27.7% |
| Retail and food and beverage cost of sales | 6,549 | 4,693 | 1,856 | 39.5% |
| Power and utilities | 5,167 | 3,725 | 1,442 | 38.7% |
| Other | 13,013 | 11,507 | 1,506 | 13.1% |
| | 58,448 | 46,336 | 12,113 | 26.1% |
| Depreciation and amortization | 9,642 | 7,471 | 2,171 | 29.1% |

| | | | | |
|---|---|---|---|---|
| General and administrative expenses | 4,682 | 3,069 | 1,613 | 52.6% |
| Land and building rent | 998 | 1,033 | (35) | -3.4% |
| Real estate and other taxes | 1,754 | 1,545 | 209 | 13.5% |
| | 75,524 | 59,454 | 16,070 | 27.0% |
| | | | | |
| | (3,538) | (9,200) | 5,662 | 61.5% |
| Other Operating Income | | | | |
| Gain on involuntary conversion | - | 195 | (195) | -100.0% |
| | | | | |
| Loss from Operations | (3,538) | (9,005) | 5,467 | -60.7% |
| Other Income (expense) | | | | |
| | | | | |
| Interest, net of interest capitalized of $1,194 and $279 in 2017 and 2016, respectively | (9,493) | (8,080) | (1,413) | 17.5% |
| Gain on sale/leaseback | 250 | 250 | - | 0.0% |
| Investment income | 4 | 4 | - | 0.0% |
| | (9,239) | (7,826) | (1,413) | 18.1% |
| | | | | |
| Loss before income tax benefit | (12,777) | (16,831) | (4,054) | -24.1% |
| Income tax benefit | (5,056) | (6,564) | (1,508) | -23.0% |
| Net Loss | $ (7,721) | $ (10,267) | $ (2,546) | -24.8% |
| Total reported EBITDA | $ 6,104 | $ (1,729) | $ 7,833 | 453.0% |

Revenues increased $21.7 million, or 43.2%, for the nine months ended January 31, 2017 compared to the nine months ended January 31, 2016 as a result of the addition of Hunter Mountain to our portfolio as well a return to more normalized weather patterns across our resort portfolio. Increases were seen across all revenue categories.

Resort operating expenses, including labor and labor related expenses, retail and food and beverage cost of sales, power and utilities, and other expenses, were up $12.1 million, or 26.1%, for the nine months ended January 31, 2017 compared to the nine months ended January 31, 2016, primarily related to the addition of Hunter Mountain to our portfolio and associated costs related to improved revenue streams during the period.

Depreciation and amortization increased $2.2 million, or 29.1%, for the nine months ended January 31, 2017 compared the nine months ended January 31, 2016 as a result of the addition of Hunter Mountain to our portfolio.

General and administrative expenses increased $1.6 million, or 52.6%, for the nine months ended January 31, 2017 compared the nine months ended January 31, 2016 primarily driven by an increase in professional fees related to incremental legal costs and public company expenses as well as from an increase in salary expense due to the adoption of the AIP bonus program.

Real estate and other taxes increased $0.2 million, or 13.5%, for the nine months ended January 31, 2017 compared the nine months ended January 31, 2016 as a result of the addition of Hunter Mountain to our portfolio.

During the nine months ended January 31, 2016, the company's Mad River Mountain resort burned down due to a fire, resulting in a gain on involuntary conversion during the period. The same period in the current year did not have any involuntary conversions.

The increase in interest expense of $1.4 million for the nine months ended January 31, 2017 compared to the nine months ended January 31, 2016 was primarily a result of the additional debt associated with our Hunter Mountain acquisition as well as additional borrowings associated with our Royal Banks of Missouri line of credit and EPR bridge loan financing.

Income tax benefit decreased $1.5 million as a result of a decrease in the loss before income tax benefit of $4.1 million for the nine months ended January 31, 2017 compared to the nine months ended January 31, 2016.

**Non-GAAP Financial Measures**

Reported EBITDA is not a measure of financial performance under U.S. generally accepted accounting principles ("GAAP"). The following table includes a reconciliation of Reported EBITDA to net loss (in thousands):

| | Three months ended January 31 | | Nine months ended January 31 | |
|---|---|---|---|---|
| | 2017 | 2016[1] | 2017 | 2016[1] |
| Net earnings (loss) | $ 8,165 | $ 3,700 | $ (7,721) | $ (10,267) |
| Income tax expense (benefit) | 5,346 | 2,415 | (5,056) | (6,564) |
| Interest expense, net | 3,289 | 2,802 | 9,493 | 8,080 |
| Depreciation and amortization | 3,209 | 2,558 | 9,642 | 7,471 |
| Investment income | (1) | - | (4) | (4) |
| Gain on involuntary conversion | - | (195) | - | (195) |
| Gain on sale/leaseback | (84) | (84) | (250) | (250) |
| | $ 19,924 | $ 11,196 | $ 6,104 | $ (1,729) |

(1) Effective January 6, 2016, we acquired the Hunter Mountain ski resort. The results of operations of Hunter Mountain have been included in the reconciliation since the date of the acquisition.

We have chosen to specifically include Reported EBITDA (defined as net income before interest, income taxes, depreciation and amortization, gain on sale leaseback, investment income, other income or expense and other non-recurring items) as a measurement of our results of operations because we consider this measurement to be a significant indication of our financial performance and available capital resources. Because of large depreciation and other charges relating to our ski resorts, it is difficult for management to fully and accurately evaluate our financial results and available capital resources using net income. Management believes that by providing investors with Reported EBITDA, investors will have a clearer understanding of our financial performance and cash flow because Reported EBITDA: (i) is widely used in the ski industry to measure a company's operating performance without regard to items excluded from the calculation of such measure, which can vary by company primarily based upon the structure or existence of their financing; (ii) helps investors to more meaningfully evaluate and compare the results of our operations from period to period by removing the effect of our capital structure and asset base from our operating structure; and (iii) is used by our management for various purposes, including as a measure of performance of our operating entities and as a basis for planning.

Items excluded from Reported EBITDA are significant components in understanding and assessing financial performance or liquidity. Reported EBITDA should not be considered in isolation or as alternative to, or substitute for, net income, net change in cash and cash equivalents or other financial statement data presented in the consolidated financial statements as indicators of financial performance or liquidity. Because Reported EBITDA is not a measurement determined in accordance with GAAP and is susceptible to varying calculations, Reported EBITDA as presented may not be comparable to other similarly titled measures of other companies.

**Liquidity and Capital Resources**

***Significant Sources of Cash***

Our available cash is the highest in our fourth quarter primarily due to the seasonality of our resort business. At the beginning of fiscal 2017, the Company experienced lower than normal liquidity levels. The weather during the 2015/2016 ski season was unfavorably warm, which resulted in fewer ski days and lower profitability for the Company. We had $33.9 million of cash and cash equivalents at January 31, 2017 compared to $5.4 million at April 30, 2016. Cash of $2.1 million was provided from operating activities during the nine months ended January 31, 2017 compared to $8.1 million of cash provided from the nine months ended January 31, 2016 due to the increase in aged accounts payable during the first nine months of fiscal 2016 as a result of the liquidity issues during that period described above. We generate the majority of our cash from operations during the ski season, which occurs in our third and fourth quarters of our fiscal year. We currently anticipate that cash flow from operations will continue to provide a significant source of our future cash flows. We expect that our liquidity needs for the near term and the next fiscal year will be met by continued operating cash flows (primarily those generated in our third and fourth fiscal quarters) and current cash reserves.

As described in more detail in "—Significant Uses of Cash," the USCIS approved the first I-526 Petition submitted by an investor in the Company's EB-5 program, upon which the $52.0 million raised in the EB-5 offering was released from escrow. The Company was reimbursed in full for the approximately $15.0 million of operating cash that the Company had used to begin construction on the West Lake Water Project. In addition, on November 2, 2016, the Company completed the Private Placement with the Investor pursuant to which it issued to the Investor 20,000 Shares of Preferred Stock and Warrants in exchange for $20.0 million. These actions have significantly strengthened the liquidity position of the Company and are discussed in more detail throughout this "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Long-term debt at January 31, 2017 and April 30, 2016 consisted of borrowings pursuant to the loans and other credit facilities with EPR, our primary lender as follows (dollars in thousands):

| | (Unaudited) January 31, 2017 | April 30, 2016 |
|---|---|---|
| Attitash/Mount Snow Debt; payable in monthly interest only payments at an increasing interest rate (11.10% at January 31, 2017 and April 30, 2016); remaining principal and interest due on December 1, 2034 | $ 51,050 | $ 51,050 |
| Credit Facility Debt; payable in monthly interest only payments at an increasing interest rate (10.28% at January 31, 2017 and 10.13% at April 30, 2016); remaining principal and interest due on December 1, 2034 | 37,562 | 37,562 |
| West Lake Water Project EB-5 Debt; payable in quarterly interest only payments (1.0% at January 31, 2017); remaining principal and interest due on December 27, 2021 | 30,000 | - |
| Carinthia Ski Lodge EB-5 Debt; payable in quarterly interest only payments (1.0% at January 31, 2017); remaining principal and interest due on December 27, 2021 | 21,500 | - |
| Hunter Mountain Debt; payable in monthly interest only payments at an increasing interest rate (8.0% at January 31, 2017 and April 30, 2016); remaining principal and interest due on January 5, 2036 | 21,000 | 21,000 |
| Royal Banks of Missouri Debt; payable in principal and interest payment at prime plus 1.0% (4.75% at January 31, 2017); remaining principal and interest due on February 6, 2020 | 10,000 | - |
| Sycamore Lake (Alpine Valley) Debt; payable in monthly interest only payments at an increasing interest rate (10.72% at January 31, 2017 and 10.56% at April 30, 2016); remaining principal and interest due on December 1, 2034 | 4,550 | 4,550 |
| Wildcat Mountain Debt; payable in monthly installments of $27, including interest at a rate of 4.00%; remaining principal and interest due on December 22, 2020 | 3,472 | 3,612 |
| Other debt | 2,964 | 3,231 |
| Less unamortized debt issuance costs | (5,666) | (1,903) |
| | 176,432 | 119,102 |
| Less: current maturities | 2,453 | 759 |
| | $ 173,979 | $ 118,343 |

***Debt Restructure***

On November 10, 2014, in connection with our initial public offering, we entered into a Restructure Agreement (the "Restructure Agreement") with certain affiliates of EPR, providing for the (i) prepayment of approximately $75.8 million of formerly non-prepayable debt secured by the Crotched Mountain, Attitash, Paoli Peaks, Hidden Valley and Snow Creek

resorts and (ii) retirement of one of the notes associated with the future development of Mount Snow (the "Debt Restructure"). On December 1, 2014, we entered into various agreements in order to effectuate the Debt Restructure, as more fully described in the Company's Current Report on Form 8-K filed with the SEC on December 5, 2014 and below (collectively, the "Debt Restructure Agreements"). Pursuant to the Debt Restructure, we paid a defeasance fee of $5 million to EPR in addition to the consideration described below.

In exchange for the prepayment right, we granted EPR a purchase option on the Boston Mills, Brandywine, Jack Frost, Big Boulder and Alpine Valley properties, subject to certain conditions. If EPR exercises a purchase option, EPR will enter into an agreement with the Company for the lease of each such acquired property for an initial term of 20 years, plus options to extend the lease for two additional periods of ten years each. All previously existing option agreements between the Company and EPR were terminated.

Additionally, we agreed to extend the maturity dates on all non-prepayable notes and mortgages secured by the Mount Snow, Boston Mills, Brandywine, Jack Frost, Big Boulder and Alpine Valley properties remaining after the Debt Restructure by seven years to December 1, 2034, and to extend the lease for the Mad River property, previously terminating in 2026, until December 31, 2034 (the "Mad River Lease Amendment").

The Company also granted EPR a right of first refusal to provide all or a portion of the financing associated with any purchase, ground lease, sale/leaseback, management or financing transaction contemplated by the Company with respect to any new or existing ski resort property for a period of seven years or until financing provided by EPR for such transactions equals or exceeds $250 million in the aggregate. Proposed financings from certain types of institutional lenders providing a loan to value ratio of less than 60% (as relates to the applicable property being financed) are excluded from the right of first refusal. We granted EPR a separate right of first refusal in the event that the Company wishes to sell, transfer, convey or otherwise dispose of any or all of the Attitash ski resort for seven years. The Attitash right excludes the financing or mortgaging of Attitash.

In connection with the Debt Restructure, the Company entered into a Master Credit and Security Agreement with EPR (the "Master Credit Agreement") governing the restructured debt with EPR. Pursuant to the Master Credit Agreement, EPR agreed to maintain the following loans to the Company following the prepayment of certain outstanding debt with proceeds from the Company's initial public offering: (i) a term loan in the amount of approximately $51.1 million to the Company and its subsidiary Mount Snow, Ltd., (included in the table above as the "Attitash/Mount Snow Debt"); (ii) a term loan in the amount of approximately $23.3 million to the Company and its subsidiaries Brandywine Ski Resort, Inc. and Boston Mills Ski Resort, Inc. (the "Boston Mills/Brandywine Debt"); (iii) a term loan in the amount of approximately $14.3 million to the Company and its subsidiary JFBB Ski Areas, Inc. (the "JFBB Debt" and together with the Boston Mills/Brandywine Debt, included in the table above as the "Credit Facility Debt"); and (iv) a term loan in the amount of approximately $4.6 million to the Company and its subsidiary Sycamore Lake, Inc. (included in the table above as the "Sycamore Lake (Alpine Valley) Debt").

Interest will be charged at a rate of (i) 10.13% per annum as to each of the Boston Mills/Brandywine Debt and JFBB Debt; (ii) 10.40% per annum as to the Sycamore Lake (Alpine Valley) Debt; and (iii) 10.93% per annum pursuant to the Attitash/Mount Snow Debt. Each of the notes governing the restructured debt provides that interest will increase each year by the lesser of the following: (x) three times the percentage increase in the Consumer Price Index as defined in the notes ("CPI") from the CPI in effect on the applicable adjustment date over the CPI in effect on the immediately preceding adjustment date or (y) 1.5%. Past due amounts will be charged a higher interest rate and be subject to late charges.

The Master Credit Agreement further provides that in addition to interest payments, the Company must pay the following with respect to all restructured debt other than the Attitash/Mount Snow Debt: an additional annual payment equal to 10% of the gross receipts attributable to the properties serving as collateral of the restructured debt (other than Mount Snow) for such year in excess of an amount equal to the quotient obtained by dividing (i) the annual interest payments payable pursuant to the notes governing the restructured debt (other than with respect to the Attitash/Mount Snow Debt) for the immediately preceding year by (ii) 10%. The Company must pay the following with respect to the Attitash/Mount Snow Debt: an additional annual payment equal to 12% of the gross receipts generated at Mount Snow for such year in excess of an amount equal to the quotient obtained by dividing (i) the annual interest payments payable under the note governing the Attitash/Mount Snow Debt for the immediately preceding year by (ii) 12%. An additional interest payment of $0.2 million was due for the three and nine months ended January 31, 2017.

The Master Credit Agreement includes restrictions on certain transactions, including mergers, acquisitions, leases, asset sales, loans to third parties, and the incurrence of certain additional debt and liens. The Master Credit Agreement includes certain financial covenants, some of which were modified by the terms set forth in the Modification of Master Credit Agreements entered into by the Company and EPR effective as of October 24, 2016 (the "Modification Agreement"). The Modification Agreement modified the financial covenants of the Master Credit Agreement, Hunter Mountain Credit Agreement and Bridge Loan Agreement, as defined herein (together, the "EPR Credit Agreements").

Financial covenants set forth in the Master Credit Agreement consist of a maximum leverage ratio (as defined in the Master Credit Agreement) of 65%, above which the Company and certain of its subsidiaries are prohibited from incurring additional indebtedness, and a consolidated fixed charge coverage ratio (as defined in the Master Credit Agreement) covenant. As modified by the Modification Agreement, no later than 30 days after the closing of the Private Placement, the Company shall deliver to the lender either (the "One Month Interest Obligation") (i) a letter of credit in favor of the lender in the amount equal to one month of the lease payment obligations and debt service payments, as defined in the EPR Credit Agreements; or (ii) cash equal to the same amount. The terms of the Modification Agreement further provide that the lender may draw upon any letter of credit issued pursuant to the Modification Agreement upon the occurrence of certain events (the "Letter of Credit Events"), including, but not limited to, (i) any event of default under the EPR Credit Agreements; (ii) the Company's failure to maintain a consolidated fixed charge coverage ratio of 1.50:1.00 on a rolling four quarter basis, as calculated pursuant to the terms of the EPR Credit Agreements, on or after May 1, 2017; and (iii) at any time within 60 days prior to the expiration date of any letter of credit. In the event of the occurrence of any Letter of Credit Events, the Company must replace the One Month Interest Obligation with (i) a replacement letter of credit in favor of the lender in the amount equal to three months of lease payment obligations and debt service payments, as defined in the EPR Credit Agreements; or (ii) cash in the same amount. Pursuant to the terms of the Modification Agreement, the Company must obtain the consent of the lender prior to redeeming any preferred or common stock. The Private Placement closed on November 2, 2016, and the Company provided EPR with the One Month Interest Obligation letter of credit (the "Interest Letter of Credit") in the amount of $1.1 million on December 1, 2016 in accordance with the terms of the Modification Agreement. The Interest Letter of Credit is collateralized by a certificate of deposit in the amount of $1.1 million. The Master Credit Agreement prohibits the Company from paying dividends if the fixed charge coverage ratio is below 1.25:1.00 and during default situations. During the first two quarters of fiscal year 2017, the Company's fixed charge coverage ratios fell below the required ratios, resulting in the actions described above. As of January 31, 2017, the Company is in compliance with all debt covenants.

Under the terms of the Master Credit Agreement and pursuant to the Master Cross Default Agreement, as amended, the occurrence of a change of control is an event of default. A change of control will be deemed to occur if (i) within two years after the effective date of the Hunter Mountain Credit Agreement, the Company's named executive officers (Messrs. Timothy Boyd, Stephen Mueller and Richard Deutsch) cease to beneficially own and control less than 50% of the amount of the Company's outstanding voting stock that they own as of the effective date of the Master Credit Agreement, or (ii) the Company ceases to beneficially own and control less than all of the outstanding shares of voting stock of those subsidiaries which are borrowers under the Master Credit Agreement. Other events of default include, but are not limited to, a default on other indebtedness of the Company or its subsidiaries.

None of the restructured debt may be prepaid without the consent of EPR. Upon an event of default, as defined in the Debt Restructure Agreements, EPR may, among other things, declare all unpaid principal and interest due and payable. Each of the notes governing the restructured debt matures on December 1, 2034.

***Wildcat Mountain Debt***

The Wildcat Mountain Debt due December 22, 2020 represents amounts owed pursuant to a promissory note in the principal amount of $4.5 million made by WC Acquisition Corp. in favor of Wildcat Mountain Ski Area, Inc., Meadow Green-Wildcat Skilift Corp. and Meadow Green-Wildcat Corp. (the "Wildcat Note"). The Wildcat Note, dated November 22, 2010, was made in connection with the acquisition of Wildcat Mountain, which was effective as of October 20, 2010. The interest rate as set forth in the Wildcat Note is fixed at 4.00%.

***Hunter Mountain Debt***

The Hunter Mountain Debt due January 5, 2036 represents amounts owed pursuant to a promissory note (the "Hunter Mountain Note") in the principal amount of $21.0 million made by the Company in favor of EPR pursuant to the Hunter Mountain Credit Agreement in connection with the Company's acquisition of Hunter Mountain, which was effective as of January 6, 2016. The Company used $20.0 million of the Hunter Mountain Debt to finance the Hunter Mountain acquisition and $1.0 million to cover closing costs and to add to its interest reserve account.

The Hunter Mountain Credit Agreement and Hunter Mountain Note provide that interest will be charged at an initial rate of 8.00%, subject to an annual increase beginning on February 1, 2017 by the lesser of the following: (x) three times the percentage increase in the CPI (as defined in the Hunter Mountain Note) from the CPI in effect on the applicable adjustment date over the CPI in effect on the immediately preceding adjustment date or (y) 1.75%. Past due amounts will be charged a higher interest rate and be subject to late charges.

The Hunter Mountain Credit Agreement further provides that in addition to interest payments, the Company must pay an additional annual payment equal to 8.00% of the gross receipts in excess of $35.0 million that are attributable to all collateral under the Hunter Mountain Note for such year.

The Hunter Mountain Credit Agreement includes restrictions or limitations on certain transactions, including mergers, acquisitions, leases, asset sales, loans to third parties, and the incurrence or guaranty of certain additional debt and liens. Financial covenants and dividend restrictions set forth in the Hunter Mountain Credit Agreement are identical to those set forth in the Master Credit Agreement, as modified by the Modification Agreement, described above. In accordance with the terms of the Modification Agreement, the Company provided EPR with the Interest Letter of Credit on December 1, 2016 in the amount of $1.1 million, collateralized by a certificate of deposit for the same amount. During the first two quarters of fiscal year 2017, the company's fixed charge coverage ratios fell below the required ratios, resulting in the actions described above. As of January 31, 2017, the Company is in compliance with all debt covenants.

Under the terms of the Hunter Mountain Credit Agreement, the occurrence of a change of control is an event of default. A change of control will be deemed to occur if (i) within two years after the effective date of the Hunter Mountain Credit Agreement, the Company's named executive officers (Messrs. Timothy Boyd, Stephen Mueller and Richard Deutsch) cease to beneficially own and control less than 50% of the amount of the Company's outstanding voting stock that they own as of the effective date of the Hunter Mountain Credit Agreement, or (ii) the Company ceases to beneficially own and control less than all of the outstanding shares of voting stock of those subsidiaries which are borrowers under the Hunter Mountain Credit Agreement. Other events of default include, but are not limited to, a default on other indebtedness of the Company or its subsidiaries.

The Hunter Mountain Note may not be prepaid without the consent of EPR. Upon an event of default, as defined in the Hunter Mountain Note, EPR may, among other things, declare all unpaid principal and interest due and payable. The Hunter Mountain Note matures on January 5, 2036.

As a condition to the Debt Restructure described above, the Company entered into the Master Cross Default Agreement with EPR (the "Master Cross Default Agreement"), which provides that any event of default under existing or future loan or lien agreements between the Company or its affiliates and EPR, and any event of default under the Mad River Lease Amendment, shall automatically constitute an event of default under each of such loan and lien agreements and Mad River Lease Amendment, upon which EPR will be entitled to all of the remedies provided under such agreements and Mad River Lease Amendment in the case of an event of default. In connection with entry into the Hunter Mountain Credit Agreement on January 6, 2016, the Company entered into the Amended and Restated Master Cross-Default Agreement with EPR, which adds the Hunter Mountain Credit Agreement, Hunter Mountain Note and related transaction documents to the scope of loan agreements to which the cross-default provisions of the Master Cross Default Agreement apply.

Also in connection with the Debt Restructure, the Company and EPR entered into the Guaranty Agreement (the "2014 Guaranty Agreement"). The 2014 Guaranty Agreement obligates the Company and its subsidiaries as guarantors of all debt evidenced by the evidenced by the Master Credit Agreement and other Debt Restructure agreements. On January 6, 2016, in connection with entry into the Hunter Mountain Credit Agreement, the Company entered into a Guaranty Agreement for the benefit of EPR, which adds the Company's new Hunter Mountain subsidiary borrowers under the Hunter Mountain Credit Agreement as guarantors pursuant to the same terms of the 2014 Guaranty Agreement and adds the debt evidenced by the Hunter Mountain Credit Agreement and Hunter Mountain Note to the debt guaranteed by the Company pursuant to the 2014 Guaranty Agreement.

Substantially all of the Company's assets serve as collateral for the Company's long term debt.

***Line of Credit / Royal Banks of Missouri Debt***

The remaining $15.0 million of the Hunter Mountain acquisition price was financed with funds drawn on the Company's line of credit with Royal Banks of Missouri pursuant to the Credit Facility, Loan and Security Agreement (the "Line of Credit Agreement") between the Company and Royal Banks of Missouri, effective as of December 22, 2015. The Company drew an additional $0.5 million to pay closing costs. On July 20, 2016, the Company borrowed an additional $1.75 million under the Line of Credit Agreement for working capital purposes. Additionally, on August 5, 2016, the Company borrowed the remaining $2.75 million under the Credit Agreement for working capital purposes, bringing the total principal amount borrowed under the Line of Credit Agreement to $20.0 million.

The Line of Credit Agreement provides for a 12-month line of credit for up to $20.0 million to be used for acquisition purposes and working capital of up to 5.0% of the acquisition purchase price, subject to the Company's ability to extend the line of credit for up to an additional 12-month period upon the satisfaction of certain conditions. In connection with entry into the Line of Credit Agreement, the Company executed a promissory note (the "Initial Line of Credit Note") in favor of Royal Banks of Missouri, pursuant to which the initial amounts borrowed under the Line of Credit Agreement matured on December 22, 2016 and January 6, 2017 and were repaid or converted, as described in the paragraph below. The

additional $1.75 million borrowed by the Company on July 20, 2016 was borrowed pursuant to the terms of the Initial Line of Credit Note. The remaining $2.75 million drawn under the Line of Credit Agreement on August 5, 2016 was borrowed pursuant to a second promissory note executed by the Company on August 5, 2016 (the "Second Line of Credit Note"), maturing on August 5, 2017.

On December 15, 2016 and January 5, 2017, the Company repaid $0.5 million and $5.0 million, respectively, of the total amount outstanding under the Line of Credit Agreement with proceeds from the Private Placement. On January 6, 2017, pursuant to the terms of the Line of Credit Agreement, the Company elected to convert $10.0 million of the outstanding amount to a term loan (included in the table above as the "Royal Banks of Missouri Debt"). The terms of the Royal Banks of Missouri Debt are evidenced by a promissory note in favor of Royal Banks of Missouri in the principal amount of $10.0 million, dated as of January 6, 2017 (the "Royal Banks Note").

The Royal Banks of Missouri Debt bears interest at the prime rate plus 1.0% per annum. The Royal Banks Note matures on January 6, 2020. Except in the case of default, the Company may prepay the Royal Banks of Missouri Debt without penalty. From and after maturity of the Royal Banks Note and in the case of any default, interest on the unpaid principal and interest shall accrue at an annual rate equal to five percentage points over the rate of interest otherwise payable on outstanding amounts. Events of default under the Royal Banks Note include any default under the terms of the Line of Credit Agreement.

The Royal Banks Note is subject to the terms and conditions set forth in the Line of Credit Agreement, as described herein.

As of January 31, 2017, a total of $4.5 million remained outstanding under the Line of Credit Agreement, which includes $1.75 million borrowed pursuant to the terms of the Initial Line of Credit Note and $2.75 million borrowed pursuant to the Second Line of Credit Note. The remaining line of credit debt is included as a current liability given the initial 12-month term.

Interest on the amounts borrowed pursuant to the Initial Line of Credit Note is charged at the prime rate plus 1.0%, provided that past due amounts shall be subject to higher interest rates and late charges. The effective rate at January 31, 2017 was 4.75% on the line of credit borrowings made pursuant to the Initial Line of Credit Note.

Interest on the amount borrowed pursuant to the Second Line of Credit Note is charged at 6.00% per annum, provided that past due amounts shall be subject to higher interest rates and late charges. The Company is required to make interest only payments under the Second Line of Credit Note.

The Line of Credit Agreement includes restrictions or limitations on certain transactions, including mergers, acquisitions, leases, asset sales, loans to third parties, and the incurrence of certain additional debt and liens. Financial covenants set forth in the Line of Credit Agreement consist of a maximum leverage ratio (as defined in the Line of Credit Agreement) of 65%, above which the Company is prohibited from incurring additional indebtedness, and a debt service coverage ratio (as defined in the Line of Credit Agreement) of 1.25:1.00 on a fiscal year basis. The Line of Credit Agreement requires that the Company comply with the consolidated fixed charge coverage ratio requirements and provisions set forth in the Master Credit Agreement, as modified by the Modification Agreement, and includes identical dividend payment restrictions as the Master Credit Agreement. In accordance with the terms of the Modification Agreement, the Company provided EPR with the Interest Letter of Credit on December 1, 2016 in the amount of $1.1 million, collateralized by a certificate of deposit for the same amount. During the first two quarters of fiscal year 2017, the Company's fixed charge coverage ratios fell below the required ratios, resulting in the actions described above. As of January 31, 2017, the Company is in compliance with all debt covenants.

If the outstanding line of credit debt is not paid in full by the maturity date, and the Company is otherwise in full compliance with the terms and conditions of the Line of Credit Agreement and Initial Line of Credit Note, the Company may elect to convert only the outstanding debt borrowed pursuant to the Initial Line of Credit Note to a three-year term loan, subject to an additional extension, with principal payments amortized over a 20-year period bearing interest at the prime rate plus 1.00% per annum. The amount borrowed pursuant to the Second Line of Credit Note is not subject to the renewal and conversion provisions of the Line of Credit Agreement.

Except in the case of a default, the Company may prepay all or any portion of the outstanding line of credit debt and all accrued and unpaid interest due prior to the maturity date without prepayment penalty.

In the case of a default, the outstanding line of credit debt shall, at the lender's option, bear interest at the rate of 5.0% percent per annum in excess of the interest rate otherwise payable thereon, which interest shall be payable on demand.

Under the terms of the Line of Credit Agreement, the occurrence of a change of control is an event of default. A change of control will be deemed to occur if (i) for so long as the line of credit debt is outstanding and such individuals are employed by the Company, the Company's key shareholders (Messrs. Timothy Boyd, Stephen Mueller and Richard Deutsch)

cease to beneficially own and control less than 50% of the amount of the Company's outstanding voting stock that they own as of the effective date of the Line of Credit Agreement, or (ii) the Company ceases to beneficially own and control less than all of the outstanding shares of voting stock of the subsidiary borrowers. Other events of default include, but are not limited to, a default on other indebtedness of the Company or its subsidiaries.

Amounts outstanding under the Line of Credit Agreement are secured by the assets of each of the subsidiary borrowers under the Line of Credit Agreement.

***West Lake Water Project and Carinthia Ski Lodge EB-5 Debt***

The Company established two affiliate limited partnerships of Mount Snow, Carinthia Group 1, L.P. and Carinthia Group 2, L.P. (collectively, the ''Partnership''), to operate two Mount Snow development projects funded by $52.0 million raised by the Partnership pursuant to the U.S. government's Immigrant Investor Program, commonly known as the EB-5 program. The EB-5 program is discussed in more detail in "—Significant Uses of Cash" below. Mount Snow GP Services LLC, a wholly owned subsidiary of Mount Snow, Ltd. (wholly owned by the Company), serves as the general partner for the Partnership. The Company has evaluated the Partnership under Accounting Standards Codification 810, "Consolidations" ("ASC 810"), and determined the Partnership does not require consolidation because the Company does not have a variable interest in the Partnership.

The Mount Snow development projects include: (i) the West Lake Water Project, which includes the construction of a new water storage reservoir for snowmaking; and (ii) the Carinthia Ski Lodge Project, which includes the construction of a new skier service building. In December 2016, the first I-526 petition submitted by an investor in the EB-5 Program was approved, and the $52.0 million was released from escrow to the Partnership. Upon release of the EB-5 Program funds, the Company was reimbursed in full for the approximately $15.0 million that the Company had invested in the construction of the Mount Snow development projects while awaiting release of the funds. The remaining $36.5 million is included in long-term asset restricted cash, construction, due to the earmark associated with the Mount Snow development project.

Mount Snow, Ltd. formed West Lake Water Project LLC and Carinthia Ski Lodge LLC, each wholly owned by Mount Snow, Ltd., to manage the construction of the West Lake Water Project and Carinthia Ski Lodge Project, respectively.

Pursuant to the terms of the EB-5 Program, the Partnership is obligated to invest or loan the funds raised from its EB-5 investors in or to a business carrying on a commercial venture. In accordance with these requirements, on December 27, 2016, the Partnership entered into a loan agreement with West Lake Water Project LLC providing West Lake Water Project LLC a line of credit of up to $30.0 million (the "West Lake Loan Agreement") to be used in the construction of the West Lake Water Project. In connection with entry into the West Lake Loan Agreement, West Lake Water Project LLC executed a line of credit note in favor of the Partnership in the amount of $30.0 million (the "West Lake Note"). The debt owed pursuant to the West Lake Loan Agreement and West Lake Note is included in the table above as the "West Lake Water Project EB-5 Debt."

Also on December 27, 2016, the Partnership entered into a loan agreement with Carinthia Ski Lodge LLC providing Carinthia Ski Lodge LLC a line of credit of up to $22.0 million (the "Carinthia Lodge Loan Agreement") to be used in the construction of the new Carinthia skier service building. In connection with entry into the Carinthia Lodge Loan Agreement, Carinthia Ski Lodge LLC executed a line of credit note in favor of the Partnership in the amount of $22.0 million (the "Carinthia Lodge Note"). The debt owed pursuant to the Carinthia Lodge Loan Agreement and Carinthia Lodge Note is included in the table above as the "Carinthia Ski Lodge EB-5 Debt." Amounts borrowed pursuant to the EB-5 Loan Agreements, as defined below, can be used only for construction of the West Lake Water Project and Carinthia Ski Lodge Project.

The terms of the West Lake Loan Agreement and Carinthia Lodge Loan Agreement (together, the "EB-5 Loan Agreements") and the West Lake Note and Carinthia Lodge Note (together, the "EB-5 Notes") are identical. Amounts outstanding under the EB-5 Notes accrue simple interest at a fixed rate of 1.0% per annum until the maturity date, which is December 27, 2021, subject to extension of up to an additional two years at the option of the borrowers with lender consent. If the maturity date is extended, amounts outstanding under the EB-5 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, amounts outstanding shall bear interest at the rate of 5.0% per annum, subject to the extension increases. Events of default under the EB-5 Loan Agreements include failure to make payments due; breaches of covenants, representations and warranties; incurrence of certain judgments and liens against the borrowers or assets; assignments or notice of bulk sales of assets on behalf of creditors; commencement of bankruptcy or dissolution proceedings; and cessation of the West Lake Water Project or Carinthia Ski Lodge Project prior to completion.

For so long as amounts under the EB-5 Loan Agreements are outstanding, the borrowers are restricted from taking certain actions without the consent of the lenders, including, but not limited to, transferring or disposing and of the properties

or assets financed with the loan proceeds; selling equity interests to any person other than the Company; merging; and making loans to or investing in affiliates or other persons.

The borrowers under the EB-5 Notes are prohibited from prepaying outstanding amounts owed if such prepayment would jeopardize any of the EB-5 investor limited partners' ability to be admitted to the U.S. via the EB-5 Program.

As a condition to entry into each of the EB-5 Loan Agreements, the Company executed guaranties of collection (the "EB-5 Guaranties") with respect to each of the West Lake Loan Agreement and Carinthia Lodge Loan Agreement pursuant to which the Company unconditionally guaranteed all amounts due under the EB-5 Notes owed to the Partnership. Pursuant to the terms of the EB-5 Guaranties, which are guaranties of collection rather than payment, in the event the borrowers under the EB-5 Loan Agreements fail to make any payments due, or upon the acceleration of payments due, the lenders must exhaust any and all legal remedies for collection against the borrowers before proceeding against the Company.

***Bridge Loan Financing***

On September 1, 2016, the Company entered into the Master Credit and Security Agreement with EPR (the "Bridge Loan Agreement") pursuant to which EPR agreed to loan up to $10.0 million to the Company for working capital purposes, subject to certain conditions and adjustment as provided in the Bridge Loan Agreement and as previously disclosed. Amounts borrowed pursuant to the Bridge Loan Agreement were evidenced by a promissory note (the "Bridge Loan Note"), also dated as of September 1, 2016. The Company borrowed a total of $5.5 million under the Bridge Loan Agreement and Bridge Loan Note. The total outstanding balance and all interest due was repaid by the Company upon receipt of the proceeds from the Private Placement, as defined in Note 5, which closed on November 2, 2016.

***Nine Months Ended January 31, 2017 Compared to the Nine Months Ended January 31, 2016***

Cash of $2.1 million was provided by operating activities in the first nine months of fiscal 2017, a decrease of $6.0 million when compared to the $8.1 million provided by the first nine months of fiscal 2016. The decrease was mainly driven by the increase of aged accounts payable during the first nine months of fiscal 2016 as a result of the liquidity issues described herein. In addition, our net loss was $2.5 million lower during the first nine month of fiscal 2017 due to a return of more normalized weather patterns during the period compared to the same period in the prior year.

Cash of $13.6 million was provided by investing activities in the first nine months of fiscal 2017, an increase of $81.6 million when compared to the $68.0 million used in the first nine months of fiscal 2016. The increase during the first nine months of fiscal 2017 was driven by the release of $15.0 million of escrow funds received as reimbursement for the Company's initial spending on the West Lake Water Project described below. In addition, during the same period in fiscal 2016, the Company had acquired Hunter Mountain for a net cash impact of $33.2 million as well as spending $11.5 million more on property additions. Lastly, the prior year increase in restricted cash was mainly a result of the EB-5 funds being deposited in fiscal year 2016.

Cash of $12.7 million was provided by financing activities in the first nine months of fiscal 2017, a decrease of $41.8 million when compared to the $54.5 million provided by financing activities in the first nine months of fiscal 2016. The decrease primarily related to the proceeds from the loans associated with the Hunter Mountain acquisition, the EB-5 investor funds being released from escrow and capital lease borrowings in fiscal 2016, offset by dividend payments. The increases from fiscal 2016 were also offset by the proceeds from the Private Placement, which was completed during the period. Additionally, during the nine months ended January 31, 2017, the Company borrowed funds pursuant to the Bridge Loan Agreement and Bridge Loan Note, which were subsequently repaid in full from the Private Placement proceeds, and the EB-5 program funds were released from escrow, upon which wholly owned subsidiaries of Mount Snow, Ltd. (a wholly owned subsidiary of the Company) received funds pursuant to the West Lake Loan Agreement and Carinthia Lodge Loan Agreement.

***Significant Uses of Cash***

Our cash uses currently include operating expenditures and capital expenditures for assets to be used in operations. We have historically invested significant cash in capital expenditures for our resort operations and expect to continue to invest in the future. Resort capital expenditures for the first nine months of fiscal 2016 were approximately $16.6 million compared to $5.1 million in fiscal 2017. The increase in the previous year was related to spending on the West Lake Water Project. There are no major capital expenditure projects for fiscal 2017 anticipated, other than continued work on the West Lake Water Project now that we have broken escrow of the EB-5 program funds. We currently plan to use cash on hand and/or cash flow generated from future operations to provide the cash necessary to execute our capital plans and believe that

these sources of cash will be adequate to meet our needs. The Company also sold shares of Series A Preferred Stock and Warrants pursuant to the Private Placement to meet long term liquidity needs.

As part of the acquisition of Hunter Mountain discussed in "Recent Events" above, we assumed $1.7 million related to six capital leases. The leases were used to finance equipment throughout the resort. The leases expire during the current fiscal year through 2020, with payments being required only during the peak ski season. Annual lease expenses are $0.4 million in 2017, $0.4 million in 2018, $0.3 million in 2019, and $0.3 million in 2020.

In October 2014, we entered into a capital lease to finance the construction of the Zip Rider at Attitash. The lease is payable in 60 monthly payments of $38,800, commencing November 2014. The Company has a $1.00 purchase option at the end of the lease term. Messrs. Boyd, Mueller and Deutsch have personally guaranteed the lease.

In addition, in June 2015, the Company entered into capital leases to finance the installation of Low-E snow guns at Mount Snow, Attitash and Wildcat, as well as to fund the purchase of groomers for Mount Snow and Attitash. The Low-E snow guns lease is payable in 48 monthly payments of $61,770 and the groomers lease is payable in 60 monthly payments of $23,489, both commencing July 2015. The Company has a $1.00 purchase option at the end of each lease term. Messrs. Boyd, Mueller and Deutsch have personally guaranteed the leases. The Company originally funded these purchases during fiscal 2015 with operating cash.

As of January 31, 2017, we had $4.2 million in third party commitments currently outstanding with our main contractor on the Mount Snow development. We may incur additional costs to support the ongoing Mount Snow development, subject to obtaining required permits and approvals. We intend to continue to fund our Mount Snow development by raising funds under the Immigrant Investor Program administered by the USCIS pursuant to the Immigration and Nationality Act. This 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 10,000 immigrant visas (''EB-5 Visas'') per year to qualified individuals seeking lawful permanent resident status on the basis of their investment in a U.S. commercial enterprise. Under the regional center pilot immigration program first enacted in 1992, certain EB-5 Visas also are set aside for investors in regional centers designated by the USCIS based on proposals for promoting economic growth. Regional centers are organizations, either publicly owned by cities, states or regional development agencies or privately owned, which facilitate investment in job-creating economic development projects by pooling capital raised under the EB-5 Immigrant Investor Program. Areas within regional centers that are rural areas or areas experiencing unemployment numbers higher than the national unemployment average rates are designated as Targeted Employment Areas (''TEA''). The regional center pilot program was recently extended and is set to expire on April 28, 2017. Both the Senate and House leadership have been working on reforms to the program and various bills have been proposed. We do not expect this process to have a negative effect on our current EB-5 program. We refer to the Immigrant Investor Program and the regional center pilot program herein as the ''EB-5 program.''

We have established the Partnership to operate within a TEA within the State of Vermont Regional Center. The Company has evaluated the Partnership under ASC 810 and determined the Partnership does not require consolidation because the Company does not have a variable interest in the Partnership. The Partnership raised $52.0 million by offering units in the Partnership to qualified EB-5 investors primarily located in China, Taiwan, Vietnam and certain countries in the Middle East for a subscription price of $500,000 per unit, which is the minimum investment that an investor in a TEA project is required to make pursuant to EB-5 program rules. The funds will be used to finance the development of two capital projects at Mount Snow—the West Lake Water Project and the Carinthia Ski Lodge Project. The West Lake Water Project includes the construction of a new water storage reservoir for snowmaking with capacity of up to 120 million gallons, three new pump houses and the installation of snowmaking pipelines, trail upgrades and expansion, new ski lift and ancillary equipment. The Carinthia Ski Lodge Project includes the construction of Carinthia Ski Lodge, a new three-story, approximately 36,000-square foot skier service building located at the base of the Carinthia slopes. Carinthia Ski Lodge will include a restaurant, cafeteria and bars with seating for over 600 people, a retail store, convenience store and sales center for lift tickets and rentals. The anticipated overall cost of the Projects is $66.0 million, of which $52.0 million will be funded with the proceeds from the EB-5 offering. The remaining $14.0 million has been provided by Mount Snow with investments in land, snow gun installations, and improved snowmaking technology.

Once the Partnership accepted an EB-5 investor's funds, the investor was required to file a petition ("I-526 Petition") with the USCIS seeking, among other things, approval of the investment's suitability under the EB-5 program requirements and the investor's suitability and source of funds. The $52.0 million in total investments were held in an escrow account and were not released until the USCIS approved the first I-526 Petition filed by an investor in the Partnership, which occurred in December 2016. Upon receipt of this approval, the $52.0 million was released from escrow to the Partnership.

Pursuant to the rules and regulations governing the EB-5 program, the Partnership is obligated to invest or loan the funds raised from its EB-5 investors in or to a business carrying on a commercial venture. In accordance with these requirements, on December 27, 2016, the Partnership entered into the West Lake Loan Agreement and Carinthia Lodge Loan Agreement, which are more fully described in "—Significant Sources of Cash."

We estimate that the West Lake Water Project will be substantially completed in advance of the 2017-2018 ski season, and the Carinthia Lodge Project substantially completed in advance of the 2018-2019 ski season.

Due to the delay on the first investor's I-526 Petition to be approved by the USCIS, as well as the unseasonably warm weather during the 2015/2016 ski season which drove down revenue compared to the prior season, the Company's board of directors decided it was not prudent to declare a dividend in the first three quarters of fiscal 2017. The Company's board of directors declared three cash dividends of $0.1375 each during the nine-month period ended January 31, 2016. The dividends were payable on August 21, 2015, November 25, 2015 and February 24, 2016 to shareholders of record on July 10, 2015, October 13, 2015 and January 4, 2016, respectively.

On February 15, 2017, the Company's board of directors declared a cash dividend of $0.07 per share payable on March 10, 2017 to shareholders of record on February 27, 2017. The declaration and payment of future dividends will be at the sole discretion of our board of directors, and will depend on many factors, including our actual results of operations, financial condition, capital requirements, contractual restrictions, restrictions in our debt agreements, economic conditions and other factors that could differ materially from our current expectations.

The Company's various credit agreements include or incorporate financial covenants which consist of a maximum leverage ratio of 65%, above which the Company and certain of its subsidiaries are prohibited from incurring additional indebtedness, and a consolidated fixed charge coverage ratio. As modified by the Modification Agreement, no later than 30 days after the closing of the Private Placement, the Company shall deliver to the lender the One Month Interest Obligation in cash or a letter of credit. The terms of the Modification Agreement further provide that the lender may draw upon any letter of credit issued pursuant to the Modification Agreement upon the occurrence of the Letter of Credit Events. In the event of the occurrence of any Letter of Credit Events, the Company must replace the One Month Interest Obligation with (i) a replacement letter of credit in favor of the lender in the amount equal to three months of lease payment obligations and debt service payments, as defined in the EPR Credit Agreements; or (ii) cash in the same amount. Pursuant to the terms of the Modification Agreement, the Company must obtain the consent of the lender prior to redeeming any preferred or common stock. The Private Placement closed on November 2, 2016, and the Company provided EPR with the Interest Letter of Credit in the amount of $1.1 million on December 1, 2016 in accordance with the terms of the Modification Agreement. The Interest Letter of Credit is collateralized by a certificate of deposit in the amount of $1.1 million.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

**Forward-Looking Statements**

Except for any historical information contained herein, the matters discussed in this Form 10-Q contain certain "forward-looking statements" within the meaning of the federal securities laws. This includes statements regarding our future financial position, economic performance, results of operations, business strategy, budgets, projected costs, plans and objectives of management for future operations, and the information referred to under "Management's Discussion and Analysis of Financial Condition and Results of Operations".

These forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "continue" or similar terminology, although not all forward-looking statements contain these words. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, you are cautioned that any such forward-looking statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Although we believe that the expectations reflected in such forward-looking statements are reasonable as of the date made, expectations may prove to have been materially different from the results expressed or implied by such forward-looking statements. Unless otherwise required by law, we also disclaim any obligation to update our view of any such risks or uncertainties or to announce publicly the result of any revisions to the forward-looking statements made in this Form 10-Q. Important factors that could cause actual results to differ materially from our expectations include, among others:

- weather, including climate change;
- seasonality;
- competition with other indoor and outdoor winter leisure activities and ski resorts;
- the leases and permits for property underlying certain of our ski resorts;
- ability to integrate new acquisitions;
- environmental laws and regulations;
- our dependence on key personnel;
- funds for capital expenditures, including funds raised under the EB-5 program;
- the effect of declining revenues on margins;
- the future development and continued success of our Mount Snow ski resort;
- our reliance on information technology;
- our current dependence on a single lender and the lender's option to purchase certain of our ski resorts;
- our dependence on a seasonal workforce; and
- the securities markets.

You should also refer to Part I, Item 1A, "Risk Factors," of our Annual Report on Form 10-K and Part II, Item 1A, "Risk Factors", of this Form 10-Q for a discussion of factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot assure you that the forward-looking statements in this Form 10-Q will prove to be accurate, Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may prove to be material. In light of the significant uncertainties in these forward-looking statements, you should not regard these statements as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time-frame, or at all.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

***Interest Rate Fluctuations***

On December 1, 2014, the Company completed its Debt Restructure as discussed more fully in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" providing for the prepayment of certain of its debt owed to EPR and the restructuring of all existing loan terms. Debt owed to EPR as of January 31, 2017 was $93.2 million, excluding the debt to fund the Hunter Mountain acquisition described below. The interest rate on this debt is subject to fluctuation, but the interest rate can only be increased by a factor of 1.015 annually. At the factor of 1.015, the additional annual interest expense on this variable rate outstanding debt is approximately $0.15 million.

In addition, effective as of January 6, 2016, we incurred $21.0 million of debt to fund a portion of the purchase price for the acquisition of Hunter Mountain and other costs pursuant to the terms of the Hunter Mountain Credit Agreement and Hunter Mountain Note with EPR, as more fully discussed in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations." The interest rate relating to this debt increases by a factor of 1.0175 annually. At the factor of 1.0175, the additional annual interest expense on this variable rate outstanding debt is approximately $0.03 million.

On January 6, 2017, the Company elected to convert $10.0 million of the outstanding amount under the Line of Credit Agreement to a term loan evidenced by the Royal Banks Note, all of which remained outstanding at January 31, 2017. This amount outstanding under the Royal Banks Note and $1.75 million of the total outstanding debt that remains outstanding as of January 31, 2017 under the Initial Line of Credit Note entered into pursuant to the Line of Credit Agreement accrues interest at the prime rate plus 1.0%, provided that past due amounts shall be subject to higher interest rates and late charges. If interest rates increased 1% on these non-capped variable debt instruments, the additional interest cost to the Company would be approximately $0.11 million for one year. We do not perform any interest rate hedging activities related to our outstanding debt.

**ITEM 4. CONTROLS AND PROCEDURES**

**Evaluation of Disclosure Controls and Procedures**

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company’s disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the “Exchange Act”)), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, management, with the participation of the Chief Executive Officer and Chief Financial Officer, concluded that the Company’s disclosure controls and procedures, as of the end of the period covered by this Quarterly Report on Form 10-Q, are functioning effectively to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. A controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

**Change in Internal Control over Financial Reporting**

There have been no changes in the Company's internal control over financial reporting during the period covered by this Quarterly Report on Form 10-Q identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) under the Exchange Act that have materially affected, or that are reasonably likely to materially affect, the Company's internal control over financial reporting.

## PART II: OTHER INFORMATION

**Item 1. LEGAL PROCEEDINGS.**

We are not aware of any pending or threatened legal proceedings against us that could have a material adverse effect on our business, operating results or financial conditions. The ski industry is characterized by periodic litigation and as a result, we may be involved in various additional legal proceedings from time to time.

**Item 1A. RISK FACTORS.**

The Company has included in Part I, Item 1A of its Annual Report on Form 10-K for the year ended April 30, 2016, a description of certain risks and uncertainties that could affect the Company's business, future performance or financial condition (the "Risk Factors"). Except as set forth below, there are no material changes to the Risk Factors as disclosed in the Company's Annual Report on Form 10-K for the year ended April 30, 2016.

***The issuance of shares of our Series A Preferred Stock reduces the relative voting power of holders of our common stock, may dilute the ownership of such holders and may adversely affect the market price of our common stock.***

As holders of our Series A Preferred Stock are entitled to vote, on an as-converted basis, together with holders of our common stock on all matters submitted to a vote of the holders of our common stock, the issuance of the Series A Preferred Stock effectively reduces the relative voting power of the holders of our common stock. Current stockholders (other than the Investor) will have no preemptive rights to purchase any shares of Series A Preferred Stock and/or Warrants, which means that current stockholders do not have a prior right to purchase any issue of Series A Preferred Stock and/or Warrants in order to maintain their proportionate interest in the Company.

In addition, the conversion of the Series A Preferred Stock to common stock would dilute the ownership interest of existing holders of our common stock, and any sales in the public market, following registration pursuant to the registration rights granted to the Investor, of the common stock issuable upon conversion of the Series A Preferred Stock and/or exercise of the Warrants could adversely affect prevailing market prices of our common stock. Sales by such holders of a substantial number of shares of our common stock in the public market, or the perception that such sales might occur, could have a material adverse effect on the price of our common stock.

***The holders of shares of the Series A Preferred Stock may exercise significant influence over us.***

The Investor and its affiliates currently own approximately 9.6% of our shares of common stock and, assuming the conversion of the Series A Preferred Stock and exercise of the Warrants, would own 36.4% of our shares of common stock after closing. Additional pre-emptive rights and rights of first offer in the documents governing the Private Placement help the Investor to maintain its ownership position. Holders of our Series A Preferred Stock are entitled to vote, on an as-converted basis, together with holders of our common stock on all matters submitted to a vote of the holders of our common stock. As a result, the holders of shares of the Series A Preferred Stock have the ability to significantly influence the outcome of any matter submitted for the vote of the holders of our common stock.

In addition, under the terms of the Certificate of Designation governing the Series A Preferred Stock, the Series A Preferred Stock generally ranks, with respect to the liquidation, dividends and redemption, senior to other securities until the earlier of (i) such date as no Series A Preferred Stock remains outstanding and (ii) January 1, 2027. The Stockholders Agreement executed by the Company, the Investor and the management stockholders in connection with the closing of the Private Placement also requires, that, so long as the Investor beneficially owns, on an as-converted basis, at least 11.4% of the outstanding equity securities of the Company, the Investor's approval is required in order for the Company or any subsidiary to (i) materially change the nature of its business from owning, operating and managing ski resorts or (ii) acquire or dispose of any resorts, assets or properties for aggregate consideration equal to or greater than 30% of the enterprise value of the Company and its subsidiaries, or (iii) agree to do any of the foregoing.

Last, the Stockholders Agreement grants to the Investor the right to nominate a director so long as it beneficially owns, on an as-converted basis, at least 20% of the outstanding equity securities of the Company, subject to satisfaction of reasonable qualification standards and Nominating and Corporate Governance Committee approval of the nominee. Notwithstanding the fact that all directors will be subject to fiduciary duties to us and to applicable law, the interests of the directors designated by the Investor may differ from the interests of our security holders as a whole or of our other directors.

***Our Series A Preferred Stock has rights, preferences and privileges that are not held by, and are preferential to, the rights of our common stockholders, which could adversely affect our liquidity and financial condition, and may result in the interests of the holders of our Series A Preferred Stock differing from those of our common stockholders.***

The holders of Series A Preferred Stock have the right to receive a liquidation preference entitling them to be paid out of our assets available for distribution to stockholders before any payment may be made to holders of any other class or series of capital stock as well as a preferential right to receive cumulative dividends at the rate of 8% *per annum* on the Liquidation Value of $1,000 per share. The holders of our Series A Preferred Stock also have certain redemption and conversion rights, and there are limitations on the Company's ability to redeem other securities.

These dividend obligations could impact our liquidity and reduce the amount of cash flows available for working capital, capital expenditures, growth opportunities, acquisitions, and other general corporate purposes. Our obligations to the holders of Series A Preferred Stock could also limit our ability to obtain additional financing or increase our borrowing costs, which could have an adverse effect on our financial condition. The preferential rights could also result in divergent interests between the holders of shares of Series A Preferred Stock and holders of our common stock.

***Provisions in our amended and restated articles of incorporation and amended and restated bylaws and Missouri law might discourage, delay, or prevent a change in control of our company or changes in our management and, therefore, depress the trading price of our common stock.***

Provisions of our amended and restated articles of incorporation approved by stockholders in connection with the Private Placement and amended and restated by-laws and Missouri law might discourage, delay, or prevent a merger, acquisition, or other change in control that stockholders consider favorable, including transactions in which our stockholders might otherwise receive a premium for shares of our common stock. These provisions might also prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions include:

- The additional authorized shares of common stock and preferred stock could be used to dilute the stock ownership or voting rights of persons seeking to obtain control of us or could be issued to persons allied with the board of directors or management and thereby have the effect of making it more difficult to remove directors or members of management by diluting the stock ownership or voting rights of persons seeking to effect such a removal.
- The blank check preferred stock could be used by the board of directors for adoption of a stockholder rights plan or "poison pill."
- Existing provisions of our governing documents, including the limitations on director removal, the threshold vote required for stockholders to call a special meeting of the stockholders or act by written consent, the advance notice required for stockholder proposals and director nominations, the limitations on the increase in the number of directors and the inability of stockholders to amend the by-laws, may have anti-takeover effects.
- Similarly, applicable provisions of Missouri law, such as the business combination and control share acquisition statutes, may have anti-takeover effects, making it more difficult for or preventing a third-party from acquiring control of us or changing our board of directors and management. These provisions may also have the effect of deterring hostile takeovers or delaying changes in control of us or in our management.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors are willing to pay in the future for shares of our common stock. They could also deter potential acquirers of the Company, thereby reducing the likelihood that our stockholders could receive a premium for our common stock in an acquisition.

The board of directors does not believe that the issuance of the Series A Preferred Stock, the Warrants and the common stock issuable upon conversion or exercise thereof will have a significant impact on any attempt to gain control of the Company. It is possible, however, that the existence of a single stockholder with a significant ownership percentage and director nomination rights could discourage third parties from attempting to gain control. It should be noted that any action taken by the Company to discourage an attempt to acquire control of the Company might result in stockholders not being able to participate in any possible premiums which might be obtained in the absence of anti-takeover provisions. Any transaction which may be so discouraged or avoided could be a transaction that the Company's stockholders might consider to be in their best interests. However, the board of directors has a fiduciary duty to act in the best interests of the Company's stockholders at all times.

In addition, pursuant to each of the Executive Employment Agreements dated effective as of June 1, 2014 between the Company each of Messrs. Boyd, Mueller and Deutsch (each, an "Executive"), each Executive is entitled to change of control payments in the event of a termination of Executive's employment by the Company without cause or notice by the Company of non-renewal of the Agreement, all within 365 days of a consummation of a change in control of the Company. A "change in control" includes an event or series of events by which any person or group becomes the beneficial owner, directly or indirectly, of 35% or more of the equity securities of the Company entitled to vote for members of the Board of Directors or equivalent governing body of the Company on a fully-diluted basis. Upon closing, the Investor will be the beneficial owner, directly or indirectly, of 26.4% of the equity securities of the Company entitled to vote for members of the Board of Directors. Upon the exercise of Warrants to purchase additional shares of common stock, the Investor may become the beneficial owner, directly or indirectly, of 36.4% or more of the equity securities of the Company entitled to vote for members of the Board of Directors, thereby triggering the change in control provisions in the Executive Employment Agreements.

**Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

The sale and issuance of the Series A Preferred Stock and the Warrants to the Investor at the closing of the Private Placement, and the issuance of shares of common stock upon exercise and conversion thereof, have been determined to be exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), in reliance on Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder as transactions by an issuer not involving a public offering. Disclosure of this sale of unregistered securities was previously made in our Current Reports on Form 8-K filed on August 23, 2016 and November 8, 2016, each of which is incorporated herein by reference.

**Item 3. DEFAULTS UPON SENIOR SECURITIES.**

None.

**Item 4. MINE SAFETY DISCLOSURES.**

None.

**Item 5. OTHER INFORMATION.**

(a) Mount Snow, Ltd. (a wholly owned subsidiary of the Company) established two affiliate partnerships, Carinthia Group 1, L.P. and Carinthia Group 2, L.P. (collectively, the ''Partnership''), to operate two Mount Snow development projects funded by $52.0 million raised by the Partnership pursuant to the U.S. government's EB-5 program. Mount Snow GP Services LLC, a wholly owned subsidiary of Mount Snow, Ltd., serves as the general partner for the Partnership. A more detailed description of the EB-5 program is included in "Part I. Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Significant Uses of Cash," which description is incorporated herein by reference. The Company has evaluated the Partnership under ASC 810 and determined the Partnership does not require consolidation because the Company does not have a variable interest in the Partnership.

Mount Snow, Ltd. also formed West Lake Water Project LLC and Carinthia Ski Lodge LLC, each wholly owned by Mount Snow, Ltd., to manage the construction of the West Lake Water Project and Carinthia Ski Lodge Project, respectively.

Pursuant to the terms of the EB-5 Program, the Partnership is obligated to invest or loan the funds raised from its EB-5 investors in or to a business carrying on a commercial venture. In accordance with these requirements, on December 27, 2016, the Partnership entered into the West Lake Loan Agreement, and West Lake Water Project LLC executed the West Lake Note in favor of the Partnership, providing West Lake Water Project LLC with a line of credit of up to $30.0 million to be used in the construction of the West Lake Water Project. Also on December 27, 2016, the Partnership entered into the Carinthia Lodge Loan Agreement, and Carinthia Ski Lodge LLC executed the Carinthia Lodge Note in favor of the Partnership, providing Carinthia Ski Lodge LLC with a line of credit of up to $22.0 million to be used in the construction of the Carinthia skier service building.

The terms of the West Lake Loan Agreement and Carinthia Lodge Loan Agreement (together, the "EB-5 Loan Agreements") and the West Lake Note and Carinthia Lodge Note (together, the "EB-5 Notes") are identical. Amounts outstanding under the EB-5 Notes accrue simple interest at a fixed rate of 1.0% per annum until the maturity date, which is December 27, 2021, subject to extension of up to an additional two years at the option of the

borrowers with lender consent. If the maturity date is extended, amounts outstanding under the EB-5 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, amounts outstanding shall bear interest at the rate of 5.0% per annum, subject to the extension increases. Events of default under the EB-5 Loan Agreements include failure to make payments due; breaches of covenants, representations and warranties; incurrence of certain judgments and liens against the borrowers or assets; assignments or notice of bulk sales of assets on behalf of creditors; commencement of bankruptcy or dissolution proceedings; and cessation of the West Lake Water Project or Carinthia Ski Lodge Project prior to completion.

For so long as amounts under the EB-5 Loan Agreements are outstanding, the borrowers are restricted from taking certain actions without the consent of the lenders, including, but not limited to, transferring or disposing and of the properties or assets financed with the loan proceeds; selling equity interests to any person other than the Company, merging; and making loans to or investing in affiliates or other persons.

The borrowers under the EB-5 Notes are prohibited from prepaying outstanding amounts owed if such prepayment would jeopardize any of the EB-5 investor limited partners' ability to be admitted to the U.S. via the EB-5 Program.

As a condition to entry into each of the EB-5 Loan Agreements, the Company executed guaranties of collection (the "EB-5 Guaranties") with respect to each of the West Lake Loan Agreement and Carinthia Lodge Loan Agreement pursuant to which the Company unconditionally guaranteed all amounts due under the EB-5 Notes owed to the Partnership. Pursuant to the terms of the EB-5 Guaranties, which are guaranties of collection rather than payment, in the event the borrowers under the EB-5 Loan Agreements fail to make any payments due, or upon the acceleration of payments due, the lenders must exhaust any and all legal remedies for collection against the borrowers before proceeding against the Company.

(b) There have been no material changes to the procedures by which stockholders may recommend nominees to the Company's board of directors implemented in the quarter ended January 31, 2017.

**Item 6. EXHIBITS.**

The exhibits filed or furnished are set forth in the Exhibit Index at the end of this Quarterly Report on Form 10-Q.

**SIGNATURES**

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

**PEAK RESORTS, INC.**

By: /s/ TIMOTHY D. BOYD

Date: March 9, 2017

Timothy D. Boyd
*Chief Executive Officer, President and Chairman of the Board*

By: /s/ STEPHEN J. MUELLER

Date: March 9, 2017

Stephen J. Mueller
*Chief Financial Officer, Vice President and Director*

**EXHIBIT INDEX**

| Exhibit No. | Description of Exhibit |
|---|---|
| 4.1 | Warrant No. 1 issued to CAP 1 LLC, dated as of November 2, 2016 (filed as Exhibit 4.1 to the Current Report on Form 8-K filed on November 8, 2016 and incorporated herein by reference). |
| 4.2 | Warrant No. 2 issued to CAP 1 LLC, dated as of November 2, 2016 (filed as Exhibit 4.2 to the Current Report on Form 8-K filed on November 8, 2016 and incorporated herein by reference). |
| 4.3 | Warrant No. 3 issued to CAP 1 LLC, dated as of November 2, 2016 (filed as Exhibit 4.3 to the Current Report on Form 8-K filed on November 8, 2016 and incorporated herein by reference). |
| 10.1 | Waiver and Amendment of Securities Purchase Agreement, dated as of November 2, 2016, by and between Peak Resorts, Inc. and CAP 1 LLC (filed as Exhibit 10.1 to the Current Report on Form 8-K filed on November 8, 2016 and incorporated herein by reference). |
| 10.2 | Registration Rights Agreement, dated as of November 2, 2016, between Peak Resorts, Inc. and CAP 1 LLC (filed as Exhibit 10.2 to the Current Report on Form 8-K filed on November 8, 2016 and incorporated herein by reference). |
| 10.3 | Stockholders' Agreement, dated as of November 2, 2016, among Peak Resorts, Inc., Timothy D. Boyd, Stephen J. Mueller, Richard K. Deutsch and CAP 1 LLC (filed as Exhibit 10.3 to the Current Report on Form 8-K filed on November 8, 2016 and incorporated herein by reference). |
| 10.4 | Promissory Note from Peak Resorts, Inc., Hidden Valley Golf and Ski, Inc., Paoli Peaks, Inc., Snow Creek, Inc., LBO Holding, Inc., and SNH Development, Inc. in favor of Royal Banks of Missouri, dated as of January 6, 2017 (filed as Exhibit 10.1 to the Current Report on Form 8-K filed on January 12, 2017 and incorporated herein by reference). |
| 10.5 | Peak Resorts, Inc. Annual Incentive Plan Document (filed as Exhibit 10.2 to the Current Report on Form 8-K filed on January 12, 2017 and incorporated herein by reference). |
| 10.6 | Loan Agreement dated as of December 27, 2016 by and among Carinthia Group 1, L.P. and Carinthia Group 2, L.P., as lenders, and West Lake Water Project LLC, as borrower. |
| 10.7 | Non-Revolving Line of Credit Note from West Lake Water Project LLC in favor of Carinthia Group 1, L.P. and Carinthia Group 2, L.P., dated as of December 27, 2016. |
| 10.8 | Guaranty of Collection, dated as of December 27, 2016, from Peak Resorts, Inc. to Carinthia Group 1, L.P. and Carinthia Group 2, L.P with respect to the Loan Agreement dated as of December 27, 2016 by and among Carinthia Group 1, L.P. and Carinthia Group 2, L.P., as lenders, and West Lake Water Project LLC, as borrower. |
| 10.9 | Loan Agreement dated as of December 27, 2016 by and among Carinthia Group 1, L.P. and Carinthia Group 2, L.P., as lenders, and Carinthia Ski Lodge LLC, as borrower. |
| 10.10 | Non-Revolving Line of Credit Note from Carinthia Ski Lodge LLC in favor of Carinthia Group 1, L.P. and Carinthia Group 2, L.P., dated as of December 27, 2016. |
| 10.11 | Guaranty of Collection, dated as of December 27, 2016, from Peak Resorts, Inc. to Carinthia Group 1, L.P. and Carinthia Group 2, L.P with respect to the Loan Agreement dated as of December 27, 2016 by and among Carinthia Group 1, L.P. and Carinthia Group 2, L.P., as lenders, and Carinthia Ski Lodge LLC, as borrower. |
| 31.1 | Certification of Principal Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002. |
| 31.2 | Certification of Principal Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002. |
| 32.1 | Certification of Chief Executive Officer and Chief Financial Officer furnished pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (18 USC. Section 1350). |
| 101.INS | XBRL Instance Document. |
| 101.SCH | XBRL Taxonomy Extension Schema Document. |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document |

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## Section 2: EX-10.10 (EX-10.10)

**EXHIBIT 10.10**

NON-REVOLVING LINE OF CREDIT NOTE

U.S. $22,000,000 December 27, 2016

FOR VALUE RECEIVED, CARINTHIA SKI LODGE LLC, a Vermont limited liability company with a principal place of business at 89 Grand Summit Way, West Dover, Vermont 05356 (the "Borrower"), hereby promises to pay to Carinthia Group 1, L.P., a Vermont limited partnership with a principal place of business at 89 Grand Summit Way, West Dover, Vermont 05356 and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") with a principal place of business at 89 Grand Summit Way, West Dover, Vermont 05356 (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender"), in accordance with each Lender's proportionate interest set forth on Schedule 1 attached hereto, or order, the principal sum of $22,000,000 or such lesser amount as shall have been advanced and remain outstanding under the terms of the Agreement defined below (the "Principal Sum"), together with accrued interest thereon, in the manner and upon the terms and conditions set forth below. The actual amount due and owing from time to time under this Non-Revolving Credit Note ("Note") shall be evidenced by Lender's records of receipts and disbursements, which shall be prima facie evidence of such amount, absent manifest error.

1. Incorporation of the Loan Agreement. Each Lender and the Borrower are parties to that certain Loan Agreement (the "Agreement") dated as of December 27, 2016. The terms and conditions of the Agreement are hereby incorporated in this Note by reference and the Lender and the Borrower are entitled to all rights and benefits of the Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Agreement.

2. Payment of Principal and Interest.

(a) This Note shall automatically mature and be due and payable in full, together with any interest accrued but unpaid thereon, on the fifth anniversary date of the first Advance ("First Advance Date") under this Note (the "Maturity Date") provided, however, the Borrower may upon written consent of the Lender, such consent not to be unreasonably withheld, extend the Maturity Date for a period of up to an additional two (2) years (the "Extension Option"). If the Borrower exercises the Extension Option, then the term "Maturity Date" shall include the Extension Option. It is the Borrower's intention to repay the Principal Sum, together with any interest accrued but unpaid thereto, on the Maturity Date with the proceeds of long-term financing or from other available sources.

(b) Interest shall accrue on the unpaid Principal Sum on a simple interest basis at a fixed rate of 1.0% per annum commencing on the First Advance Date until the Maturity Date. In the event Borrower exercises the Extension Option, interest shall accrue on the unpaid Principal Sum on a simple interest basis as follows: (i) at a fixed rate of 7.0% per annum commencing on the fifth ($5^{th}$) anniversary of the First Advance Date; and (ii) a fixed rate of 10.0% per annum commencing on the sixth ($6^{th}$) anniversary of the First Advance Date until the Maturity Date. Such interest will not be compounded or capitalized. Interest payments shall be paid to the Lender in arrears by the Borrower by way of annual payments on December 1 of each year during which any portion of the Principal Sum is outstanding. Interest shall be computed on the basis of the actual number of days

elapsed and a year of 365 days commencing on the First Advance Date.

(c) All sums payable hereunder shall be payable in lawful money of the United States and shall be applied first to accrued and unpaid interest and then in payment of the Principal Sum.

(d) Without in anyway limiting Lender's rights and remedies hereunder and under the Note, after the occurrence of an Event of Default, and until such time such Event of Default shall have been cured or waived, Advances and other obligations hereunder shall bear interest at the rate of 5% per annum (the "Default Interest Rate") or such lesser rate permitted by applicable law, if the Default Interest Rate would violate applicable law. This clause (d) shall not be given effect to the extent that the application of the Default Interest Rate would in any way alter or amend the calculations of the Business Plan included in the Private Placement Memorandum.

3. Place of Payment. The Principal Sum together with and all accrued and unpaid interest thereon shall be payable at the Lender's principal executive offices at 89 Grand Summit Way, PO Box 2805, West Dover, VT 05356, or at such other place as the Lender, from time to time, may designate in writing.

4. Prepayment. The Borrower shall be prohibited from prepaying the Principal Sum, in whole or in part, if such prepayment would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended. Subject to the foregoing, any portion of the Principal Sum that is prepaid shall be accompanied by any and all interest accrued but unpaid thereon.

5. Presentment. The Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, notice of acceleration, and all other notices or demands of any kind.

6. Rights and Remedies. The rights and remedies granted or available to the Lender with respect to the obligations of the Borrower evidenced by this Note are set forth in the Agreement, and the Lender may exercise the respective rights, options, and remedies provided for in the Agreement, or otherwise available at law or in equity, all in accordance with their respective terms. All rights and remedies granted or available to the Lender by this Note and the Agreement shall be deemed concurrent and cumulative, and not exclusive of any rights or remedies available at law or in equity. Notwithstanding the foregoing, no such rights and remedies may be exercised if the exercise of such rights or remedies would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A)-(D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended.

7. Costs and Expenses. In addition to all other sums payable under this Note, the Borrower also agrees to pay to the Lender, on demand, all reasonable costs and expenses (including attorneys' fees and legal expenses) incurred by the Lender in the enforcement of the Borrower's obligations

under this Note.

8. Severability. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be construed liberally in favor of the Lender in order to effectuate the purposes and intent of this Note.

9. Governing Law. This instrument shall be governed by and construed in accordance with the laws of the State of Vermont, excluding its conflicts of laws rules. BORROWER HEREBY AGREES TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF VERMONT AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO BORROWER AT THE ADDRESS SET FORTH ON THE SIGNATURE PAGE OF THE AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID.

10. Successors and Assigns. The provisions of this Note shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective heirs, executors or administrators and assigns. The Borrower may not assign any of its rights and obligations hereunder or any.interest herein without the prior written consent of the Lender. The Lender may not assign any of its rights and obligations hereunder and interests without the prior written consent of the Borrower and subject to Section 11 below.

11. Transfers. The Borrower shall maintain at its offices a register (the “Register”) for the recordation of the names and addresses of the Lender and each holder of this Note. Without limitation of any other provision of Section 10 above or this Section 11, no transfer shall be effective until recorded in the Register. The entries in the Register shall be conclusive absent manifest error and the Borrower may treat each person whose name is recorded in the Register as a holder of this Note notwithstanding any notice to the contrary. The foregoing provisions are intended to comply with the registration requirements in the U.S. Treasury Regulation Section 5f. 103-1 so that this Note is considered to be in “registered form” pursuant to such regulation.

IN WITNESS WHEREOF, the Borrower has executed this Note as of the date first above written.

CARINTHIA SKI LODGE LLC, a Vermont limited liability company

By: /s/ Richard Deutsch
Name: Richard Deutsch
Title: Manager

Address:

89 Grand Summit Way West Dover, Vermont 05356 Telephone: 802-464-6608
Facsimile:

SCHEDULE 1

| Lender | Proportionate Interest |
|---|---|
| Carinthia Group 1, L.P. | 94.15% |
| Carinthia Group 2, L.P. | 5.85% |



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## Section 3: EX-10.11 (EX-10.11)

**EXHIBIT 10.11**

GUARANTY OF COLLECTION

For good and valuable consideration, Peak Resorts, Inc. a corporation with its registered office in St Louis Missouri, and with a mailing address of 17409 Hidden Valley Drive, Wildwood, Missouri 63025 (the "Guarantor of Collection"), absolutely and unconditionally guarantees and promises to pay to Carinthia Group 1 L.P, a Vermont limited liability company with a principal place of business in West Dover, Vermont and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender"), or its order, on demand, in legal tender of the United States of America, the Indebtedness (as that term is defined below) of its affiliate Carinthia Ski Lodge LLC, a limited liability company organized under the laws of the State of Vermont, and with a mailing address of 89 Grand Summit Way, West Dover, Vermont 05356 (the "Borrower"), owed to the Lender on the terms and conditions set forth in this Guaranty. Under this Guaranty, the liability of the Guarantor is limited to the Indebtedness and the obligations of the Guarantor are continuing until the Indebtedness is fully paid and satisfied and all loan facilities comprising the Indebtedness are expired or terminated.

1. Defined Terms. The following words shall have the following meanings when used in this Guaranty:

(a) "Guaranty" shall mean this Guaranty of Collection made by the Guarantor for the benefit of the Lender. .

(b) "Indebtedness" shall mean all of the Borrower's liabilities, obligations, debts, and indebtedness to the Lender that are incurred in connection with a loan in the maximum principal amount of $22,000,000 pursuant to that certain Loan Agreement among each Lender and the Borrower of even date herewith (the "Loan Agreement") and evidenced by that certain promissory note payable to the Lender dated of even date herewith (the "Note"), or arising out of the various Related Documents as that term is defined below.

(c) "Related Documents" shall mean and include without limitation any other instruments, agreements and documents executed by the Borrower at the Lender's request contemporaneously hereof in connection with the Loan Agreement and the Note.

2. Guaranty. The Guarantor guarantees to the Lender full and prompt collection of up to the principal amount due under the Note and all accrued and unpaid interest thereon. This Guaranty is a guaranty of collection only, and not a guaranty of payment. As such, the Lender in accepting this Guaranty acknowledges that upon (i) the Borrower's failure to make a payment when the same shall be due and owing to the Lender in respect of the Indebtedness and (ii) lawful acceleration of the Indebtedness, the Lender will (a) resort first directly against the Borrower and fully exhaust any and all legal remedies existing or available and shall have failed to collect the full amount of the Indebtedness before proceeding against Guarantor; and (b) give notice of the terms, time, and place of any public or private sale of collateral held, if any, by the Lender and comply with any other applicable provisions of the Uniform Commercial Code as adopted in Vermont, or any other applicable law. This Guaranty will take effect when received by the Lender without the necessity of any acceptance by the Lender, or any notice to the Guarantor or

to the Borrower, and will continue in full force until all Indebtedness incurred or contracted before receipt by the Lender of any notice of revocation shall have been fully and finally paid and satisfied and all other obligations of the Guarantor under this Guaranty shall have been performed in full. Guarantor hereby agrees that it shall provide to Richard Deutsch, 89 Grand Summit Way, PO Box 2805 West Dover, VT 05356, as agent of the limited partners of the Lender (the "Agent"), such quarterly and annual financial statements and operational reports as it may provide to its principal lender as promptly as reasonably practicable following the preparation thereof.

3. Representations and Warranties. The Guarantor represents and warrants to the Lender, at the time of execution of this Guaranty and as of the time of each drawing under or other utilization of the loan as set forth and more particularly detailed in the Loan Agreement, that to the best of its knowledge (a) no representations or agreements of any kind have been made to the Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) the execution by Guarantor of the Guaranty and the incurring of liability and indebtedness to the Lender does not and will not contravene any provision contained in any other loan or credit agreement or borrowing instrument or contract to which the Guarantor is a party; (c) the Guaranty has been duly executed and delivered by the Guarantor, and constitutes valid and binding obligations of the Guarantor enforceable in accordance with its terms; and (d) this Guaranty constitutes an independent obligation of the Guarantor, notwithstanding its ownership interest in the Borrower.

4. Governing Law. This Guaranty is conclusively deemed to be made under and for all purposes to be governed by and construed in accordance with the laws of the State of Vermont. In relation to any legal action or proceedings arising out of or in connection with this Guaranty, the Guarantor submits to the jurisdiction of the courts of the State of Vermont, as the Lender may elect, and to the extent permitted by law, waives any objection to such legal action or proceedings in such courts on the grounds of venue or on the grounds that such legal action or proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Lender and shall not affect the right of the Lender to take legal action or proceedings in any other court of competent jurisdiction nor shall the taking of legal action or proceedings in any court of competent jurisdiction preclude the Lender from taking legal action or proceedings in any other court, of competent jurisdiction (whether concurrently or not). The Lender and the Guarantor hereby 'waive the right to any jury trial in any action, proceeding or counterclaim brought by either the Lender or the Guarantor against the other.

5. Miscellaneous. The following miscellaneous provisions are a part of this Guaranty:

(a) Amendments. This Guaranty constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(b) Attorneys' Fees; Expenses. The Guarantor agrees to pay upon demand the Lender's reasonable costs and expenses, including reasonable attorneys' fees and the Lender's reasonable legal expenses, incurred in connection with the successful enforcement of this

Guaranty. The Guarantor also shall pay all court costs and such additional fees as may be directed by the court in connection with the successful enforcement of this Guaranty.

(c) Notices. All notices required to be given by either party to the other under this Guaranty shall be in writing and shall be effective when actually delivered or one (1) business day after being deposited with a nationally recognized overnight courier with receipt confirmed, or three (3) business days after being deposited in the United States mail, first class postage prepaid with return receipt requested, addressed to the party to whom the notice is to be given at the address shown above or to such other addresses as either party may designate to the other in writing.

(d) Interpretation. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty. If a court of competent jurisdiction finds any provision of this Guaranty to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances, and all provisions of this Guaranty in all other respects shall remain valid and enforceable.

(e) Waiver. The Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by the Lender. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by the Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of the Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by the Lender, nor any course of dealing between the Lender and the Guarantor, shall constitute a waiver of any of the Lender's rights or of any of the Guarantor's obligations as to any future transactions. Whenever the consent of the Lender is required under this Guaranty, the granting of such consent by the Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of the Lender. Any amendment or waiver by the Lender of any provision of this Guaranty shall require the consent of limited partners in the Lender that own not less than a majority of the limited partnership interests then outstanding.

(f) Lender's Records. Every certificate issued under the hand of an officer of the Lender purporting to show the amount at any particular time due and payable to the Lender, and covered by this Guaranty, shall be received as conclusive evidence as against the Guarantor that such amount is at such time so due and payable to the Lender and is covered hereby.

(g) Change. The Guarantor agrees that no change or changes in the name or names of the Borrower or Guarantor, no change or changes in the objects, capital or enabling documents of the Borrower or the amalgamation of the Borrower with any other entity, and no other change or changes of any kind whatsoever shall in any way affect the liability of the Guarantor, either with respect to transactions occurring before or after any such change or changes, and the Lender shall not be obliged to inquire into powers of the Borrower, its officers, directors or agents acting or purporting to act on its behalf, and monies, advances, renewals or credits in fact borrowed or obtained by the Borrower from the Lender and all liabilities incurred by the Borrower from the

Lender in professed exercise of such powers shall be deemed to form part of the Indebtedness hereby

guaranteed notwithstanding that such borrowing, obtaining of monies, advances, renewals or credits, or incurring' of such liabilities shall be in excess of the powers of the Borrower, or its officers, directors or agents, or be in any way irregular, defective or informal.

(h) Successors and Assigns. The Guarantor may not delegate any of its obligations hereunder. The provisions of this Guaranty shall be binding upon any successors of the Guarantor.

(i) Sharing of Payments. By its acceptance of this Guaranty, each Lender agrees to share in all payments made under this Guaranty in accordance with its Proportionate Interest set forth on Schedule 1 of the Note.

THE UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, THE GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON THE GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO THE LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED. NO FORMAL ACCEPTANCE BY THE LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AND SHALL BE EFFECTIVE AS OF DECEMBER 27, 2016, NOTWITHSTANDING THE DATE OF ANY OF THE RELATED DOCUMENTS.

GUARANTOR OF COLLECTION

PEAK RESORTS, INC.

By: /s/ Richard Deutsch
Name: Richard Deutsch
Title: Vice President

Address:

17409 Hidden Valley Drive Wildwood, Missouri 63025 Facsimile:

Signed, acknowledged and delivered in the presence of:

Authorized Officer

[Signature Page to Guaranty of Collection (Carinthia)]



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## Section 4: EX-10.6 (EX-10.6)

**EXHIBIT 10.6**

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), dated as of December 27, 2016, is made by and among Carinthia Group 1, L.P., a limited partnership organized under the laws of the State of Vermont (the "Carinthia 1") and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender") and West Lake Water Project LLC, a limited liability company organized under the laws of the State of Vermont (the "Borrower").

RECITALS:

WHEREAS, the Borrower was organized to undertake the development and construction of a new water storage reservoir and dams for snowmaking with capacity of up to 120 million gallons, three new pump houses and the installation of approximately 28 thousand feet of new snowmaking pipelines, a new ski lift and ancillary infrastructure on trails, lifts and snow making equipment at the Mount Snow Ski Resort in West Dover, Vermont (the "Project");

WHEREAS, under the terms of the offering (the "Offering") described in the Carinthia Group Private Placement Memorandum (the "Private Placement Memorandum"), the Lender is seeking to raise capital from, among other investors, persons who are not citizens or lawful permanent residents of the United States and who desire to become limited partners of the Lender, and the investments may enable such investors to become eligible for admission to the United States of America as lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§1153 (b)(5)(A)-(D); INA § 203 (b)(5)(A)-(D) of the Immigration and Nationality Act (the "EB-5 Program"); and

WHEREAS, to comply with the EB-5 Program the Lender must invest or loan the funds raised through the Offering from such investors in or to a business carrying on a "commercial venture"; and -

WHEREAS, in furtherance of the Offering and in compliance with the requirements of the EB-5 Program, Lender has agreed, subject to the terms and conditions of this Agreement, to extend to the Borrower a line of credit in the minimum amount of $500,000 and a maximum principal amount of $30,000,000 based upon the number of limited partnership interests in each Lender sold pursuant to the Offering for the development and construction by Borrower of the Project, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration the receipt and sufficiency of which is

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

Line of Credit.

1.1 Line of Credit Established. Subject to the terms and conditions hereof, and in reliance on the representations and warranties and covenants contained herein, Lender hereby agrees to extend one or more advances (each, an "Advance" and collectively, "Advances"), up to an aggregate principal amount of $30,000,000 (the sum of such Advances, the "Loan"), such Loan to be made by each Lender in accordance with each Lender's proportionate interest set forth on Schedule 1 attached hereto; provided that the Borrower shall draw, and the Lender shall make, Advances equal to the entire principal amount of the Loan to the Borrower (or such lesser proceeds as shall have been received by the Lender from investors pursuant to the Offering) in material compliance with all requirements of the EB-5 Program and the Business Plan included in the Private Placement Memorandum including, without limitation, any applicable deadline for disbursement of the Loan, provided that any such non-compliance that would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C. § 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended, shall be deemed material.

1.2 Note. Concurrently with the execution of this Agreement, the Borrower hereby executes and delivers a promissory note payable to the Lender in the original principal amount of $30,000,000 (as amended, supplemented, restated, replaced or otherwise modified from time to time, the "Note"). The Note shall evidence the absolute and unconditional obligation of the Borrower to repay the Lender for all Advances made by the Lender, with interest as provided in this Agreement and the Note. Each Advance from time to time shall be deemed evidenced by the Note, which is deemed incorporated in this Agreement by reference and made part hereof. The Note shall be in the form set forth on Exhibit A.

1.3 Maturity and Interest Rate. The Borrower shall repay the Loan in full, together with any interest accrued but unpaid thereon, on the maturity date set forth in the Note. Advances shall bear interest on the unpaid principal balance of the Loan outstanding at any time from the Funding Date of each such Advance to the maturity date (or repayment) at the rate set forth in the Note. "Funding Date" means, with respect to any Advance, the date on which such Advance is made to the Borrower.

1.4 Draw Requests.

(a) At any time and from time to time, subject to the requirements of the EB-5 Program and the Business Plan included in the Private Placement Memorandum including, without limitation, any applicable deadline for disbursement of the Loan, the Borrower may request one or more Advances by submitting to the Lender a completed and executed draw request ("Draw Request") no later than five business days prior to the Funding Date of such Advance. Each such Advance shall be in the aggregate amount of not less than $25,000 (or, if less, the remaining amount available under the Loan).

Subject to the provisions of this Agreement, the Lender shall make the Advance on the proposed Funding Date in accordance with the Borrower's Draw Request. Each Draw Request shall clearly identify the use of the proceeds and their investment directly into the Project in accordance with the Project's plans, specifications and budget and shall be accompanied by appropriate supporting documentation.

2. Representations and Warranties. The Borrower represents and warrants to the Lender on the date hereof and on each Funding Date as follows.

2.1 Organization, Good Standing and Qualification.

(a) The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Vermont. The Borrower has all requisite power and authority to own and operate its properties and assets, to execute and deliver this Agreement and to develop and construct the Project.

(b) The Borrower is not in violation or default of any term of its organizational documents. The execution, delivery, and performance of this Agreement and the Note will not, with or without the passage of time or giving of notice, result in any such violation, or be in conflict with or constitute a default under its organizational documents.

2.2 Authorization; Binding Obligations. All action on the part of the Borrower, its officers, managers and members necessary for the authorization of this Agreement and the Note and the performance of all obligations of the Borrower hereunder and thereunder has been taken. This Agreement and the Note have been duly executed and delivered by the Borrower and constitute valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) as limited by general principles of equity (regardless of whether considered and applied in a proceeding in equity or at law) that restrict the availability of equitable remedies.

2-3 Liabilities. The Borrower does not have and is not subject to any liability or obligation of any nature, whether accrued, absolute, contingent, or otherwise, asserted or unasserted, known or unknown (including, without limitation, liabilities as guarantor or otherwise with respect to obligations of others, or liabilities for taxes due or then accrued or to become due), except liabilities incurred in the ordinary course of business of the Borrower in connection with the development and construction of the Project.

2.4 Agreements. All agreements, understandings, arrangements or other commitments to which the Borrower is a party (collectively, "Contracts") are in all material respects valid and enforceable in accordance with their terms. The Borrower is not in default in the performance, observance or fulfillment of any obligation, covenant or condition contained therein, and, to the Borrower's knowledge, no event has occurred which with or without the giving of notice or lapse of time, or both, would constitute a default thereunder by the Borrower, except in either case where such default would not and would not reasonably be expected to have, individually or collectively, a material adverse effect on the

Borrower. The execution, delivery, and performance by the Borrower of this Agreement and the Note will not, with or without the passage of time or giving of notice, result in any such violation, or be in conflict with or constitute a default under any Contract, except in either case where such default would not and would not reasonably be expected to have, individually or collectively, a material adverse effect on the Borrower.

2.5 Obligations to Related Parties. The Borrower has no obligations to executive officers, managers, members, employees or affiliates of the Borrower, except obligations to Mount Snow Ltd. or any of its affiliates solely to the extent such obligations have arisen or arise in connection with the development and construction of the Project.

2.6 Real and Personal Property.

(a) Real Property. The Borrower does not own any real property. With respect to real property leased by the Borrower (the "Leased Real Property"), each of the leases for the Leased Real Property is in full force and effect, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights. Neither the Borrower nor, to the Borrower's knowledge, any other party thereto is in material default under any of said leases, nor is the Borrower aware of any event that has occurred which, with the giving of notice or the passage of time, or both, would give rise to a material default thereunder.

(b) Personal Property. The Borrower has good and marketable title to all of its personal property and assets, and all such personal property and assets are in good working condition, reasonable wear and tear excepted. None of such personal property or assets is subject to any Lien other than Permitted Liens. "Lien" means any security interest, mortgage, pledge, lien, claim, charge, title retention or other encumbrance. "Permitted Liens" means (a) statutory Liens for taxes, which are not yet due and payable, (b) statutory or common law Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default, (c) statutory or common law Liens in favor of carriers, warehousemen, mechanics and materialmen to secure claims for labor, materials or supplies and other like liens incurred in the ordinary course of business that are not yet due and payable, (d) pledges or deposits made in the ordinary course of business to secure payment of workmen's compensation, or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs, (e) encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property, none of which materially impairs the use of such property or the value thereof, and none of which is violated in any material respect by existing or proposed structures or land use, (f) Liens in favor of Mount Snow Ltd. or any of its affiliates solely to the extent such Lien is attached to personal property or other assets that have been contributed to the Project by Mount Snow Ltd. or any of such affiliates, and (g) Liens securing indebtedness advanced by a third party to the Borrower to the extent that such indebtedness has been or will .be used by the Borrower to complete the Project pursuant to the Business Plan and remains outstanding.

2.7 Litigation. There is no litigation, arbitration, mediation or proceeding or investigation pending or, to the knowledge of the Borrower, threatened against the Borrower

or affecting any of its properties or assets or which may call into question the validity or hinder the enforceability of this Agreement or the Note or the transactions contemplated hereby and thereby.

2.8 Compliance with Laws: Authorizations.

(a) The Borrower has complied in all material respects with each, and is not in violation of any, law, statute, regulation, rule, ordinance or order ("Laws") to which the Borrower or its business, operations, employees, assets or properties is or has been subject.

(b) Except as set forth in the schedule attached to this Agreement as Schedule 2.8, all material licenses, permits and other authorizations ("Authorizations") required by the Borrower for the development and construction of the Project (other than predevelopment and preconstruction expenditures) are valid and in full force and effect and none of such authorizations will be terminated or impaired or become terminable as a result of the transactions contemplated by this Agreement and the Note.

2.9 Insurance. The Borrower has fire, casualty, product liability, and business interruption and other insurance policies, with extended coverage, sufficient in amount to allow it to replace any of its material properties which might be damaged or destroyed or sufficient to cover liabilities to which the Borrower may reasonably become subject, and such types and amounts of other insurance with respect to its business and properties, on both a per occurrence and an aggregate basis, as are customarily carried by persons engaged in the same or similar businesses as Borrower. There is no material default by the Borrower, or to the knowledge of the Borrower, by any insurance carrier of such policies, or event which could give rise to a material default under any such policy.

3. Conditions .

3.1 Conditions Precedent to Each Advance.

(a) The Borrower shall have executed and delivered the Note to the Lender (initial Advance only).

(b) The Lender shall have timely received a Draw Request.

(c) The Borrower shall have delivered to the Lender a certificate, dated as of the date of the Advance, signed by the President of the Borrower certifying (i) compliance in all material respects with all covenants and agreements herein then required to be or to have been complied with by it and (ii) the absence of any Event of Default or any event which, with the passage of time, or the giving of notice, or both, would constitute an Event of Default under this Agreement, in each case both prior to and immediately upon the making of such Advance.

(d) No injunction, writ, restraining order, or other order of any nature prohibiting, directly or indirectly, the extending of such credit shall have been issued and remain in force by any governmental authority against the Borrower or the Lender.

(e) Peak Resorts, Inc. shall have executed and delivered the Guaranty in the form attached hereto as Exhibit B (the "Guaranty") to the Lender (initial Advance only). .

4. Covenants of Borrower.

4.1 Affirmative Covenants. From the Effective Date until the date on which all Advances hereunder and under the Note are paid in full, together with any interest accrued but unpaid thereon, the Borrower will, unless the Lender shall otherwise consent in writing:

(a) Use of Proceeds. Use the proceeds of the Advances solely to develop and construct the Project in the State of Vermont and in material compliance with the requirements of the EB-5 Program and the Business Plan that is included in the Private Placement Memorandum, provided that any such non-compliance that would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C. § 1153 (b)(5)(A) - (D), INA § 203
(b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended, shall be deemed material. Upon written request of the Lender the Borrower shall furnish such written evidence that the proceeds have been used for such purposes and periodically furnish such written evidence that establishes the requisite employment created in the Project pursuant to the EB-5 Program and as disclosed in the Private Placement Memorandum.

(b) Compliance with Laws. Comply in all material respects with all applicable Laws and maintain in effect all Authorizations that are required or otherwise necessary for the Borrower to develop the Project.

(c) Preservation of Existence. Preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the nature of its business requires it to be so qualified or where the ownership of its properties or the nature of its. activities makes such qualification necessary, except where the failure to be so qualified would not materially adversely affect the enforceability of this Agreement and the Note, the business, properties, operations, profits or condition (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations hereunder.

(d) Keeping of Records and Books of Account. Maintain and implement administrative and operating procedures and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the development, construction and administration of the Project in compliance with all applicable Laws and Authorizations.

(e) Maintenance of Properties. Maintain its properties and assets, whether owned or leased, in good condition and repair (normal wear and tear excepted), and pay and discharge or cause to be paid and discharged, when due, the cost of repairs to or maintenance of the same.

(f) Insurance. Maintain insurance with respect to its properties and assets and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities. Such insurance shall be in such amounts, contain such terms, be in such forms and be for such periods as may be reasonably satisfactory to the Lender (but in no event less than the amount of the Loan then outstanding together with interest accrued but unpaid thereon). In addition, all such insurance shall name the Lender as loss payee and/or additional insured, as applicable, for the benefit of the Lender.

(g) Taxes. File or cause to be filed all federal, state and local tax returns which are required to be filed by it. The Borrower shall pay or cause to be paid all taxes shown to be due and payable on such returns or on any assessments received by it. At its option, the Lender may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Project, may pay for insurance on the Project and may pay for the maintenance and preservation of the Project. The Borrower agrees to reimburse the Lender on demand for any reasonable payments made, or any reasonable expenses incurred by the Lender pursuant to the foregoing authorization.

(h) Performance of Obligations. Perform, pay and discharge, as and when due, all of the Borrower's obligations (both monetary and non-monetary) under this Agreement.

(i) Inspection Rights. Permit Vermont Regional Center as agent of the limited partners of the Lender (the "Agent") to inspect the Project upon reasonable request and provide copies of such financial records pertaining thereto as such Agent may reasonably request. .

0) Assurances. The Borrower will, at its expense, upon reasonable request of the Lender promptly and duly execute and deliver such documents and assurances and take such actions as may be necessary or desirable or as the Lender may reasonably request in order to correct any defect, error or omission which may at any time be discovered or to more effectively carry out the intent and purpose of this Agreement.

4.2 Negative Covenants. From the date of this Agreement until the date on which all Advances hereunder and under the Notes are paid in full, together with any interest accrued but unpaid thereon, the Borrower will not, without the written consent of the Lender:

(a) Liens and Encumbrances. Create, assume or permit to exist any Lien upon any of the properties or assets financed or purchased with the proceeds of the Loan other than security interests with respect to money borrowed from the Lender and Permitted Liens.

(b) Transfer of Assets or Properties. Sell, enter into an agreement of sale for, convey, lease, assign, transfer, pledge, grant a security interest, mortgage or other Lien other than Permitted Liens in, or otherwise dispose of the any of the properties or assets financed or purchased with the proceeds of the Loan.

(c) Stock, Merger. Consolidation. Etc. Sell any equity interests to any person other than Peak Resorts, Inc. or any of its wholly-owned subsidiaries or merge or consolidate with any person.

(d) Guarantees. Guarantee, endorse or otherwise be or become contingently liable in connection with the obligations of any other person, except endorsements of negotiable instruments for collection in the ordinary course of business.

(e) Limitation on Transactions with Affiliates. Other than transactions on terms no less favorable to the Borrower than those that could reasonably be obtained at arms' length in the ordinary course of business, enter into, or be a party to, any transaction with any affiliate.

(f) Limitation on Investments. Make or suffer to exist any loans or advances to, or extend any credit to, or make any investments (by way of transfer of property, contributions to capital, purchase of stock or securities or evidences of indebtedness, acquisition of the business or assets, or otherwise) in, any affiliate or any other person.

(g) Negative Pledge. Grant any Lien in, or otherwise encumber, any of its properties or other assets other than Permitted Liens.

5. Default

5.1 Events of Default. The occurrence of any one or more of the following events, conditions or state of affairs shall constitute an Event of Default hereunder and under the Note:

(a) The Borrower shall fail to pay as and when due any principal or interest hereunder or under the Note.

(b) The Borrower shall fail to observe or perform any obligation or any covenant to be observed or performed by it hereunder or under the Note (other than the obligation to pay principal and/or interest under the Note) and such failure shall continue uncured for a period of 60 business days after the Borrower becomes aware of the occurrence thereof (such cure period to be applicable only in the event such default can be remedied by corrective action of the Borrower as determined by the Lender).

(c) Any representation or warranty made by Borrower in this
Agreement, shall prove to have been false or misleading in any material respect at the time when made.

(d) Any judgment, writ or warrant of attachment or similar process involving an amount in excess of U.S. $100,000 shall be entered or filed against the Borrower or any of its assets or properties and shall remain undischarged for a period of 30 days.

(e) If the Borrower makes an assignment for the benefit of creditors generally, offers a composition or extension to creditors, or makes or sends notice of an intended bulk sale of any business or assets now or hereafter owned or conducted by

Borrower, except as otherwise expressly permitted in this Agreement.

(f) Upon the commencement of any action for the dissolution or liquidation of the Borrower, or the commencement of any case or proceeding for reorganization or liquidation of the Borrower's debts under the Bankruptcy Code or any other state or federal law, now or hereafter enacted for the relief of debtors, whether instituted by or against the Borrower; provided, however, that the Borrower shall have 60 days to obtain the dismissal or discharge of any involuntary proceeding filed against it and the Lender may seek adequate protection in any bankruptcy proceeding.

(g) Upon the appointment of a receiver, liquidator, custodian, trustee or similar official or fiduciary for the Borrower or for a material portion of any property of the Borrower.

(h) This Agreement or the Note shall cease for any reason to be in full force and effect or shall be declared to be null and void or unenforceable in whole or in part.

(i) Other than Liens in favor of the Lender or Liens otherwise consented to in writing by the Lender, imposition of any Lien or series of Liens against the Borrower or any of the properties or other assets financed or purchased with the proceeds of the Loan except Permitted Liens.

(j) The Borrower shall cease to develop and construct the Project prior

to completion.

(k) The Guaranty shall cease to be in effect.

5.2 Remedies on Default. Upon the occurrence of an Event of Default:

(a) Subject to Section 5.2(d), in addition to the rights specifically granted hereunder or now or hereafter existing in equity, at law, by virtue of statute or otherwise (each of which rights may be exercised at any time and from time to time), the
Lender may forthwith declare all obligations, including all principal and interest, to be immediately due and payable, without protest, demand or other notice (which are hereby expressly waived by Borrower). Upon the occurrence of an Event of Default specified in Section 5.1(e), (f) or (g) above, but subject to Section 5.2(d), all Advances, including all interest accrued but unpaid thereon, shall be immediately due and payable without any declaration by the Lender.

(b) The Borrower will pay the Lender's fees incurred in any action seeking enforcement of the Lender's rights hereunder.

(c) No failure on the part of the Lender to exercise, and no delay in exercising, any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by the Lenders of any right, power or remedy preclude any other further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies provided herein shall be in addition to and not exclusive of any rights or remedies provided at law or in equity. The remedies provided herein or in the Note or otherwise available to the

Lender at law or in equity shall be cumulative and concurrent, and may be pursued singly, successively or together at the sole discretion of the Lender, and may be exercised as often as occasion therefor shall occur.

(d) No rights and remedies may be exercised upon an Event of Default
if such rights or remedies would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended.

6. Miscellaneous.

6.1 Amendment and Waiver. No amendment to or waiver of any provision of this Agreement nor consent to any departure by the Borrower, shall in any event be effective unless (a) the same shall be in writing and signed by the Lender and Borrower (with respect to an amendment) or the Lender (with respect to a waiver or consent by it) or the Borrower (with respect to a waiver or consent by it), as the case may be, and such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Any amendment or waiver by the Lender of any provision of this Agreement or the Note shall require the consent of limited partners in the Lender that own not less than a majority of the limited partnership interests then outstanding.

6.2 Entire Agreement. This Agreement, the Note and the Guaranty constitute the entire agreement among the parties relative to the specific subject matter hereof and thereof.

6.3 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) the next business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to a party at the address or facsimile number of such party set forth on such party's signature page hereof, or at such other address as such party may designate by 10 days' advance written notice to the other parties hereto.

6.4 Binding Effect; This Agreement shall be binding upon and inure to the benefit of Borrower and the Lender and their respective successors and permitted assigns (which successors of the Borrower shall include a trustee in bankruptcy). The Borrower may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of the Lender. The Lender may not assign any of its rights and obligations hereunder and interests without the prior written consent of the Borrower. .

6.5 GOVERNING LAW; WAIVER OF JURY TRIAL. THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE

WITH, THE LAWS OF THE STATE OF VERMONT WITHOUT REGARD TO CONFLICT OF LAWS. THE BORROWER HEREBY AGREES TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF VERMONT AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO THE BORROWER AT THE ADDRESS SET FORTH ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID. THE BORROWER AND THE LENDER HEREBY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE BORROWER AND THE LENDER ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT. INSTEAD, ANY DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A.BENCH TRIAL WITHOUT A JURY. WITH RESPECT TO THE FOREGOING CONSENT TO JURISDICTION, BOTH PARTIES HEREBY WAIVE ANY OBJECTION BASED ON FORUM NON CONVENIENS. AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION 8.5 SHALL AFFECT THE RIGHT OF THE LENDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF THE LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST THE BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

6.6 Survival. All warranties, representations, and covenants made by the Borrower in this Agreement and the Note shall be considered to have been relied upon by the Lender, and shall survive the delivery to the Lender of the Note, regardless of any investigation made by the Lender. All statements in any such certificate or other instrument prepared and/or delivered for the benefit of the Lender shall constitute warranties and representations by the Borrower under this Agreement. Except as otherwise expressly provided in this Agreement, all covenants made by the Borrower under this Agreement or the Note shall be deemed continuing until all Obligations are satisfied in full.

6.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.8 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.9 EB-5 Program. Notwithstanding anything in this Agreement, the Note or instruments, agreements and documents executed by the Borrower at the Lender's request contemporaneously hereof in connection with this Agreement or the Note to the contrary, no

payment shall be made by. the Borrower to Lender or any other creditor that would jeopardize evidencing the use of the proceeds of the Loan to create the requisite employment in the Project pursuant to the requirements of the EB-5 Program.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in the first paragraph hereof.

CARINTHIA GROUP 1, L.P.

By: MOUNT SNOW GP SERVICES LLC, a Vermont limited liability company
Its general partner

By:/s/ Richard Deutsch
Name: Richard Deutsch
Title: Manager

Address:

89 Grand Summit Way
PO Box 2805
West Dover, VT 05356

Facsimile:_

CARINTHIA GROUP 2, L.P.

By: MOUNT SNOW GP SERVICES LLC, a
Vermont limited liability company
Its general partner

By: /s/ Richard Deutsch
Name: Richard Deutsch
Title: Manager

Address:

89 Grand Summit Way PO Box 2805 West Dover, VT 05356

Facsimile:

WEST LAKE WATER PROJECT LLC, a Vermont limited liability company

By: /s/ Richard Deutsch
Name: Richard Deutsch
Title: Manager

EXHIBIT A

FORM OF NON-REVOLVING LINE OF CREDIT NOTE U.S. $30,000,000 December 27, 2016

FOR VALUE RECEIVED, WEST LAKE WATER PROJECT LLC, a Vermont limited liability company with a principal place of business at 89 Grand Summit Way, PO Box 2805, West Dover, VT 05356 (the "Borrower"), hereby promises to pay to Carinthia Group 1, L.P., a Vermont limited partnership with a principal place of business at 89 Grand Summit Way, PO Box 2805, West Dover, VT 05356 and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") with a principal place of business at 89 Grand Summit Way, PO Box 2805, West Dover, VT 05356 (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender"), in accordance with each Lender's proportionate interest set forth on Schedule 1 attached hereto, or order, the principal sum of $30,000,000 or such lesser amount as shall have been advanced and remain outstanding under the terms of the Agreement defined below (the "Principal Sum"), together with accrued interest thereon, in the manner and upon the terms and conditions set forth below. The actual amount due and owing from time to time under this Non-Revolving Credit Note ("Note") shall be evidenced by Lender's records of receipts and disbursements, which shall be prima facie evidence of such amount, absent manifest error.

1. Incorporation of the Loan Agreement. Each Lender and the Borrower are parties to that certain Loan Agreement (the "Agreement") dated as of December 27, 2016. The terms and conditions of the Agreement are hereby incorporated in this Note by reference and the Lender and the Borrower are entitled to all rights and benefits of the Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Agreement.

2. Payment of Principal and Interest.

(a) This Note shall automatically mature and be due and payable in full, together with any interest accrued but unpaid thereon, on the fifth anniversary date of the first Advance ("First Advance Date") under this Note (the "Maturity Date") provided, however, the Borrower may upon written consent of the Lender, such consent not to be unreasonably withheld, extend the Maturity Date for a period of up to an additional two (2) years (the "Extension Option"). If the Borrower exercises the Extension Option, then the term "Maturity Date" shall include the Extension Option. It is the Borrower's intention to repay the Principal Sum, together with any interest accrued but unpaid thereto, on the Maturity Date with the proceeds of long-term financing or from other available sources.

(b) Interest shall accrue on the unpaid Principal Sum on a simple interest basis at a fixed rate of 1.0% per annum commencing on the First Advance Date until the

Maturity Date. In the event Borrower exercises the Extension Option, interest shall accrue on the unpaid Principal Sum on a simple interest basis as follows: (i) at a fixed rate of 7.0% per annum commencing on the fifth (5th) anniversary of the First Advance Date; and (ii) a fixed rate of 10.0% per annum commencing on the sixth (6th) anniversary of the First Advance Date until the Maturity Date. Such interest will not be compounded or capitalized. Interest payments shall be paid to the Lender in arrears by the Borrower by way of annual payments on December 1 of each year during which any portion of the Principal Sum is outstanding. Interest shall be computed on the basis of the actual number of days elapsed and a year of 365 days commencing on the First Advance Date.

(c) All sums payable hereunder shall be payable in lawful money of the United States and shall be applied first to accrued and unpaid interest and then in payment of the Principal Sum.

(d) Without in any way limiting Lender's rights and remedies hereunder and under the Note, after the occurrence of an Event of Default, and until such time such Event of Default shall have been cured or waived, Advances and other obligations hereunder shall bear interest at the rate of 5% per annum (the "Default Interest Rate") or such lesser rate permitted by applicable law, if the Default Interest Rate would violate applicable law. This clause (d) shall not be given effect to the extent that the application of the Default Interest Rate, would in any way alter or amend the calculations of the Business Plan included in the Private Placement Memorandum.

3. Place of Payment. The Principal Sum together with and all accrued and unpaid interest thereon shall be payable at the Lender's principal executive offices at 89 Grand Summit Way, PO Box 2805, West Dover, VT 05356, or at such other place as the Lender, from time to time, may designate in writing.

4. Prepayment. The Borrower shall be prohibited from prepaying the Principal Sum, in whole or in part, if such prepayment would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended. Subject to the foregoing, any portion of the Principal Sum that is prepaid shall be accompanied by any and all interest accrued but unpaid thereon.

5. Presentment. The Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, notice of acceleration, and all other notices or demands of any kind.

6. Rights and Remedies. The rights and remedies granted or available to the Lender with respect to the obligations of the Borrower evidenced by this Note are set forth in the Agreement, and the Lender may exercise the respective rights, options, and remedies provided for in the Agreement, or otherwise available at law or in equity, all in accordance with their respective terms. All rights and remedies granted or available to the Lender by this Note and the Agreement shall be deemed concurrent and cumulative, and not

exclusive of any rights or remedies available at law or in equity. Notwithstanding the foregoing, no such rights and remedies may be exercised if the exercise of such rights or remedies would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A)-(D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended.

7. Costs and Expenses. In addition to all other sums payable under this Note, the Borrower also agrees to pay to the Lender, on demand, all reasonable costs and expenses (including attorneys' fees and legal expenses) incurred by the Lender in the enforcement of the Borrower's obligations under this Note.

8. Severability. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be construed liberally in favor of the Lender in order to effectuate the purposes and intent of this Note.

9. Governing Law. This instrument shall be governed by and construed in accordance with the laws of the State of Vermont, excluding its conflicts of laws rules. BORROWER HEREBY AGREES TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF VERMONT AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO BORROWER AT THE ADDRESS SET FORTH ON THE SIGNATURE PAGE OF THE AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID.

10. Successors and Assigns. The provisions of this Note shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective heirs, executors or administrators and assigns. The Borrower may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of the Lender. The Lender may not assign any of its rights and obligations hereunder and interests without the prior written consent of the Borrower and subject to Section 11 below. .

11. Transfers. The Borrower shall maintain at its offices a register (the "Register") for the recordation of the names and addresses of the Lender and each holder of this Note. Without limitation of any other provision of Section 10 above or this Section 11, no transfer shall be effective until recorded in the Register. The entries in the Register shall be conclusive absent manifest error and the Borrower may treat each person whose name is recorded in the Register as a holder of this Note notwithstanding any notice to the contrary. The foregoing provisions are intended to comply with the registration requirements in the U.S. Treasury Regulation Section 5f. 103-1 so that this Note is considered to be in "registered form" pursuant to such regulation.

IN WITNESS WHEREOF, the Borrower has executed this Note as of the date first above written.

West Lake Water Project LLC, a Vermont limited liability company

By: _____
Name:
Title:

Address:

89 Grand Summit Way PO Box 2805 West Dover, VT 05356
Telephone:_____
Facsimile:

SCHEDULE 1

| Lender . | Proportionate Interest |
|---|---|
| Carinthia Group 1, L.P. | 94.1% |
| Carinthia Group 2, L.P. | 5.9% |

EXHIBIT B

FORM OF GUARANTY OF COLLECTION

For good and valuable consideration, Peak Resorts, Inc. a corporation with its registered office in St Louis Missouri, and with a mailing address of 17409 Hidden Valley Drive, Wildwood, Missouri 63025 (the "Guarantor of Collection"), absolutely and unconditionally guarantees and promises to pay to Carinthia Group 1 L.P, a Vermont limited liability company with a principal place of business in West Dover, Vermont and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender"), or its order, on demand, in legal tender of the United States of America, the Indebtedness (as that term is defined below) of its affiliate West Lake Water Project LLC, a limited liability company organized under the laws of the State of Vermont, and with a mailing address of 89 Grand Summit Way, PO Box 2805, West Dover, VT 05356 (the "Borrower"), owed to the Lender on the terms and conditions set forth in this Guaranty. Under this Guaranty, the liability of the Guarantor is limited to the Indebtedness and the obligations of the Guarantor are continuing until the Indebtedness is fully paid and satisfied and all loan facilities comprising the Indebtedness are expired or terminated.

1. Defined Terms. The following words shall have the following meanings when used in this Guaranty:

(a) "Guaranty" shall mean this Guaranty of Collection made by the Guarantor for the benefit of the Lender.

(b) "Indebtedness" shall mean all of the Borrower's liabilities, obligations, debts, and indebtedness to the Lender that are incurred in connection with a loan in the maximum principal amount of $30,000,000 pursuant to that certain Loan Agreement among each Lender and the Borrower of even date herewith (the "Loan Agreement") and evidenced by that certain promissory note payable to the Lender dated of even date herewith (the "Note"), or arising out of the various Related Documents as that term is defined below.

(c) "Related Documents" shall mean and include without limitation any other instruments, agreements and documents executed by the Borrower at the Lender's request contemporaneously hereof in connection with the Loan Agreement and the Note.

2.Guaranty. The Guarantor guarantees to the Lender full and prompt collection of up to the principal amount due under the Note and all accrued and unpaid interest thereon. This Guaranty is a guaranty of collection only, and not a guaranty of payment. As such, the Lender in accepting this Guaranty acknowledges that upon (i) the Borrower's failure to make a- payment when the same shall be due and owing to the Lender in respect of the Indebtedness and (ii) lawful acceleration of the Indebtedness, the Lender will (a) resort first directly against the Borrower and fully exhaust any and all

legal remedies existing or available and shall have failed to collect the full amount of the Indebtedness before proceeding against Guarantor; and (b) give notice of the terms, time, and place of any public or private sale of collateral held, if any, by the Lender and comply with any other applicable provisions of the Uniform Commercial Code as adopted in Vermont, or any other applicable law. This Guaranty will take effect when received by the Lender without the necessity of any acceptance by the Lender, or any notice to the Guarantor or to the Borrower, and will continue in full force until all Indebtedness incurred or contracted before receipt by the Lender of any notice of revocation shall have been fully and finally paid and satisfied and all other obligations of the Guarantor under this Guaranty shall have been performed in full. Guarantor hereby agrees that it shall provide to Richard Deutsch, 89 Grand Summit Way, PO Box 2805 West Dover, VT 05356, as agent of the limited partners of the Lender (the "Agent"), such quarterly and annual financial statements and operational reports as it may provide to its principal lender as promptly as reasonably practicable following the preparation thereof.

3. Representations and Warranties. The Guarantor represents and warrants to the Lender, at the time of execution of this Guaranty and as of the time of each drawing under or other utilization of the loan as set forth and more particularly detailed in the Loan Agreement, that to the best of its knowledge (a) no representations or agreements of any kind have been made to the Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) the execution by Guarantor of the Guaranty and the incurring of liability and indebtedness to the Lender does not and will not contravene any provision contained in any other loan or credit agreement or borrowing instrument or contract to which the Guarantor is a party; (c) the Guaranty has been duly executed and delivered by the Guarantor, and constitutes valid and binding obligations of the Guarantor enforceable in accordance with its terms; and (d) this Guaranty constitutes an independent obligation of the Guarantor, notwithstanding its ownership interest in the Borrower.

4. Governing Law. This Guaranty is conclusively deemed to be made under and for all purposes to be governed by and construed in accordance with the laws of the State of Vermont. In relation to any legal action or proceedings arising out of or in connection with this Guaranty, the Guarantor submits to the jurisdiction of the courts of the State of Vermont, as the Lender may elect, and to the extent permitted by law, waives any objection to such legal action or proceedings in such courts on the grounds of venue or on the grounds that such legal action or proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Lender and shall not affect the right of the Lender to take legal action or proceedings in any other court of competent jurisdiction nor shall the taking of legal action or proceedings in any court of competent jurisdiction preclude the Lender from taking legal action or proceedings in any other court of competent jurisdiction (whether concurrently or not). The Lender and the Guarantor hereby waive the right to any jury trial in any action, proceeding or counterclaim brought by either the Lender or the Guarantor against the other.

5. Miscellaneous. The following miscellaneous provisions are a part of this Guaranty:

(a) Amendments. This Guaranty constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party

or parties sought to be charged or bound by the alteration or amendment.

(b) Attorneys' Fees; Expenses. The Guarantor agrees to pay upon demand the Lender's reasonable costs and expenses, including reasonable attorneys' fees and the Lender's reasonable legal expenses, incurred in connection with the successful enforcement of this Guaranty. The Guarantor also shall pay all court costs and such additional fees as may be directed by the court in connection with the successful enforcement of this Guaranty!

(c) Notices. All notices required to be given by either party to the other under this Guaranty shall be in writing and shall be effective when actually delivered or one (1) business day after being deposited with a nationally recognized overnight courier with receipt confirmed, or three (3) business days after being deposited in the United States mail, first class postage prepaid with return receipt requested, addressed to the party to whom the notice is to be given at the address shown above or to such other addresses as either party may designate to the other in writing.

(d) Interpretation. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty. If a court of competent jurisdiction finds any provision of this Guaranty to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances, and all provisions of this Guaranty in all other respects shall remain valid and enforceable.

(e) Waiver. The Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by the Lender. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by the Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of the Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by the Lender, nor any course of dealing between the Lender and the Guarantor, shall constitute a waiver of any of the Lender's rights or of any of the Guarantor's obligations as to any future transactions. Whenever the consent of the Lender is required under this Guaranty, the granting of such consent by the Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of the Lender. Any amendment or waiver by the Lender of any provision of this Guaranty shall require the consent of limited partners in the Lender that own not less than a majority of the limited partnership interests then outstanding.

(f) Lender's Records. Every certificate issued under the hand of an officer of the Lender purporting to show the amount at any particular time due and payable to the Lender, and covered by this Guaranty, shall be received as conclusive evidence as against the Guarantor that such amount is at such time so due and payable to the Lender and is covered hereby.

(g) Change. The Guarantor agrees that no change or changes in the name or names of the Borrower or Guarantor, no change or changes in the objects, capital or enabling documents of the Borrower or the amalgamation of the Borrower with any other entity, and

no other change or changes of any kind whatsoever shall in any way affect the liability of the Guarantor, either with respect to transactions occurring before or after any such change or changes, and the Lender shall not be obliged to inquire into powers of the Borrower, its officers, directors or agents acting or purporting to act on its behalf, and monies, advances, renewals or credits in fact borrowed or obtained by the Borrower from the Lender and all liabilities incurred by the Borrower from the Lender in professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed notwithstanding that such borrowing, obtaining of monies, advances, renewals or credits, or incurring of such liabilities shall be in excess of the powers of the Borrower, or its officers, directors or agents, or be in any way irregular, defective or informal.

(h) Successors and Assigns. The Guarantor may not delegate any of its obligations hereunder. The provisions of this Guaranty shall be binding upon any successors of the Guarantor.

(i) Sharing of Payments. By its acceptance of this Guaranty, each Lender agrees to share in all payments made under this Guaranty in accordance with its Proportionate Interest set forth on Schedule 1 of the Note.

THE UNDERSIGNED GUARANTOR ACKNOWLEDGES HAYING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, THE GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON THE GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO THE LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED. NO FORMAL ACCEPTANCE BY THE LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AND SHALL BE EFFECTIVE AS OF DECEMBER 27, 2016, NOTWITHSTANDING THE DATE OF ANY OF THE RELATED DOCUMENTS.

GUARANTOR OF COLLECTION

PEAK RESORTS, INC., a Missouri corporation

By:_____
Name:
Title:

Address:

17409 HiddenValley Drive Wildwood,Missouri 63025 Facsimile:

Signed, acknowledged and delivered in the presence of:

Authorized Officer

20023765v.5



(Back To Top)

## Section 5: EX-10.7 (EX-10.7)

**EXHIBIT 10.7**

NON-REVOLVING LINE OF CREDIT NOTE

U.S. $30,000,000 . December 27, 2016

FOR VALUE RECEIVED, WEST LAKE WATER PROJECT LLC, a Vermont limited liability company with a principal place of business at 89 Grand Summit Way, West Dover, Vermont 05356 (the "Borrower"), hereby promises to pay to Carinthia Group 1, L.P., a Vermont limited partnership with a principal place of business at 89 Grand Summit Way, West Dover, Vermont 05356 and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") with a principal place of business at 89 Grand Summit Way, West Dover, Vermont 05356 (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender"), in accordance with each Lender's proportionate interest set forth on Schedule 1 attached hereto, or order, the principal sum of $30,000,000 or such lesser amount as shall have been advanced and remain outstanding under the terms of the Agreement defined below (the "Principal Sum"), together with accrued interest thereon, in the manner and upon the terms and conditions set forth below. The actual amount due and owing from time to time under this Non-Revolving Credit Note ("Note") shall be evidenced by Lender's records of receipts and disbursements, which shall be prima facie evidence of such amount, absent manifest error.

1. Incorporation of the Loan Agreement. Each Lender and the Borrower are parties to that certain Loan Agreement (the "Agreement") dated as of December 27, 2016. The terms and conditions of the Agreement are hereby incorporated in this Note by reference and the Lender and the Borrower are entitled to all rights and benefits of the Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Agreement.

2. Payment of Principal and Interest.

(a) This Note shall automatically mature and be due and payable in full,
together with any interest accrued but unpaid thereon, on the fifth anniversary date of the first Advance ("First Advance Date") under this Note (the "Maturity Date") provided, however, the Borrower may upon written consent of the Lender, such consent not to be unreasonably withheld, extend the Maturity Date for a period of up to an additional two (2) years (the "Extension Option"). If the Borrower exercises the Extension Option, then the term "Maturity Date" shall include the Extension Option. It is the Borrower's intention to repay the Principal Sum, together with any interest accrued but unpaid thereto, on the Maturity Date, with the proceeds of long-term financing or from other available sources. •

(b) Interest shall accrue on the unpaid Principal Sum on a simple interest basis at a fixed rate of 1.0% per annum commencing on the First Advance Date until the Maturity Date. In the event Borrower exercises the Extension Option, interest shall accrue on the unpaid Principal Sum on a simple interest basis as follows: (i) at a fixed rate of 7.0% per annum commencing on the fifth ($5^{th}$) anniversary of the First Advance Date; and (ii) a fixed rate of 10.0% per annum commencing on the sixth ($6^{th}$) anniversary of the First Advance

Date until the Maturity Date. Such interest will not be compounded or capitalized. Interest payments shall be paid to the Lender in arrears by the Borrower by way of annual payments on December 1 of each year during which any portion of the Principal Sum is outstanding. Interest shall be computed on the basis of the actual number of days elapsed and a year of 365 days commencing on the First Advance Date.

(c) All sums payable hereunder shall be payable in lawful money of the United States and shall be applied first to accrued and unpaid interest and then in payment of the Principal Sum.

(d) Without in any. way limiting Lender's rights and remedies hereunder and under the Note, after the occurrence of an Event of Default, and until such time such Event of Default shall have been cured or waived, Advances and other obligations hereunder shall bear interest at the rate of 5% per annum (the "Default Interest Rate") or such lesser rate permitted by applicable law, if the Default Interest Rate would violate applicable law. This clause (d) shall not be given effect to the extent that the application of the Default Interest Rate would in any way alter or amend the calculations of the Business Plan included in the Private Placement Memorandum.

3. Place of Payment. The Principal Sum together with and all accrued and unpaid interest thereon shall be payable at the Lender's principal executive offices at 89 Grand Summit Way, PO Box 2805, West Dover, VT 05356, or at such other place as the Lender, from time to time, may designate in writing.

4. Prepayment. The Borrower shall be prohibited from prepaying the Principal Sum, in whole or in part, if such prepayment would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), IN A § 203 (b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended. Subject to the foregoing, any portion of the Principal Sum that is prepaid shall be accompanied by any and all interest accrued but unpaid thereon.

5. Presentment. The Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, notice of acceleration, and all other notices or demands of any kind.

6. Rights and Remedies. The rights and remedies granted or available to the Lender with respect to the obligations of the Borrower evidenced by this Note are set forth in the Agreement, and the Lender may exercise the respective rights, options, and remedies provided for in the Agreement, or otherwise available at law or in equity, all in accordance with their respective terms. All rights and remedies granted or available to the Lender by this Note and the Agreement shall be deemed concurrent and cumulative, and not exclusive of any rights or remedies available at law or in equity. Notwithstanding the foregoing, no such rights and remedies may be exercised if the exercise of such rights or remedies would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried,

minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), IN A § 203 (b)(5)(A)-(D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, IN A § 216A, as any of the foregoing may be amended.

7. Costs and Expenses. In addition to all other sums payable under this Note, the Borrower also agrees to pay to the Lender, on demand, all reasonable costs and expenses (including attorneys' fees and legal expenses) incurred by the Lender in the enforcement of the Borrower's obligations under this Note.

8. Severability. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be construed liberally in favor of the Lender in order to effectuate the purposes and intent of this Note.

9. Governing Law. This instrument shall be governed by and construed in accordance with the laws of the State of Vermont, excluding its conflicts of laws rules. BORROWER HEREBY AGREES TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF VERMONT AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO BORROWER AT THE ADDRESS SET FORTH ON THE SIGNATURE PAGE OF THE AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID.

10. Successors and Assigns. The provisions of this Note shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective heirs, executors or administrators and assigns. The Borrower may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of the Lender. The Lender may not assign any of its rights and obligations hereunder and interests without the prior written consent of the Borrower and subject to Section 11 below.

11. Transfers. The Borrower shall maintain at its offices a register (the "Register") for the recordation of the names and addresses of the Lender and each holder of this Note. Without limitation of any other provision of Section 10 above or this Section 11, no transfer shall be effective until recorded in the Register. The entries in the Register shall be conclusive absent manifest error and the Borrower may treat each person whose name is recorded in the Register as a holder of this Note notwithstanding any notice to the contrary. The foregoing provisions are intended to comply with the registration requirements in the U.S. Treasury Regulation Section 5f. 103-1 so that this Note is considered to be in "registered form" pursuant to such regulation.

IN WITNESS WHEREOF, the Borrower has executed this Note as of the date first above written.

West Lake Water Project LLC, a Vermont limited liability company

By: /s/ Richard Deutsch
Name: Richard Deutsch
Title: Manager

Address:

89 Grand Summit Way
West Dover, Vermont 05356
Telephone: 802-464-6608
Facsimile: _____

SCHEDULE 1

| Lender | Proportionate Interest |
|---|---|
| Carinthia Group 1, L.P. | 94.1% |
| Carinthia Group 2, L.P. | 5.9% |



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## Section 6: EX-10.8 (EX-10.8)

**EXHIBIT 10.8**

GUARANTY OF COLLECTION

For good and valuable consideration, Peak Resorts, Inc. a corporation with its registered office in St Louis Missouri, and with a mailing address of 17409 Hidden Valley Drive, Wildwood, Missouri 63025 (the "Guarantor of Collection"), absolutely and unconditionally guarantees and promises to pay to Carinthia Group 1 L.P, a Vermont limited liability company with a principal place of business in West Dover, Vermont and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") with a principal place of business at 89 Grand Summit Way, West Dover, Vermont 05356 (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender"), or its order, on demand, in legal tender of the United States of America, the Indebtedness (as that term is defined below) of its affiliate West Lake Water Project LLC, a limited liability company organized under the laws of the State of Vermont, and with a mailing address of 89 Grand Summit Way, West Dover, Vermont 05356 (the "Borrower"), owed to the Lender on the terms and conditions set forth in this Guaranty. Under this Guaranty, the liability of the Guarantor is limited to the Indebtedness and the obligations of the Guarantor are continuing until the Indebtedness is fully paid and satisfied and all loan facilities comprising the Indebtedness are expired or terminated.

1. Defined Terms. The following words shall have the following meanings when used in this Guaranty:

(a) "Guaranty" shall mean this Guaranty of Collection made by the Guarantor for the benefit of the Lender.

(b) "Indebtedness" shall mean all of the Borrower's liabilities, obligations, debts, and indebtedness to the Lender that are incurred in connection with a loan in the maximum principal amount of $30,000,000 pursuant to that certain Loan Agreement among each Lender and the Borrower of even date herewith (the "Loan Agreement") and evidenced by that certain promissory note payable to the Lender dated of even date herewith (the "Note"), or arising out of the various Related Documents as that term is defined below.

(c) "Related Documents" shall mean and include without limitation any other instruments, agreements and documents executed by the Borrower at the Lender's request contemporaneously hereof in connection with the Loan Agreement and the Note.

2.Guaranty. The Guarantor guarantees to the Lender full and prompt collection of up to the principal amount due under the Note and all accrued and unpaid interest thereon. This Guaranty is a guaranty of collection only, and not a guaranty of payment. As such, the Lender in accepting this Guaranty acknowledges that upon (i) the Borrower's failure to make a payment when the same shall be due and owing to the Lender in respect of the Indebtedness and (ii) lawful acceleration of the Indebtedness, the Lender will (a) resort first directly against the Borrower and fully exhaust any and all legal remedies existing or available and shall have failed to collect the full amount of the Indebtedness before proceeding against Guarantor; and (b) give notice of the terms, time, and place of any public or private sale of collateral held, if any, by the Lender and comply with any other applicable provisions of the Uniform Commercial Code as adopted in Vermont, or any other

applicable law. This Guaranty will take effect when received by the
Lender without the necessity of any acceptance by the Lender, or any notice to the Guarantor or to the Borrower, and will continue in full force until all Indebtedness incurred or contracted before receipt by the Lender of any notice of revocation shall have been fully and finally paid and satisfied and all other obligations of the Guarantor under this Guaranty shall have been performed in full. Guarantor hereby agrees that it shall provide to Richard Deutsch, 89 Grand Summit Way, PO Box 2805 West Dover, VT 05356, as agent of the limited partners of the Lender (the "Agent"), such quarterly and annual financial statements and operational reports as it may provide to its principal lender as promptly as reasonably practicable following the preparation thereof.

3. Representations and Warranties. The Guarantor represents and warrants to the Lender, at the time of execution of this Guaranty and as of the time of each drawing under or other utilization of the loan as set forth and more particularly detailed in the Loan Agreement, that to the best of its knowledge (a) no representations or agreements of any kind have been made to the Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) the execution by Guarantor of the Guaranty and the incurring of liability and indebtedness to the Lender does not and will not contravene any provision contained in any other loan or credit agreement or borrowing instrument or contract to which the Guarantor is a party; (c) the Guaranty has been duly executed and delivered by the Guarantor, and constitutes valid and binding obligations of the Guarantor enforceable in accordance with its terms; and (d) this Guaranty constitutes an independent obligation of the Guarantor, notwithstanding its ownership interest in the Borrower.

4. Governing Law. This Guaranty is conclusively deemed to be made under and for all purposes to be governed by and construed in accordance with the laws of the State of Vermont. In relation to any legal action or proceedings arising out of or in connection with this Guaranty, the Guarantor submits to the jurisdiction of the courts of the State of Vermont, as the Lender may elect, and to the extent permitted by law, waives any objection to such legal action or proceedings in such courts on the grounds of venue or on the grounds that such legal action or proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Lender and shall not affect the right of the Lender to take legal action or proceedings in any other court of competent jurisdiction nor shall the taking of legal action or proceedings in any court of competent jurisdiction preclude the Lender from taking legal action or proceedings in any other court of competent jurisdiction (whether concurrently or not). The Lender and the Guarantor hereby waive the right to any jury trial in any action, proceeding or counterclaim brought by either the Lender or the Guarantor against the other.

5. Miscellaneous. The following miscellaneous provisions are a part of this Guaranty:

(a) Amendments. This Guaranty constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(b) Attorneys' Fees; Expenses. The Guarantor agrees to pay upon demand the Lender's reasonable costs and expenses, including reasonable attorneys' fees and the Lender's reasonable legal expenses, incurred in connection with the successful enforcement of this

Guaranty. The Guarantor also shall pay all court costs and such additional fees as may be directed by the court in connection with the successful enforcement of this Guaranty.

(c) Notices. All notices required to be given by either party to the other under this Guaranty shall be in writing and shall be effective when actually delivered or one (1) business day after being deposited with a nationally recognized overnight courier with receipt confirmed, or three (3) business days after being deposited in the United States mail, first class postage prepaid with return receipt requested, addressed to the party to whom the notice is to be given at the address shown above or to such other addresses as either party may designate to the other in writing.

(d) Interpretation. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty. If a court of competent jurisdiction finds any provision of this Guaranty to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances, and all provisions of this Guaranty in all other respects shall remain valid and enforceable.

(e) Waiver. The Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by the Lender. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by the Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of the Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by the Lender, nor any course of dealing between the Lender and the Guarantor, shall constitute a waiver of any of the Lender's rights or of any of the Guarantor's obligations as to any future transactions. Whenever the consent of the Lender is required under this Guaranty, the granting of such consent by the Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of the Lender. Any amendment or waiver by the Lender of any provision of this Guaranty shall require the consent of limited partners in the Lender that own not less than a majority of the limited partnership interests then outstanding.

(f) Lender's Records. Every certificate issued under the hand of an officer of the Lender purporting to show the amount at any particular time due and payable to the Lender, and covered by this Guaranty, shall be received as conclusive evidence as against the Guarantor that such amount is at such time so due and payable to the Lender and is covered hereby.

(g) Change. The Guarantor agrees that no change or changes in the name or names of the Borrower or Guarantor, no change or changes in the objects, capital or enabling documents of the Borrower or the amalgamation of the Borrower with any other entity, and no other change or changes of any kind whatsoever shall in any way affect the liability of the Guarantor, either with respect to transactions occurring before or after any such change or changes, and the Lender shall not be obliged to inquire into powers of the Borrower, its officers, directors or agents acting or purporting to act on its behalf, and monies, advances, renewals or credits in fact borrowed or

obtained by the Borrower from the Lender and all liabilities incurred by the Borrower from the Lender in professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed notwithstanding that such borrowing, obtaining of monies, advances, renewals or credits, or incurring of such liabilities shall be in excess of the powers of the Borrower, or its officers, directors or agents, or be in any way irregular, defective or informal.

(h) Successors and Assigns. The Guarantor may not delegate any of its obligations hereunder. The provisions of this Guaranty shall be binding upon any successors of the Guarantor.

(i) Sharing of Payments. By its acceptance of this Guaranty, each Lender agrees to share in all payments made under this Guaranty in accordance with its Proportionate Interest set forth on Schedule 1 of the Note.

THE UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, THE GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON THE GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO THE LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED. NO FORMAL ACCEPTANCE BY THE LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AND SHALL BE EFFECTIVE AS OF DECEMBER 27, 2016, NOTWITHSTANDING THE DATE OF ANY OF THE RELATED DOCUMENTS.

GUARANTOR OF COLLECTION

PEAK RESORTS, INC., a Missouri corporation

By: /s/ Richard Deutsch
Name: Richard Deutsch
Title: Vice President

Address:

17409 HiddenValley Drive Wildwood, Missouri 63025 Facsimile:_____

Signed, acknowledged and delivered in the presence of:

/s/ Laurie Newton
Authorized Officer

Signature Page to Guaranty of Collection (Westlake)]

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## Section 7: EX-10.9 (EX-10.9)

**EXHIBIT 10.9**

LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement"), dated as of December 27, 2016, is made by and among Carinthia Group 1, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 1") and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender") and Carinthia Ski Lodge LLC, a limited liability company organized under the laws of the State of Vermont (the "Borrower").

RECITALS:

WHEREAS, the Borrower was organized to undertake the development and construction of the Carinthia Ski Lodge, a new approximately thirty six thousand square- foot skier services building located at the base of the Carinthia slopes providing extensive food and beverage facilities, ski rentals services, retail and convenience store, parking lot and lift ticket sales at the Mount Snow Ski Resort in West Dover, Vermont (the "Project"):

WHEREAS, under the terms of the offering (the "Offering") described in the Carinthia Group Private Placement Memorandum (the "Private Placement Memorandum"), the Lender is seeking to raise capital from, among other investors, persons who are not citizens or lawful permanent residents of the United States and who desire to become limited partners of the Lender, and the investments may enable such investors to become eligible for admission to the United States of America as lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§1153 (b)(5)(A)-(D); INA § 203 (b)(5)(A)-(D) of the Immigration and Nationality Act (the "EB-5 Program"); and

WHEREAS, to comply with the EB-5 Program the Lender must invest or loan the funds raised through the Offering from such investors in or to a business carrying on a "commercial venture"; and

WHEREAS, in furtherance of the Offering and in compliance with the requirements of the EB-5 Program, Lender has agreed, subject to the terms and conditions of this Agreement, to extend to the Borrower a line of credit in the minimum amount of $500,000 and a maximum principal amount of $22,000,000 based upon the number of limited partnership interests in each Lender sold pursuant to the Offering for the development and construction by Borrower of the Project, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Line of Credit.

1.1 Line of Credit Established. Subject to the terms and conditions hereof, and in reliance on the representations and warranties and covenants contained herein, Lender hereby agrees to extend one or more advances (each, an "Advance" and collectively, "Advances"), up to an aggregate principal amount of $22,000,000 (the sum of such Advances, the "Loan"), such Loan to be made by each Lender in accordance with each Lender's proportionate interest set forth on Schedule 1 attached hereto; provided that the Borrower shall draw, and the Lender shall make, Advances equal to the entire principal amount of the Loan to the Borrower (or such lesser proceeds as shall have been received by the Lender from investors pursuant to the Offering) in material compliance with all requirements of the EB-5 Program and the Business Plan included in the Private Placement Memorandum including, without limitation, any applicable deadline for disbursement of the Loan, provided that any such non-compliance that would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C. § 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended, shall be deemed material.

1.2 Note. Concurrently with the execution of this Agreement, the Borrower hereby executes and delivers a promissory note payable to the Lender in the original principal amount of $22,000,000 (as amended, supplemented, restated, replaced or otherwise modified from time to time, the "Note"). The Note shall evidence the absolute and unconditional obligation of the Borrower to repay the Lender for all Advances made by the Lender, with interest as provided in this Agreement and the Note. Each Advance from time to time shall be deemed evidenced by the Note, which is deemed incorporated in this Agreement by reference and made part hereof. The Note shall be in the form set forth on Exhibit A.

1.3 Maturity and Interest Rate. The Borrower shall repay the Loan in full, together with any interest accrued but unpaid thereon, on the maturity date set forth in the Note. Advances shall bear interest on the unpaid principal balance of the Loan outstanding at any time from the Funding Date of each such Advance to the maturity date (or repayment) at the rate set forth in the Note. "Funding Date" means, with respect to any Advance, the date on which such Advance is made to the Borrower.

1.4 Draw Requests.

(a) At any time and from time to time, subject to the requirements of the EB-5 Program and the Business Plan included in the Private Placement Memorandum including, without limitation, any applicable deadline for disbursement of the Loan, the Borrower may request one or .more Advances by submitting to the Lender a completed and executed draw request ("Draw Request") no later than five business days prior to the Funding Date of such Advance. Each such Advance shall be in the aggregate amount of not less than $25,000 (or, if less, the remaining amount available under the Loan).

Subject to the provisions of this Agreement, the Lender shall make the Advance on the proposed Funding Date in accordance with the Borrower's Draw Request. Each Draw Request shall clearly identify the use of the proceeds and their investment directly into the Project in accordance with the Project's plans, specifications and budget and shall be accompanied by appropriate supporting documentation.

2. Representations and Warranties. The Borrower represents and warrants to the Lender on the date hereof and on each Funding Date as follows.

2.1 Organization. Good Standing and Qualification.

(a) The Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Vermont. The Borrower has all requisite power and authority to own and operate its properties and assets, to execute and deliver this Agreement and to develop and construct the Project.

(b) The Borrower is not in violation or default of any term of its organizational documents. The execution, delivery, and performance of this Agreement and the Note will not, with or without the passage of time or giving of notice, result in any such violation, or be in conflict with or constitute a default under its organizational documents.

2.2 Authorization; Binding Obligations. All action on the part of the Borrower, its officers, managers and members necessary for the authorization of this Agreement and the Note and the performance of all obligations of the Borrower hereunder and thereunder has been taken. This Agreement and the Note have been duly executed and delivered by the Borrower and constitute valid and binding obligations of the Borrower enforceable in accordance with their respective terms, except (a) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and (b) as limited by general principles of equity (regardless of whether considered and applied in a proceeding in equity or at law) that restrict the availability of equitable remedies.

2.3 Liabilities. The Borrower does not have and is not subject to any liability or obligation of any nature, whether accrued, absolute, contingent, or otherwise, asserted or unasserted, known or unknown (including, without limitation, liabilities as guarantor or otherwise with respect to obligations of others, or liabilities for taxes due or then accrued or to become due), except liabilities incurred in the ordinary course of business of the Borrower in connection with the development and construction of the Project.

2.4 Agreements. All agreements, understandings, arrangements or other commitments to which the Borrower is a party (collectively, "Contracts") are in all material respects valid and enforceable in accordance with their terms. The Borrower is not in default in the performance, observance or fulfillment of any obligation, covenant or condition contained therein, and, to the Borrower's knowledge, no event has occurred which with or without the giving of notice or lapse of time, or both, would constitute a default thereunder by the Borrower, except in either case where such default would not and would not reasonably be expected to have, individually or collectively, a material adverse effect on the Borrower. The execution, delivery, and performance by the Borrower of this Agreement and the Note will not, with or without the passage of time or giving of notice, result in any such violation, or be in conflict with or constitute a default under any Contract, except in. either case where such default would not and would not reasonably be expected to have,

individually or collectively, a material adverse effect on the Borrower.

2.5 Obligations to Related Parties. The Borrower has no obligations to executive officers, managers, members, employees or affiliates of the Borrower, except obligations to Mount Snow Ltd. or any of its affiliates solely to the extent such obligations have arisen or arise in connection with the development and construction of the Project.

2.6 Real and Personal Property.

(a) Real Property. The Borrower does not own any real property. With respect to real property leased by the Borrower (the "Leased Real Property"), each of the leases for the Leased Real Property is in full force and effect, except as limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights. Neither the Borrower nor, to the Borrower's knowledge, any other party thereto is in material default under any of said leases, nor is the Borrower aware of any event that has occurred which, with the giving of notice or the passage of time, or both, would give rise to a material default thereunder.

(b) Personal Property. The Borrower has good and marketable title to all of its personal property and assets, and all such personal property and assets are in good working condition, reasonable wear and tear excepted. None of such personal property or assets is subject to any Lien other than Permitted Liens. "Lien" means any security interest, mortgage, pledge, lien, claim, charge, title retention or other encumbrance. "Permitted Liens" means (a) statutory Liens for taxes, which are not yet due and payable, (b) statutory or common law Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default, (c) statutory or common law Liens in favor of carriers, warehousemen, mechanics and materialmen to secure claims for labor, materials or supplies and other like liens incurred in the ordinary course of business that are not yet due and payable, (d) pledges or deposits made in the ordinary course of business to secure payment of workmen's compensation, or to participate in any fund in connection with workmen's compensation, unemployment insurance, old-age pensions or other social security programs, (e) encumbrances consisting of zoning restrictions, easements or other restrictions on the use of real property, none of which materially impairs the use of such property or the value thereof, and none of which is violated in any material respect by existing or proposed structures or land use, (f) Liens in favor of Mount Snow Ltd. or any of its affiliates solely to the extent such Lien is attached to personal property or other assets that have been contributed to the Project by Mount Snow Ltd. or any of such affiliates, and (g) Liens securing indebtedness advanced by a third party to the Borrower to the extent that such indebtedness has been or will be used by the Borrower to complete the Project pursuant to the Business Plan and remains outstanding.

2.7 Litigation. There is no litigation, arbitration, mediation or proceeding or investigation pending or, to the knowledge of the Borrower, threatened against the Borrower or affecting any of its properties or assets or which may call into question the validity or hinder the enforceability of this Agreement or the Note or the transactions contemplated hereby and thereby.

2.8 Compliance with Laws; Authorizations.

(a) The Borrower has complied in all material respects with each, and is not in violation of any, law, statute, regulation, rule, ordinance or order ("Laws") to which

the Borrower or its business, operations, employees, assets or properties is or has been subject.

(b) Except as set forth in the schedule attached to this Agreement as Schedule 2.8, all material licenses, permits and other authorizations ("Authorizations") required by the Borrower for the development and construction of the Project (other than predevelopment and preconstruction expenditures) are valid and in full force and effect and none of such authorizations will be terminated or impaired or become terminable as a result of the transactions contemplated by this Agreement and the Note.

2.9 Insurance. The Borrower has fire, casualty, product liability, and business interruption and other insurance policies, with extended coverage, sufficient in amount to allow it to replace any of its material properties which might be damaged or destroyed or sufficient to cover liabilities to which the Borrower may reasonably become subject, and such types and amounts of other insurance with respect to its business and properties, on both a per occurrence and ah aggregate basis, as are customarily carried by persons engaged in the same or similar businesses as Borrower. There is no material default by the Borrower, or to the knowledge of the Borrower, by any insurance carrier of such policies, or event which could give rise to a material default under any such policy.

3. Conditions

3.1 Conditions Precedent to Each Advance.

(a) The Borrower shall have executed and delivered the Note to the Lender (initial Advance only).

(b) The Lender shall have timely received a Draw Request.

(c) The Borrower shall have delivered to the Lender a certificate, dated as of the date of the Advance, signed by the President of the Borrower certifying (i) compliance in all material respects with all covenants and agreements herein then required to be or to have been complied with by it and (ii) the absence of any Event of Default or any event which, with the passage of time, or the giving of notice, or both, would constitute an Event of Default under this Agreement, in each case both prior to and immediately upon the making of such Advance.

(d) No injunction, writ, restraining order, or other order of any nature prohibiting, directly or indirectly, the extending of such credit shall have been issued and remain in force by any governmental authority against the Borrower or the Lender.

(e) Peak Resorts, Inc. shall have executed and delivered the Guaranty in the form attached hereto as Exhibit B (the "Guaranty") to the Lender (initial Advance only).

4. Covenants of Borrower.

4.1 Affirmative Covenants. From the Effective Date until the date on which all Advances hereunder and under the Note are paid in full, together with any interest accrued but unpaid thereon, the Borrower will, unless the Lender shall otherwise consent in writing:

(a) Use of Proceeds. Use the proceeds of the Advances solely to develop and construct the Project in the State of Vermont and in material compliance with the

requirements of the EB-5 Program and the Business Plan that is included in the Private Placement Memorandum, provided that any such non-compliance that would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C. § 1153 (b)(5)(A) - (D), INA § 203
(b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended, shall be deemed material. Upon written request of the Lender the Borrower shall furnish such written evidence that the proceeds have been used for such purposes and periodically furnish such written evidence that establishes the requisite employment created in the Project pursuant to the EB-5 Program and as disclosed in the Private Placement Memorandum. .

(b) Compliance with Laws. Comply in all material respects with all applicable Laws and maintain in effect all Authorizations that are required or otherwise necessary for the Borrower to develop the Project.

(c) Preservation of Existence. Preserve and maintain its existence, rights, franchises and privileges in the jurisdiction of its organization, and qualify and remain qualified in good standing as a foreign corporation in each jurisdiction where the nature of its business requires it to be so qualified or where the ownership of its properties or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not materially adversely affect the enforceability of this Agreement and the Note, the business, properties, operations, profits or condition (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations hereunder.

(d) Keeping of Records and Books of Account. Maintain and implement administrative and operating procedures and keep and maintain all documents, books, records and other information reasonably necessary or advisable for the development, construction and administration of the Project in compliance with all applicable Laws and Authorizations.

(e) Maintenance of Properties. Maintain its properties and assets, whether owned or leased, in good condition and repair (normal wear and tear excepted), and pay and discharge or cause to be paid and discharged, when due, the cost of repairs to or maintenance of the same.

(f) Insurance. Maintain insurance with respect to its properties and assets and business against such casualties and contingencies as shall be in accordance with general practices of businesses engaged in similar activities. Such insurance shall be in such amounts, contain such terms, be in such forms and be for such periods as may be reasonably satisfactory to the Lender (but in no event less than the amount of the Loan then outstanding together with interest accrued but unpaid thereon). In addition, all such insurance shall name the Lender as loss payee and/or additional insured, as applicable, for the benefit of the Lender.

(g) Taxes. File or cause to be filed all federal, state and local tax returns which are required to be filed by it. The Borrower shall pay or cause to be paid all taxes shown to be due and payable on such returns or on any assessments received by it. At its option, the Lender may discharge taxes, liens or security interests or other encumbrances at

any time levied or placed on the Project, may pay for insurance on the Project and may pay for the maintenance and preservation of the Project. The Borrower agrees to reimburse the Lender on demand for any reasonable payments made, or any reasonable expenses incurred by the Lender pursuant to the foregoing authorization.

(h) Performance of Obligations. Perform, pay and discharge, as and when due, all of the Borrower's obligations (both monetary and non-monetary) under this Agreement.

(i) Inspection Rights. Permit Vermont Regional Center as agent of the limited partners of the Lender (the "Agent") to inspect the Project upon reasonable request and provide copies of such financial records pertaining thereto as such Agent may reasonably request.

(j) Assurances. The Borrower will, at its expense, upon reasonable request of the Lender promptly and duly execute and deliver such documents and assurances and take such actions as may be necessary or desirable or as the Lender may reasonably request in order to correct any defect, error or omission which may at any time be discovered or to more effectively carry out the intent and purpose of this Agreement.

4.2 Negative Covenants. From the date of this Agreement until the date on which all Advances hereunder and under the Notes are paid in full, together with any interest accrued but unpaid thereon, the Borrower will not, without the written consent of each Lender:

(a) Liens and Encumbrances. Create, assume or permit to exist any Lien upon any of the properties or assets financed or purchased with the proceeds of the Loan other than security interests with respect to money borrowed from the Lender and Permitted Liens.

(b) Transfer of Assets or Properties. Sell, enter into an agreement of sale for, convey, lease, assign, transfer, pledge, grant a security interest, mortgage or other Lien other than Permitted Liens in, or otherwise dispose of the any of the properties or assets financed or purchased with the proceeds of the Loan.

(c) Stock. Merger, Consolidation. Etc. Sell any equity interests to any person other than Peak Resorts, Inc. or any of its wholly-owned subsidiaries or merge or consolidate with any person.

(d) Guarantees. Guarantee, endorse or otherwise be or become contingently liable in connection with the obligations of any other person, except endorsements of negotiable instruments for collection in the ordinary course of business.

(e) Limitation on Transactions with Affiliates. Other than transactions on terms no less favorable to the Borrower than those that could reasonably be obtained at arms' length in the ordinary course of business, enter into, or be a party to, any transaction with any affiliate.

(f) Limitation on Investments. Make or suffer to exist any loans or advances to, or extend any credit to, or make any investments (by way of transfer of property, contributions to capital, purchase of stock or securities or evidences of

indebtedness, acquisition of the business or assets, or otherwise) in, any affiliate or any other person.

(g) Negative Pledge. Grant any Lien in, or otherwise encumber, any of its properties or other assets other than Permitted Liens.

5. Default

5.1 Events of Default. The occurrence of any one or more of the following events, conditions or state of affairs shall constitute an Event of Default hereunder and under the Note:

(a) The Borrower shall fail to pay as and when due any principal or interest hereunder or under the Note.

(b) The Borrower shall fail to observe or perform any obligation or any covenant to be observed or performed by it hereunder or under the Note (other than the obligation to pay principal and/or interest under the Note) and such failure shall continue uncured for a period of 60 business days after the Borrower becomes aware of the occurrence thereof (such cure period to be applicable only in the event such default can be remedied by corrective action of the Borrower as determined by the Lender).

(c) Any representation or warranty made by Borrower in this Agreement shall prove to have been false or misleading in any material respect at the time when made.

(d) Any judgment, writ or warrant of attachment or similar process involving an amount in excess of U.S. $100,000 shall be entered or filed against the Borrower or any of its assets or properties and shall remain undischarged for a period of 30 days.

(e) If the Borrower makes an assignment for the benefit of creditors generally, offers a composition or extension to creditors, or makes or sends notice of an intended bulk sale of any business or assets now or hereafter owned or conducted by Borrower, except as otherwise expressly permitted in this Agreement.

(f) Upon the commencement of any action for the dissolution or liquidation of the Borrower, or the commencement of any case or proceeding for reorganization or liquidation of the Borrower's debts under the Bankruptcy Code or any other state or federal law, now or hereafter enacted for the relief of debtors, whether instituted by or against the Borrower; provided, however, that the Borrower shall have 60 days to obtain the dismissal or discharge of any involuntary proceeding filed against it and the Lender may seek adequate protection in any bankruptcy proceeding.

(g) Upon the appointment of a receiver, liquidator, custodian, trustee or similar official or fiduciary for the Borrower or for a material portion of any property of the Borrower.

(h) This Agreement or the Note shall cease for any reason to be in full force and effect or shall be declared to be null and void or unenforceable in whole or in part.

(i) Other than Liens in favor of the Lender or Liens otherwise consented to in writing by the Lender, imposition of any Lien or series of Liens against the Borrower

or any of the properties or other assets financed or purchased with the proceeds of the Loan except Permitted Liens.

(j) The Borrower shall cease to develop and construct the Project prior

to completion.

(k) The Guaranty shall cease to be in effect.

5.2 Remedies on Default. Upon the occurrence of an Event of Default:

(a) Subject to Section 5.2(d), in addition to the rights specifically granted hereunder or now or hereafter existing in equity, at law, by virtue of statute or otherwise (each of which rights may be exercised at any time and from time to time), the
Lender may forthwith declare all obligations, including all principal and interest, to be immediately due and payable, without protest, demand or other notice (which are hereby expressly waived by Borrower). Upon the occurrence of an Event of Default specified in Section 5.1(e), (f) or (g) above, but subject to Section 5.2(d), all Advances, including all interest accrued but unpaid thereon, shall be immediately due and payable without any declaration by the Lender.

(b) The Borrower will pay the Lender's fees incurred in any action seeking enforcement of the Lender's rights hereunder.

(c) No failure on the part of the Lender to exercise, and no delay in exercising, any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by the Lenders of any right, power or remedy preclude any other further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies provided herein shall be in addition to and not exclusive of any rights or remedies provided at law or in equity. The remedies provided herein or in the Note or otherwise available to the Lender at law or in equity shall be cumulative and concurrent, and may be pursued singly, successively or together at the sole discretion of the Lender, and may be exercised as often as occasion therefor shall occur.

(d) No rights and remedies may be exercised upon an Event of Default if such rights or remedies would jeopardize any of the Lender’s limited partners’ capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended.

6. Miscellaneous.

6.1 Amendment and Waiver. No amendment to or waiver of any provision of this Agreement nor consent to any departure by the Borrower, shall in any event be effective unless (a) the same shall be in writing and signed by the Lender and Borrower (with respect to an amendment) or the Lender (with respect to a waiver or consent by it) or the Borrower (with respect to a waiver or consent by it), as the case may be, and such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Any amendment or waiver by the Lender of any provision of this Agreement or the Note

shall require the consent of limited partners in the Lender that own not less than a majority of the limited partnership interests then outstanding.

6.2 Entire Agreement. This Agreement, the Note and the Guaranty constitute the entire agreement among the parties relative to the specific subject matter hereof and thereof.

6.3 Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by confirmed facsimile if sent during normal business hours of the recipient, if not, then on the next business day; (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) the next business day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to a party at the address or facsimile number of such party set forth on such party's signature page hereof, or at such other address as such party may designate by 10 days' advance written notice to the other parties hereto.

6.4 Binding Effect. This Agreement shall be binding upon and inure to the benefit of Borrower and the Lender and their respective successors and permitted assigns (which successors of the Borrower shall include a trustee in bankruptcy). The Borrower may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of the Lender. The Lender may not assign any of its rights and obligations hereunder and interests without the prior written consent of the Borrower.

6.5 GOVERNING LAW; WAIVER OF JURY TRIAL. THIS AGREEMENT
AND THE NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF VERMONT WITHOUT REGARD TO CONFLICT OF LAWS. THE BORROWER HEREBY AGREES TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF VERMONT AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO THE BORROWER AT THE ADDRESS SET FORTH ON THE SIGNATURE PAGE HEREOF AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID. THE BORROWER AND THE LENDER HEREBY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE BETWEEN THE BORROWER AND THE LENDER ARISING OUT OF, CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT. INSTEAD, ANY DISPUTE RESOLVED IN COURT WILL BE RESOLVED IN A BENCH TRIAL WITHOUT A JURY. WITH RESPECT TO THE FOREGOING CONSENT TO JURISDICTION, BOTH PARTIES HEREBY WAIVE ANY OBJECTION BASED ON FORUM NON CONVENIENS. AND ANY OBJECTION TO VENUE OF ANY ACTION INSTITUTED HEREUNDER AND CONSENTS TO THE GRANTING OF SUCH LEGAL OR EQUITABLE RELIEF AS IS DEEMED APPROPRIATE BY THE COURT. NOTHING IN THIS SECTION 8.5 SHALL AFFECT THE RIGHT OF THE LENDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF THE LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST THE BORROWER OR ITS PROPERTY IN THE COURTS OF ANY OTHER JURISDICTION.

6.6 Survival. All warranties, representations, and covenants made by the Borrower in this Agreement and the Note shall be considered to have been relied upon by the Lender, and shall survive the delivery to the Lender of the Note, regardless of any investigation made by the Lender. All statements in any such certificate or other instrument prepared and/or delivered for the benefit of the Lender shall constitute warranties and representations by the Borrower under this Agreement. Except as otherwise expressly provided in this Agreement, all covenants made by the Borrower under this Agreement or the Note shall be deemed continuing until all Obligations are satisfied in full.

6.7 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

6.8 Severability. In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.9 EB-5 Program. Notwithstanding anything in this Agreement, the Note or instruments, agreements and documents executed by the Borrower at the Lender's request contemporaneously hereof in connection with this Agreement or the Note to the contrary, no payment shall be made by the Borrower to Lender or any other creditor that would jeopardize evidencing the use of the proceeds of the Loan to create the requisite employment in the Project pursuant to the requirements of the EB-5 Program.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in the first paragraph hereof.

CARINTHIA GROUP 1, L.P.

By: MOUNT SNOW GP SERVICES LLC, a Vermont limited liability company
Its general partner

By: /s/ Richard Deutsch
Name: Richard Deutsch
Title: Manager

Address:

89 Grand Summit Way PO Box 2805 West Dover, VT 05356

Facsimile:

CARINTHIA GROUP 2, L.P.

By: MOUNT SNOW GP SERVICES LLC, a Vermont limited liability company
Its general partner

By: /s/Richard Deutsch
Name: Richard Deutsch
Title: Manager

Address:

89 Grand Summit Way PO Box 2805 West Dover, VT 05356

Facsimile:

CARINTHIA SKI LODGE LLC, a Vermont limited liability company

By: /s/ Richard Deutsch
Name: Richard Deutsch
Title: Manager

Address:

89 Grand Summit Way West Dover, VT 05356

Facsimile:

EXHIBIT A

FORM OF NON-REYOLYING LINE OF CREDIT NOTE U.S. $22,000,000 December 27, 2016

FOR VALUE RECEIVED, CARINTHIA SKI LODGE LLC, a Vermont limited liability company with a principal place of business at 89 Grand Summit Way, West Dover, Vermont (the "Borrower"), hereby promises to pay to Carinthia Group 1, L.P., a
Vermont limited partnership with a principal place of business at 89 Grand Summit Way, West Dover, Vermont and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") with a principal place of business at 89 Grand Summit Way, West Dover, Vermont (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender"), in accordance with each Lender's proportionate interest set forth on Schedule 1 attached hereto, or order, the principal sum of $22,000,000 or such lesser amount as shall have been advanced and remain outstanding under the terms of the Agreement defined below (the "Principal Sum"), together with accrued interest thereon, in the manner and upon the terms and conditions set forth below. The actual amount due and owing from time to time under this Non-Revolving Credit Note ("Note") shall be evidenced by Lender's records of receipts and disbursements, which shall be prima facie evidence of such amount, absent manifest error.

1. Incorporation of the Loan Agreement. Each Lender and the Borrower are parties to that certain Loan Agreement (the "Agreement") dated as of December 27, 2016. The terms and conditions of the Agreement are hereby incorporated in this Note by reference and the Lender and the Borrower are entitled to all rights and benefits of the Agreement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Agreement.

2. Payment of Principal and Interest.

(a) This Note shall automatically mature and be due and payable in full, together with any interest accrued but unpaid thereon, on the fifth anniversary date of the first Advance ("First Advance Date") under this Note (the "Maturity Date") provided, however, the Borrower may upon written consent of the Lender, such consent not to be unreasonably withheld, extend the Maturity Date for a period of up to an additional two (2) years (the "Extension Option"). If the Borrower exercises the Extension Option, then the term "Maturity Date" shall include the Extension Option. It is the Borrower's intention to repay the Principal Sum, together with any interest accrued but unpaid thereto, on the Maturity Date with the proceeds of long-term financing or from other available sources.

(b) Interest shall accrue on the unpaid Principal Sum on a simple interest basis at a fixed rate of 1.0% per annum commencing on the First Advance Date until the Maturity Date. In the event Borrower exercises the Extension Option, interest shall accrue on the unpaid Principal Sum on a simple interest basis as follows: (i) at a fixed rate of 7.0% per annum commencing on the fifth ($5^{th}$) anniversary of the First Advance Date; and (ii) a fixed rate of 10.0% per annum commencing on the sixth ($6^{th}$) anniversary of the First Advance Date until the Maturity Date. Such interest will not be compounded or capitalized. Interest

payments shall be paid to the Lender in arrears by the Borrower by way of annual payments on December 1 of each year during which any portion of the Principal Sum is outstanding. Interest shall be computed on the basis of the actual number of days elapsed and a year of 365 days commencing on the First Advance Date.

(c) All sums payable hereunder shall be payable in lawful money of the United States and shall be applied first to accrued and unpaid interest and then in payment of the Principal Sum..

(d) Without in any way limiting Lender's rights and remedies hereunder and under the Note, after the occurrence of an Event of Default, and until such time such Event of Default shall have been cured or waived, Advances and other obligations hereunder shall bear interest at the rate of 5% per annum (the "Default Interest Rate") or such lesser rate permitted by applicable law, if the Default Interest Rate would violate applicable law. This clause (d) shall not be given effect to the extent that the application of the Default Interest Rate would in any way alter or amend the calculations of the Business Plan included in the Private Placement Memorandum.

3.Place of Payment. The Principal Sum together with and all accrued and unpaid interest thereon shall be payable at the Lender's principal executive offices at 89 Grand Summit Way, PO Box 2805, West Dover, VT 05356, or at such other place as the Lender, from time to time, may designate in writing.

4. Prepayment. The Borrower shall be prohibited from prepaying the Principal Sum,
in whole or in part, if such prepayment would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A) - (D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8 U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended. Subject to the foregoing, any portion of the Principal Sum that is prepaid shall be accompanied by any and all interest accrued but unpaid thereon.

5.Presentment. The Borrower hereby waives diligence, demand, presentment for payment, protest and notice of protest, notice of acceleration, and all other notices or demands of any kind.

6.Rights and Remedies. The rights and remedies granted or available to the Lender with respect to the obligations of the Borrower evidenced by this Note are set forth in the Agreement, and the Lender may exercise the respective rights, options, and remedies provided for in the Agreement, or otherwise available at law or in equity, all in

accordance with their respective terms. All rights and remedies granted or available to the Lender by this Note and the Agreement shall be deemed concurrent and cumulative, and not exclusive of any rights or remedies available at law or in equity. Notwithstanding the foregoing, no such rights and remedies may be exercised if the exercise of such rights or remedies would jeopardize any of the Lender's limited partners' capacity to be admitted to the United States of America as unconditional lawful permanent residents with their spouses and unmarried, minor children pursuant to 8 U.S.C.§ 1153 (b)(5)(A) - (D), INA § 203 (b)(5)(A)-(D); the Departments of Commerce, Justice and State, the Judiciary, and Related Agencies Appropriations Act of 1993, Pub. L. No. 102-395, section 610, as amended; or 8

U.S.C. § 1186b, INA § 216A, as any of the foregoing may be amended.

7. Costs and Expenses. In addition to all other sums payable under this Note, the Borrower also agrees to pay to the Lender, on demand, all reasonable costs and expenses (including attorneys' fees and legal expenses) incurred by the Lender in the enforcement of the Borrower's obligations under this Note.

8. Severability. If any provision of this Note is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect and shall be construed liberally in favor of the Lender in order to effectuate the purposes and intent of this Note.

9. Governing Law. This instrument shall be governed by and construed in accordance with the laws of the State of Vermont, excluding its conflicts of laws rules. BORROWER HEREBY AGREES TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF VERMONT AND WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS UPON IT AND CONSENTS THAT ALL SUCH SERVICE OF PROCESS BE MADE BY REGISTERED MAIL DIRECTED TO BORROWER AT THE ADDRESS SET FORTH ON THE SIGNATURE PAGE OF THE AGREEMENT AND SERVICE SO MADE SHALL BE DEEMED TO BE COMPLETED FIVE DAYS AFTER THE SAME SHALL HAVE BEEN DEPOSITED IN THE U.S. MAILS, POSTAGE PREPAID.

10. Successors and Assigns. The provisions of this Note shall be binding upon and inure to the benefit of the Borrower and the Lender and their respective heirs, executors or administrators and assigns. The Borrower may not assign any of its rights and obligations hereunder or any interest herein without the prior written consent of the Lender. The Lender may not assign any of its rights and obligations hereunder and interests without the prior written consent of the Borrower and subject to Section 11 below.

11. Transfers. The Borrower shall maintain at its offices a register (the "Register") for the recordation of the names and addresses of the Lender and each holder of this Note. Without limitation of any other provision of Section 10 above or this Section 11, no transfer shall be effective until recorded in the Register. The entries in the Register shall be conclusive absent manifest error and the Borrower may treat each person whose name is recorded in the Register as a holder of this Note notwithstanding any notice to the contrary. The foregoing provisions are intended to comply with the registration requirements in the U.S. Treasury Regulation Section 5f.l03-1 so that this Note is considered to be in "registered form" pursuant to such regulation.

IN WITNESS WHEREOF, the Borrower has executed this Note as of the date first above written.

CARINTHIA SKI LODGE LLC

By:_____
Name:

Title:

Address:

89 Grand Summit Way West Dover, VT 05356

Telephone:_____
Facsimile:

SCHEDULE 1

| Lender | Proportionate Interest |
|---|---|
| Carinthia Group 1, L.P. | 94.15% |
| Carinthia Group 2, L.P. | 5.85% |

EXHIBIT B
FORM OF GUARANTY OF COLLECTION

For good and valuable consideration, Peak Resorts, Inc. a corporation with its registered office in St Louis Missouri, and with a mailing address of 17409 Hidden Valley Drive, Wildwood, Missouri 63025 (the "Guarantor of Collection"), absolutely and unconditionally guarantees and promises to pay to Carinthia Group 1 L.P, a Vermont limited liability company with a principal place of business in West Dover, Vermont and Carinthia Group 2, L.P., a limited partnership organized under the laws of the State of Vermont ("Carinthia 2") (Carinthia 1 and Carinthia 2 each referred to individually as a "Lender" and collectively as "Lender"), or its order, on demand, in legal tender of the United States of America, the Indebtedness (as that term is defined below) of its affiliate Carinthia Ski Lodge LLC, a limited liability company organized under the laws of the State of Vermont, and with a mailing address of 89 Grand Summit Way, West Dover, VT 05356 (the "Borrower"), owed to the Lender on the terms and conditions set forth in this Guaranty. Under this Guaranty, the liability of the Guarantor is limited to the Indebtedness and the obligations of the Guarantor are continuing until the Indebtedness is fully paid and satisfied and all loan facilities comprising the Indebtedness are expired or terminated.

1. Defined Terms. The following words shall have the following meanings when used in this Guaranty:

(a) "Guaranty" shall mean this Guaranty of Collection made by the Guarantor for the benefit of the Lender.

(b) "Indebtedness" shall mean all of the Borrower's liabilities, obligations, debts, and indebtedness to the Lender that are incurred in connection with a loan in the maximum principal amount of $22,000,000 pursuant to that certain Loan Agreement among each Lender and the Borrower of even date herewith (the "Loan Agreement") and evidenced by that certain promissory note payable to the Lender dated of even date herewith (the "Note"), or arising out of the various Related Documents as that term is defined below.

(c) "Related Documents" shall mean and include without limitation any other instruments, agreements and documents executed by the Borrower at the Lender's request contemporaneously hereof in connection with the Loan Agreement and the Note.

2.Guaranty. The Guarantor guarantees to the Lender full and prompt collection of up to the principal amount due under the Note and all accrued and unpaid interest thereon. This Guaranty is a guaranty of collection only, and not a guaranty of payment. As such, the Lender in accepting this Guaranty acknowledges that upon (i) the Borrower's failure to make a payment when the same shall be due and owing to the Lender in respect of the Indebtedness and (ii) lawful acceleration of the Indebtedness, the Lender will (a) resort first directly against the Borrower and fully exhaust any and all legal remedies existing or available and shall have failed to collect the full amount of the

Indebtedness before proceeding against Guarantor; and (b) give notice of the terms, time,

and place of any public or private sale of collateral held, if any, by the Lender and comply with any other applicable provisions of the Uniform Commercial Code as adopted in Vermont, or any other applicable law. This Guaranty will take effect when received by the Lender without the necessity of any acceptance by the Lender, or any notice to the Guarantor or to the Borrower, and will continue in full force until all Indebtedness incurred or contracted before receipt by the Lender of any notice of revocation shall have been fully and finally paid and satisfied and all other obligations of the Guarantor under this Guaranty shall have been performed in full. Guarantor hereby agrees that it shall provide to Richard Deutsch, 89 Grand Summit Way, PO Box 2805 West Dover, VT 05356, as agent of the limited partners of the Lender (the "Agent"), such quarterly and annual financial statements and operational reports as it may provide to its principal lender as promptly as reasonably practicable following the preparation thereof.

3. Representations and Warranties. The Guarantor represents and warrants to the Lender, at the time of execution of this Guaranty and as of the time of each drawing under or other utilization of the loan as set forth and more particularly detailed in the Loan Agreement, that to the best of its knowledge (a) no representations or agreements of any kind have been made to the Guarantor which would limit or qualify in any way the terms of this Guaranty; (b) the execution by Guarantor of the Guaranty and the incurring of liability and indebtedness to the Lender does not and will not contravene any provision contained in any other loan of credit agreement or borrowing instrument or contract to which the Guarantor is a party; (c) the Guaranty has been duly executed and delivered by the Guarantor, and constitutes valid and binding obligations of the Guarantor enforceable in accordance with its terms; and (d) this Guaranty constitutes an independent obligation of the Guarantor, notwithstanding its ownership interest in the Borrower.

4. Governing Law. This Guaranty is conclusively deemed to be made under and for all purposes to be governed by and construed in accordance with the laws of the State of Vermont. In relation to any legal action or proceedings arising out of or in connection with this Guaranty, the Guarantor submits to the jurisdiction of the courts of the State of Vermont, as the Lender may elect, and to the extent permitted by law, waives any objection to such legal action or proceedings in such courts on the grounds of venue or on the grounds that such legal action or proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Lender and shall not affect the right of the Lender to take legal action or proceedings in any other court of competent jurisdiction nor shall the taking of legal action or proceedings in any court of competent jurisdiction preclude the Lender from taking legal action or proceedings in any other court of competent jurisdiction (whether concurrently or not). The Lender and the Guarantor hereby waive the right to any jury trial in any action, proceeding or counterclaim brought by either the Lender or the Guarantor against the other.

5. Miscellaneous. The following miscellaneous provisions are a part of this Guaranty:

(a) Amendments. This Guaranty constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

(b) Attorneys' Fees; Expenses. The Guarantor agrees to pay upon demand the Lender's reasonable costs and expenses, including reasonable attorneys' fees and the Lender's reasonable legal expenses, incurred in connection with the successful enforcement of this Guaranty. The Guarantor also shall pay all court costs and such additional fees as may be directed by the court in connection with the successful enforcement of this Guaranty.

(c) Notices. All notices required to be given by either party to the other under this Guaranty shall be in writing and shall be effective when actually delivered or one (1) business day after being deposited with a nationally recognized overnight courier with receipt confirmed, or three (3) business days after being deposited in the United States mail, first class postage prepaid with return receipt requested, addressed to the party to whom the notice is to be given at the address shown above or to such other addresses as either party may designate to the other in writing.

(d) Interpretation. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty. If a court of competent jurisdiction finds any provision of this Guaranty to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances, and all provisions of this Guaranty in all other respects shall remain valid and enforceable.

(e) Waiver. The Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by the Lender. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by the Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of the Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by the Lender, nor any course of dealing between the Lender and the Guarantor, shall constitute a waiver of any of the Lender's rights or of any of the Guarantor's obligations as to any future transactions. Whenever the consent of the Lender is required under this Guaranty, the granting of such consent by the Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of the Lender. Any amendment or waiver by the Lender of any provision of this Guaranty shall require the consent of limited partners in the Lender that own not less than a majority of the limited partnership interests then outstanding.

(f) Lender's Records. Every certificate issued under the hand of an officer of the Lender purporting to show the amount at any particular time due and payable to the Lender, and covered by this Guaranty, shall be received as conclusive evidence as againstthe Guarantor that such amount is at such time so due and payable to the Lender and is covered hereby.

(g) Change. The Guarantor agrees that no change or changes in the name or names of the Borrower or Guarantor, no change or changes in the objects, capital or enabling

documents of the Borrower or the amalgamation of the Borrower with any other entity, and no other change or changes of any kind whatsoever shall in any way affect the liability of the Guarantor, either with respect to transactions occurring before or after any such change or changes, and the Lender shall not be obliged to inquire into powers of the Borrower, its officers, directors or agents acting or purporting to act on its behalf, and monies, advances, renewals or credits in fact borrowed or obtained by the Borrower from the Lender and all liabilities incurred by the Borrower from the Lender in professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed notwithstanding that such borrowing, obtaining of monies, advances, renewals or credits, or incurring of such liabilities shall be in excess of the powers of the Borrower, or its officers, directors or agents, or be in any way irregular, defective or informal.

(h) Successors and Assigns. The Guarantor may not delegate any of its obligations hereunder. The provisions of this Guaranty shall be binding upon any successors of the Guarantor.

(i) Sharing of Payments. By its acceptance of this Guaranty, each Lender agrees to share in all payments made under this Guaranty in accordance with its Proportionate Interest set forth on Schedule 1 of the Note. THE UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, THE GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON THE GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO THE LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED. NO FORMAL ACCEPTANCE BY THE LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED AND SHALL BE EFFECTIVE AS OF DECEMBER 27, 2016, NOTWITHSTANDING THE DATE OF ANY OF THE RELATED DOCUMENTS.

GUARANTOR OF COLLECTION

PEAK RESORTS, INC., a Missouri corporation

By:_____
Name:
Title:

Address:

17409 Hidden Valley Dive Wildwood, Missouri 63025 Facsimile:

Signed, acknowledged and delivered in the presence of:

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## Section 8: EX-31.1 (EX-31.1)

**EXHIBIT 31.1**

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

I, Timothy D. Boyd, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Peak 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(s) 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 13(a)-15(f) and 15(d)-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(s) 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, 2017

/s/ Timothy D. Boyd
Timothy D. Boyd
Chief Executive Officer and Director
*(Principal Executive Officer)*

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## Section 9: EX-31.2 (EX-31.2)

**EXHIBIT 31.2**

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

I, Stephen J. Mueller, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Peak 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(s) 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 13(a)-15(f) and 15(d)-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(s) 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, 2017

/s/ Stephen J. Mueller

Stephen J. Mueller

Chief Financial Officer and Director

*(Principal Financial Officer)*

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## Section 10: EX-32.1 (EX-32.1)

**EXHIBIT 32.1**

**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**

I, Timothy D. Boyd, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Peak Resorts, Inc. (the "Company") for the fiscal quarter ended January 31, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 9, 2017

By: /s/ Timothy D. Boyd
Name: Timothy D. Boyd
Title: Chief Executive Officer

I, Stephen J. Mueller, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Peak Resorts, Inc. (the "Company") for the fiscal quarter ended January 31, 2017 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 9, 2017

By: /s/ Stephen J. Mueller
Name: Stephen J. Mueller
Title: Chief Financial Officer

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