



May 15, 2009

Dear Friends of Magic:

We are making progress with respect to the issuance of an offering to prospective shareholders. I have met with the Nelson family and have shared numerous correspondences and documents with them over the past couple of weeks in order to get them up to speed relative to both the current status of Magic as well as the direction we are trying to take it. I am pleased to advise that the Nelsons and the rest of the current ownership, after considered review, are supportive of the concept of issuing shares in order to raise capital to keep Magic operating and improving. Their cooperation in the plan is essential and appreciated because it enables us to put money raised toward improvements and operations as opposed to having to completely fund the purchase. After payment of approximately \$300,000 to the current ownership which is necessary in order to clear and transfer title, they have agreed to hold an equity position in the new entity as opposed to requiring a lump sum payment at closing or holding debt. The technical aspects of a formal offering are complex, and we are working together to effectuate it as soon as possible.

One issue we have encountered is whether what we are trying to accomplish here actually fits within the guidelines provided by law under the co-op statutes. After reviewing the statute and consulting with attorneys we have determined that the new entity does not qualify as a co-op under the applicable statute. That fact will not prevent us from moving forward, but we will need to create a different legal entity which in all likelihood will be an LLC with various classes of shares. This will not change the basic tenants of the offering from a shareholder's perspective. We will be selling shares for \$3000 which will be secured by an equity position in the mountain. Shareholders will have a say in the overall philosophy and major decisions involving the mountain by way of shareholder meetings and a Board comprised of elected shareholders which will work with mountain management. There will be other shareholder benefits such as a discounted season pass, discounted lift tickets for friends and family, and special access to management via an exclusive page on the web site.

We are working diligently with the current ownership and attorneys to put this offering together. Any proceeds from shares sold will initially be held in escrow until the critical threshold of 300 shares is met and the actual transfer of title to the new entity takes place.

We have completed a five year budget together with a business plan which will be posted on the web site next week.

In the interim, a group of Magic faithful have created a website dedicated to preserving Magic Mountain. Along with the website they are selling t-shirts with all proceeds going towards purchasing one and hopefully two shares in the new Magic Mountain ownership group. I applaud their efforts and it is this passion for Magic Mountain that will ultimately lead to its success. You can view their site at www.savemagicvermont.com.

I appreciate all of your patience with this process as it has taken longer than expected. As stated previously, I am happy to field any questions and encourage you all to pose them.

Sincerely,

Jim Sullivan