Big Mountain Resort

Where do we fit?

Where are we?: Initial Glance

Ticket Price: $81

Highest price in Montana

Key Features:

- 14 chair lifts
  - 1 newly installed @ $1.54 mn in additional operations cost
- 105 runs
- 3000 acres of skiable terrain
- 600 acres of snow making capabilities

Is $81 a premium ticket price?

Pricing consideration:

- Where we are - Montana
- What features we offer
- Other resorts’ features and ticket pricing

Can we maintain current price while cutting operations cost?

- Fewer chairs
- Fewer runs
- Etc.

No, $81 is not a premium price
Yes, cost savings are possible

Analysis: Ticket Price and Cost Savings

Ticket Price:

Model takes into account all our facilities as features.

Compares to nationwide database of resorts, and their feature sets.

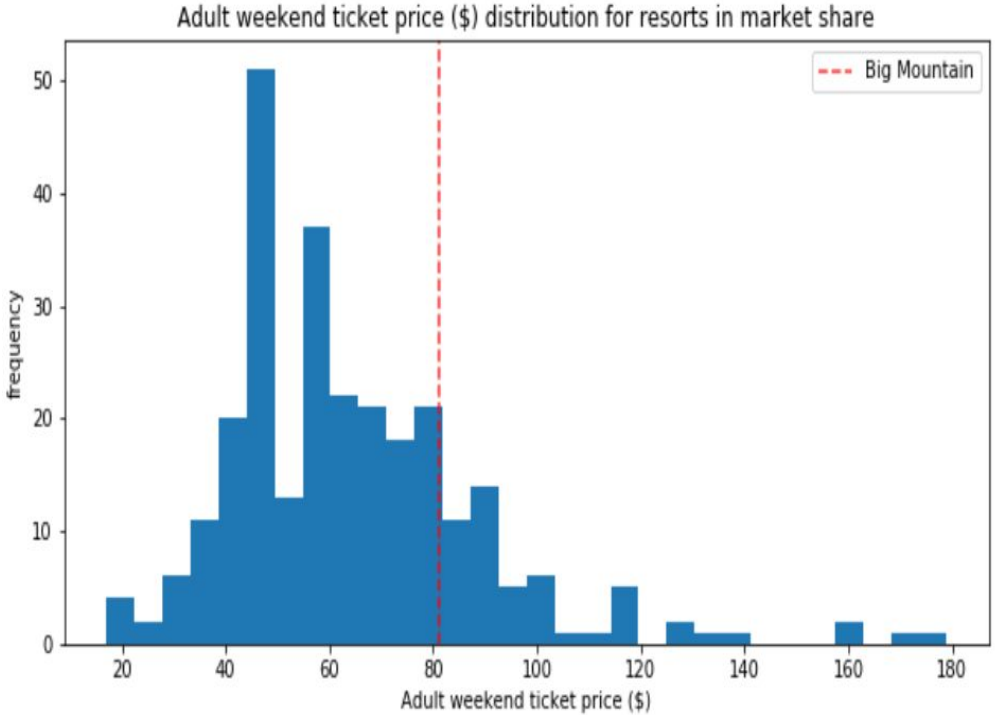
Modeled price is $94.22

- Mean average estimate
- There is price for growth

Features that most affected price modeling:

- Vertical Drop
- Snow Making
- Total Chairs
- Fast Quads
- Runs
- Longest Runs (in miles)
- Trams
- Skiiable Terrain (in acres)

Our price of $81.00 is not the pack leader in comparison to nationwide prices



Features that could save costs:

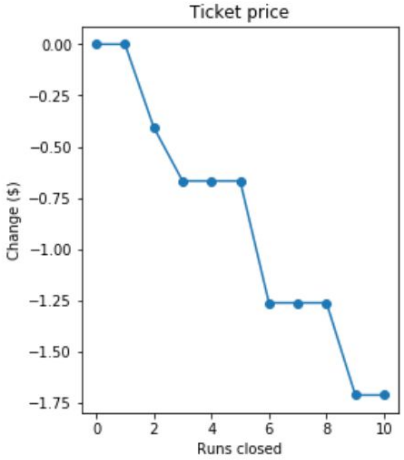
- Number of runs
- Number of chairs

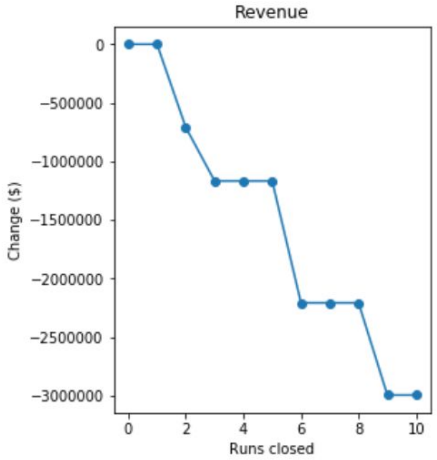
Findings:
Can close one (1) run and have no adverse effect on price and revenue

First 6 chair closures (1 - 6) affects price
By -$.35 and total revenue by -$608,696

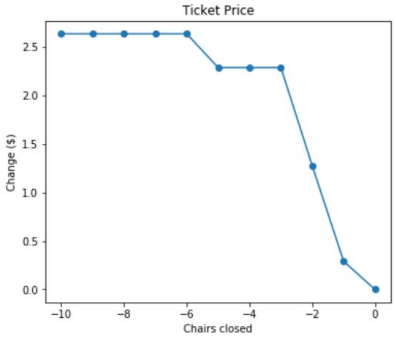
Each chair operates at a cost of $1.54 mn
If we close 6 chairs:
Saves $8.63 million

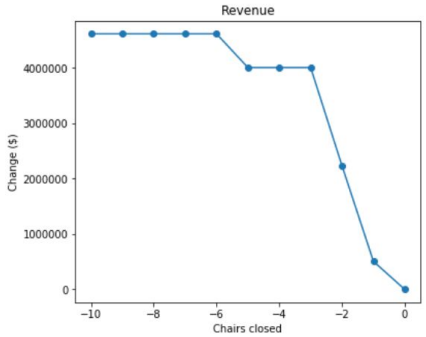
Runs closed:





Chairs closed:





Where we can be

There is flexibility in our ticket price:

- We can charge more, model supports up to $94.22
- We can maintain price, and cut costs:
  - Reduce the number of runs by one does not affect price and revenue
- We can charge less due to decreased total chairs, but save significantly more:
  - Reducing up to six chairs reduces revenue by $608k
  - But saves $8.6 mn due to high operating costs