

AGREEMENT: CHONDOLA OPERATING AGREEMENT

EFFECTIVE DATE: May 1, 2002

PARTIES: Telski and MVOA

PURPOSE: Allocation of the costs of operating, maintaining and repairing the Chondola between Telski and MVOA.

TELSKI: Telski is responsible for the costs of operation, maintenance and repair of the Chondola during the operating hours of the ski area.

MVOA: MVOA is responsible for the costs of operation of the Chondola during all other times of operation.

CAPITAL LEASE: Telski finances the Chondola through a capital lease. MVOA reimburses Telski for 16% of the capital lease costs. There is an outstanding issue as to whether MVOA has made its final payment under this lease.

INSURANCE: Telski incurs the insurance premium costs except to the extent that additional insurance premiums are due because of the use of the Chondola during the hours that MVOA is responsible for the operation.

NEW CHONDOLA CABINS: MVOA and Telski are to share equally the costs of any new Chondola cabins required under the Ski Area Expansion Agreements.

EXTRAORDINARY COSTS: Costs incurred beyond normal operations and ordinary repair and maintenance are to be allocated equally between Telski and MVOA.

STAFFING: Telski staffs the Chondola from 7 am to 4:30 pm seven days a week during ski season. MVOA reimburses Telski for the costs of operating the Chondola from 7 am to 9 am during the ski season. MVOA is to staff and operate the Chondola during all other hours of operation, including the hours after 4:30 pm during the ski season.