

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

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS PURSUANT
TO SECTIONS 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES ACT OF 1934

For the fiscal year ended October 31, 2009

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 No. 0-2844 (Blue Ridge)

Commission File No. 0-2843 (Big Boulder)

**BLUE RIDGE REAL ESTATE COMPANY
BIG BOULDER CORPORATION**

(Exact name of Registrants as Specified in their Charters)

Pennsylvania
(State or other Jurisdiction of
Incorporation or Organization)

Blakeslee, Pennsylvania
(Address of Principal Executive Office)

24-0854342 (Blue Ridge)
24-0822326 (Big Boulder)
I.R.S. Employer Identification Number:

18610
(Zip Code)

Registrants' telephone number, including area code: (570) 443-8433

Securities registered pursuant to Section 12(b) of the Act: None

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

Common Stock, without par value, stated value \$0.30 per combined share*
(Title of Class)

Indicate by check mark if the registrants are well-known seasoned issuers, as defined in Rule 405 of the Securities Act. Yes No

Table of Contents

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrants (1) have 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 registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrants' knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrants are large accelerated filers, accelerated filers, non-accelerated filers or smaller reporting companies. See 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 smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of Act).
Yes No

The aggregate market value of common stock, without par value, stated value \$.30 per combined share, held by non-affiliates at April 30, 2009 (the last business day of the registrants' most recently completed second fiscal quarter), was \$5,564,006. Such aggregate market value was computed by reference to the closing price of the common stock of the registrants on the over-the-counter bulletin board on April 30, 2009. There is no established public trading market for the registrants' stock.

The number of shares of common stock of the registrants' classes of common stock outstanding as of February 22, 2010 was 2,450,424.

DOCUMENTS INCORPORATED BY REFERENCE

Specified portions of the registrants' 2009 Annual Report to Shareholders for the fiscal year ended October 31, 2009 are incorporated by reference into Parts II and IV hereof.

Specified portions of the registrants' definitive Proxy Statement to be used in connection with its 2009 Annual Meeting of Shareholders (the "Proxy Statement"), to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K, are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent provided herein. Except as specifically incorporated by reference herein, the Proxy Statement is not to be deemed filed as part of this Annual Report on Form 10-K.

*Under a Security Combination Agreement between Blue Ridge Real Estate Company, Blue Ridge, and Big Boulder Corporation, Big Boulder (each referred to herein as a "Company" and together, the "Companies") and under the bylaws of the Companies, shares of the Companies are combined into unit certificates, each certificate representing the same number of shares of each of the Companies. Shares of each Company may be transferred only together with an equal number of shares of the other Company. For this reason, a combined Blue Ridge/Big Boulder Form 10-K is being filed. Except as otherwise indicated, all information applies to both Companies.

Table of Contents

**BLUE RIDGE REAL ESTATE COMPANY
BIG BOULDER CORPORATION**

ANNUAL REPORT ON FORM 10-K

For Fiscal Year Ended October 31, 2009

TABLE OF CONTENTS

	Page
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	1
<u>PART I</u>	
<u>Item 1</u> Business	2
<u>Item 1A</u> Risk Factors	7
<u>Item 2</u> Properties	12
<u>Item 3</u> Legal Proceedings	14
<u>Item 4</u> Submission of Matters to a Vote of Security Holders	14
<u>PART II</u>	
<u>Item 5</u> Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	14
<u>Item 6</u> Selected Financial Data	14
<u>Item 7</u> Management's Discussion and Analysis of Financial Condition and Results of Operations	14
<u>Item 7A</u> Quantitative and Qualitative Disclosures about Market Risk	14
<u>Item 8</u> Financial Statements and Supplementary Data	15
<u>Item 9</u> Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	15
<u>Item 9A</u> Controls and Procedures	15
<u>Item 9B</u> Other Information	16

Table of Contents

PART III

Item 10 Directors, Executive Officers and Corporate Governance 16

Item 11 Executive Compensation 16

Item 12 Security Ownership of Certain Beneficial Owners and Management and
Related Stockholder Matters 16

Item 13 Certain Relationships and Related Transactions, and Director Independence 16

Item 14 Principal Accountant Fees and Services 16

PART IV

Item 15 Exhibits and Financial Statement Schedules 17

Table of Contents

For convenience, references in this Annual Report on Form 10-K to “we,” “us,” “our,” and the “Companies” mean or relate to Blue Ridge Real Estate Company, Big Boulder Corporation and their subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 10-K constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, that are made based upon, among other things, our current assumptions, expectations and beliefs concerning future developments and their potential effect on us. In some cases you can identify forward-looking statements where statements are preceded by, followed by or include the words “believes,” “expects,” “anticipates,” “plans,” “future,” “potential,” “probably,” “predictions,” “continue” or the negative of such terms or similar expressions. All statements, other than statements of historical fact, regarding our strategy, future operations, financial position, estimated revenue, projected costs, projected savings, prospects, plans, opportunities and objectives constitute “forward-looking statements,” including but not limited to statements regarding the current and future real estate market in the Pocono Mountains; the timing and outcome of our planned land development; compensation expense related to non-vested awards; contributions to our pension plan; our land development and infrastructure plans in and around Jack Frost Mountain and Big Boulder Lake and Ski Resort; and our anticipated cash needs.

These statements involve known and unknown risks, uncertainties and other factors that may cause our or our industry’s actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. Because forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed or implied by these forward-looking statements, including but not limited to:

- Changes in market demand, weather and/or economic conditions within our local region and nationally, including changes in consumer confidence, volatility of mortgage interest rates and inflation;
- The status of the current and future real estate market in the Pocono Mountains;
- Borrowing costs and our ability to generate cash flow to pay interest and scheduled debt payments as well as our ability to refinance such indebtedness;
- Our ability to continue to generate sufficient working capital to meet our operating requirements;
- Our ability to obtain and maintain approvals from local, state and federal authorities for land development and construction;
- Our ability to provide competitive pricing to sell homes;
- Our ability to achieve gross profit margins to meet operating expenses;
- Fluctuations in the price of building materials;
- Our ability to effectively manage our business;
- Our ability to attract and retain qualified personnel in our business;

Table of Contents

- Our ability to negotiate leases for the future operations of our facilities;
- Our relations with our controlling shareholder, including its continuing willingness to provide financing and other resources;
- Actions by our competitors;
- Effects of changes in accounting policies, standards, guidelines or principles; and
- Terrorist acts, acts of war and other factors over which the Companies have little or no control.

As a result of these factors, we cannot assure you that the forward-looking statements in this Annual Report on Form 10-K will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may 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, if at all.

We may not update these forward-looking statements, even though our situation may change in the future.

We qualify all the forward-looking statements contained in this Annual Report on Form 10-K by the foregoing cautionary statements.

PART I

ITEM 1. BUSINESS

Blue Ridge Real Estate Company

Blue Ridge Real Estate Company, or Blue Ridge, was incorporated in Pennsylvania in 1911 and is believed to be one of the largest owners of investment property in Northeastern Pennsylvania. It owns 13,357 acres of land that are predominately located in the Pocono Mountains, along with 14 acres of land in various other states. Of this acreage, 8,368 acres are held for investment, 4,585 acres are held for development and 404 acres are held for recreation. Income is derived from these lands through leases, selective timbering by third parties, sales, and other dispositions. Included in the properties owned by Blue Ridge are: 93 acres of land held for investment in Northeast Land Company; a commercial property comprised of 2.9 acres of vacant land; a shopping center with 9.4 acres; three residential investment properties; the Jack Frost National Golf Course; and the Jack Frost Mountain Ski Area, which is currently leased to JFBB Ski Areas, Inc., an affiliate of Peak Resorts. Blue Ridge also owns three retail stores, two of which are leased to Walgreen Company on 3.4 acres, and one of which is leased to Jack in the Box. All of these investment properties are more fully described under Item 2 below.

Jack Frost Mountain Company, a wholly-owned subsidiary of Blue Ridge, was incorporated in Pennsylvania in 1980 and commenced operations on June 1, 1981. It was created to lease and operate the Jack Frost Mountain Ski Area and to provide certain services to other facilities, such as the Snow Ridge resort community, and to operate recreational facilities located within the Jack Frost Mountain tract. The lease between Blue Ridge and Jack Frost Mountain Company for the Jack Frost Mountain Ski Area was terminated on November 30, 2005. On December 1, 2005, Blue Ridge entered into a 28-year lease with JFBB Ski Areas Inc., an unrelated party and an affiliate of Peak Resorts, for the lease of the Jack Frost Mountain Ski Area. Pursuant to the terms of this lease, JFBB Ski Areas Inc. operates the Jack Frost Mountain Ski Area and makes monthly lease payments to Blue Ridge during the ski season (January to April). Leasing the ski facilities to JFBB Ski Areas Inc., as opposed to continuing to operate these facilities through one of our subsidiaries, has allowed us to focus additional resources on real estate

Table of Contents

development at our current and proposed resort communities. Revenue generated by this lease is included in the Real Estate Management/Rental Operations business segment.

Northeast Land Company, a wholly-owned subsidiary of Blue Ridge, was incorporated in Pennsylvania in 1967. The primary asset of this subsidiary is 93 acres of land in Northeast Pennsylvania. Revenue for Northeast Land Company is derived from real estate commissions on the sale of homes at these resort communities, trust and condominium fees for services to these resort communities and property leases. Effective October 1, 2006, Mountain Resort Villas, an unrelated party and an affiliate of Appletree Management Group, Inc. purchased certain property management and rental management contracts from Northeast Land Company. Mountain Resort Villas currently leases certain buildings from the Companies for use in the operation and maintenance of Northeast Land Company's former rental program. In April 2009, management closed the real estate sales office known as Jack Frost Big Boulder Real Estate located in our Blue Heron Community in Lake Harmony, Pennsylvania. Effective April 24, 2009, the Companies signed an agreement with Pocono Resorts Realty, a well-known local real estate agency, pursuant to which Pocono Resorts Realty market the Companies' current home sale listings and the newly constructed homes at Big Boulder. Northeast Land Company has no employees.

BRRE Holdings, Inc., a wholly-owned subsidiary of Blue Ridge, was incorporated in Delaware in 1986. It was established for investment purposes.

Moseywood Construction Company, a wholly-owned subsidiary of Blue Ridge, was incorporated in Pennsylvania in May 2003 and commenced operations in November 2003. It was primarily focused on facilitating land development and expanding our real estate sales division. Due to the downturn in the housing market, in July 2008 we stopped accepting new construction contracts for the Stoney Run Builders and Stoney Run Realty custom home division and closed the sales office located in Stroudsburg, Pennsylvania. All of the signed contracts for custom built homes have been completed.

Coursey Commons Shopping Center, LLC, a wholly-owned subsidiary of Blue Ridge, was organized in Louisiana in May 2004 to own and lease the Coursey Commons Shopping Center, which is located on 9.4 acres of land in Baton Rouge, Louisiana. Coursey Commons Shopping Center, LLC has no employees and is managed by Kimco Realty Corporation.

Boulder Creek Resort Company was incorporated in Pennsylvania in December 2004. It was created with the ultimate goal of consolidating our branding and marketing our properties in the Pocono Mountains as a single resort destination.

Jack Frost National Golf Course, Inc., a wholly-owned subsidiary of Blue Ridge, was incorporated in Pennsylvania in February 2005. It operates the Jack Frost National Golf Course, which opened in the spring of 2007.

Blue Ridge Acquisition Company, a wholly-owned subsidiary of Blue Ridge, was incorporated in Pennsylvania in March 2006. It was created to facilitate the acquisition of investment properties.

Flower Fields Motel, LLC, a wholly-owned subsidiary of Blue Ridge, was organized in Pennsylvania in September 2006 to own and lease certain commercial property, which consists of 2.9 acres of land. It has no employees and is managed by Blue Ridge Real Estate Company.

Blue Ridge WNJ, LLC, a wholly-owned subsidiary of Blue Ridge, was organized in New Jersey in May 2009 to own and lease a Walgreens Store in Toms River, New Jersey, which consists of 1.9 acres of land. It has no employees and is managed by Blue Ridge Real Estate Company.

Table of Contents

Blue Ridge WMN, LLC, a wholly-owned subsidiary of Blue Ridge, was organized in Minnesota in May 2009 to own and lease a Walgreens Store in White Bear Lake, Minnesota, which consists of 1.4 acres of land. It has no employees and is managed by Blue Ridge Real Estate Company.

As of October 31, 2009, Blue Ridge employed 10 full-time employees and Moseywood Construction Company had two full-time employees.

Big Boulder Corporation

Big Boulder Corporation, or Big Boulder, was incorporated in Pennsylvania in 1949. Big Boulder's primary asset is 865 acres of land, which includes a 175-acre lake, the Big Boulder Ski Area, and the Boulder View Tavern (formerly known as the Mountain's Edge Restaurant). Of the 865 acres, 369 acres are held for investment, 386 acres are held for development and 110 acres are held for recreation. The principal source of revenue for Big Boulder is derived from the sale of residential homes and real estate in close proximity to the Big Boulder Ski Area. The Big Boulder Ski Area is currently leased to JFBB Ski Areas, Inc.

Lake Mountain Company, a wholly-owned subsidiary of Big Boulder, was incorporated in Pennsylvania in 1983 and commenced operations on June 1, 1983. It was created to lease and operate the Big Boulder Ski Area and operate the recreational facilities that are located within the Big Boulder Lake tract. The lease between Big Boulder and Lake Mountain Company for the Big Boulder Ski Area was terminated on November 30, 2005. On December 1, 2005, Big Boulder also entered into a 28-year lease with JFBB Ski Areas Inc. for the lease of the Big Boulder Ski Area. Pursuant to the terms of the lease, JFBB Ski Areas Inc. operates the Big Boulder Ski Area and makes monthly lease payments to Big Boulder during the ski season (January to April). Leasing the ski facilities to JFBB Ski Areas Inc., as opposed to continuing to operate it through one of our subsidiaries, has allowed us to focus additional resources on real estate development at our current and proposed resort communities. Revenue generated by this lease is included in the Real Estate Management/Rental Operations business segment.

The Lake Mountain Club includes the recreational facilities at Jack Frost Mountain and Big Boulder Lake. Effective March 30, 2007, we entered into a long-term lease for the operation of these facilities with Appletree Management Group. Revenue generated by this operation is now included in the Real Estate Management/Rental Operations business segment.

BBC Holdings, Inc., a wholly-owned subsidiary of Big Boulder, was incorporated in Delaware in 1986. It was established for investment purposes.

Big Boulder has no employees.

Strategy

Since the early 1980's, we have developed five residential communities in close proximity to our Jack Frost Mountain and Big Boulder Ski Area resorts. Our resorts are located in the Pocono Mountains of Pennsylvania, an area which offers year-round regional tourist appeal and a quiet, relaxing vacation environment.

We own 14,208 acres of land in Northeast Pennsylvania along with 14 acres in various other states. Of these land holdings, we have designated 4,971 acres as held for development. It is expected that all of our planned developments will be subdivided and sold as parcels of land, while others will be developed into single and multi-family housing.

The real estate industry is cyclical and is subject to numerous economic factors including general business conditions, changes in interest rates, inflation and oversupply of properties. Any sustained period of weakness or weakening business or economic condition in the markets in which we intend to do

