

AGREEMENT: **GONDOLA MANAGEMENT AGREEMENT**

DATE: October 12, 1999

PARTIES: Originally among Telski, MVOA, District and Telluride Gondola Transit Company (TGTC). Current parties are Telski, MVOA and Town.

DURATION: Until such time as the gondola permanently ceases to be operated for the benefit of the public or mutual termination of the agreement by the parties.

PURPOSE: TGTC as the owner of the gondola transit system retained District to manage the gondola operations. After a series of conveyances and assignments, the agreement now sets forth the Town's obligations regarding operation, management and maintenance of the gondola and provides a budget review and approval process.

STANDARD OF CARE: Town is to operate, repair and maintain the gondola at a level of quality commensurate with or exceeding the level of quality provided by Telski in the operation of the ski area. Sets forth very specific standards in conjunction with the ski area in paragraph 1.3, regarding grooming and appearance of personnel, uniforms, emergency access and guest relations.

OPERATING POLICIES: The operating policies established by the Town for the gondola are subject to approval by MVOA. MVOA is further authorized to regulate day-to-day operations for the gondola.

COSTS: Costs to be paid by the Town and reimbursed by MVOA pursuant to the terms and conditions of the Gondola Operating Agreement.