MANAGEMENT AGREEMENT

This Management Agreement (the "Agreement") is entered into effective as of April 21, 1999 by and between Grand Timber Lodge Owners Association. Inc., a Colorado nonprofit corporation, (the "Association"), and Peak Resorts Management, LLC ("Manager"):

RECITALS

1) The Association is the duly constituted governing body responsible for maintenance of the Common Elements and Timeshare Program at Grand Timber Lodge (the "Project") in the Town of Breckenridge, Summit County, Colorado.

2) Pursuant to the provisions of the Condominium Declaration for Grand Timber Lodge recorded April 21, 1999 Reception No. S93269 in the Office of the Clerk and Recorder of Summit County, Colorado (the 'Declaration"), the Association is responsible for maintenance of the Common Elements and the Timeshare Program. The Association is authorized to retain professional management and to delegate to such Manager certain of the Association's powers and responsibilities.

3) The Board of Directors (the "Board") of the Association desires to engage Manager to manage and operate the Project and the Timeshare Program as contemplated by the Declaration, and Manager desires to accept such engagement, all on the terms and conditions set forth below.

4) The Association and Manager intend and agree that this Agreement shall replace in its entirety the prior Management Agreement and any amendments thereto.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties agree as follows:

TERMS AND CONDITIONS

1. Engagement of Manager. Association hereby engages Manager as the exclusive managing agent of the Project and the Timeshare Program, and Manager hereby accepts said appointment and undertakes to perform all of the services and responsibilities set forth herein in such capacity and to comply with all provisions of this Agreement. Manager's performance hereunder shall be as an independent contractor and not as an employee of the Association.

2. Definitions. In addition to other definitions provided for herein, the capitalized terms in this Agreement shall have the same meanings as attributed to them in the Declaration.

3. Term.

3.1 Initial Term and Renewal. Unless terminated earlier pursuant to Paragraph 3.2 below, the Initial Term and any renewal term for this Agreement shall be as follows:

a) Initial Term. The initial term of this Agreement shall be for a period of ten (10) years commencing as of May 1, 1999 and continuing until April 31, 2009.

b) Renewal. This Contract shall be automatically renewed for successive periods of three (3) years each, on the same terms and conditions, unless this contract is cancelled by either party by giving written notice of cancellation to the other party at least ninety (90) days prior to the expiration of the then current tenant.

3.2. Termination. This Agreement may be terminated by the Association prior to the expiration of the Initial Term hereof only for Cause, as defined herein. For purposes of this Agreement, the term "Cause" means the following conduct or acts on the part of the Manager:

a) Insolvency, filing a petition in bankruptcy, or for reorganization, or for the adoption of an arrangement under the Bankruptcy Act, or an answer or other pleading admitting the material allegations of such a petition or seeking, consenting to or acquiescing in the relief provided under such Act, making an assignment of all or a substantial part of its property for the benefit of its creditors, or being adjudicated a bankrupt or insolvent;

b) Any material default in the performance of this Agreement;

c) Mismanagement, performance of any dishonest act, performance of any material act which exceeds the authority provided in this Agreement, or failure to operate the Project within the approved budgets, as revisions to those budgets are approved and within a standard for material deviations which allows for an increase of up to 10% of the overall budget amount;

Prior to any such termination for Cause, the Association shall provide the Manager with notice in writing of its failure to perform hereunder, and the Manager shall have ten (10) days to cure such failure. If the Manager shall fail to cure such failure within said ten (10) days, or if such failure cannot be cured within ten (10) days, and the Manager shall fail to commence and diligently and continuously prosecute the completion of the curing of such failure, the Association may terminate this Agreement. If the Association shall default in the performance of its obligations hereunder, the Manager shall provide the Association with notice of such default, and the Association shall have ten (10) days to cure the same. If the Association shall fail to cure such default within said ten (10) days, or if such default cannot be cured within ten (10) days and the Association fails to commence and diligently and continuously prosecute the curing of such default, then the Manager may terminate this Agreement; provided, however, this Agreement shall not be terminated by the Association, absent a showing of gross negligence or willful misconduct on the part of Manager, unless a successor Manager has been selected, has executed a management agreement and is ready and able immediately to assume and execute its duties and responsibilities thereunder. Any violation of such

paragraph 3.2 above shall be deemed gross negligence or willful misconduct for purposes of termination for Cause.

3.3. Arbitration. In the event that either party shall dispute a termination by the other pursuant to the provisions of subparagraph 3.2, the dispute shall be submitted to arbitration in accordance with the commercial arbitration roles of the American Arbitration Association. The party initiating the arbitration shall remit the fee payable to the American Arbitration Association to initiate the arbitration; the cost of arbitration, including such fee, shall ultimately be home as determined by the arbitrator under the aforesaid roles.

3.4 Actions upon Termination. Upon any termination or expiration of this Agreement, the Manager shall promptly account for and deliver to the Association all funds arising out of or in any way connected with this Agreement and all monies received by the Manager subsequent to the termination of this Agreement and arising out of this Agreement. In addition, the Manager shall deliver to the Owner, or to such other person as the Owner shall designate in writing, a list of all materials, contracts, books and records and any and all other documents pertaining to the Project. The Manager shall also furnish all such information, take all such action and cooperate with the Association as the Association shall reasonably require in order to effectuate an orderly and systematic conclusion of the Manager's duties and activities hereunder.

Upon the termination or expiration of this Agreement; the Association and the Manager shall be released from further performance hereunder; provided, however, that all rights and obligations of the Association and the Manager accruing to such date, including without limitation any rights to receive payments and the indemnification provisions contained herein, shall survive the termination or expiration of this Agreement.

3.5 Resignation. Manager may resign only upon compliance with the following conditions:

a) On or before the effective date of the resignation (the "Effective Date"), or upon such later date that the Association may successfully obtain the services of a substitute managing agent not to exceed one-hundred eighty (180) days following Effective Date, Manager shall turn over all books and records relating to the management and operation of the Project to the successor managing agent or to such other person or entity as the Board may direct and otherwise comply with the requirements of paragraph 3.4 above;

b) In the event that Manager's resignation shall be authorized as provided herein above, the Association shall use its best efforts to obtain the services of a responsible management company to provide Association with services consistent with industry-recognized standards so that Manager may accomplish the resignation in a timely manner;

c) Such conditions as may be subsequently negotiated and established by and between Association and Manager pursuant to a properly executed written document intended to govern an event of resignation without cause by Manager.

4. Duties of Association. The Association shall furnish the Manager with copies of any and all documents connected with the Project which may assist Manager in carrying out its duties hereunder, including without limitation the Declaration, the Articles of Incorporation (if applicable) and Bylaws of the Association, any notices received by the Association, any rules and regulations promulgated by the Association, and any written instruments executed by or on behalf of the Association. The Association shall timely provide Manager with any information not known to Manager which may be relevant to Manager's performance under this Agreement. The Association shall fully cooperate with the Manager in connection with Manager's performance hereunder. The Association and the Manager acknowledge and agree that the Association's prior management did not turn over complete and accurate financial and operational information upon its termination and that the lack of such information may negatively affect Manager's initial operation of the Project.

5. Duties of Manager.

5.1. In General. Manager shall provide or cause to be provided all services and personnel required to administer the affairs of the Association and to manage and operate the Project as contemplated by the Declaration, at all times in the manner consistent with the provisions of the Declaration and the Bylaws of the Association and subject to the terms and conditions set forth herein. Manager shall have all the powers that the Association has, pursuant to the Declaration, to the extent necessary to perform its duties and obligations hereunder. Subject to the provisions of Paragraph *5.5* below, Manager may delegate its authority and responsibilities to one or more subagents for such periods and upon such terms, as Manager deems proper.

5.2. Administrative Services. Not in limitation of the provisions of Paragraph *5.1* above, Manager shall provide the following services of an administrative nature:

a) Association Meetings. Manager shall provide assistance to the Board, as the Board may from time to time request or direct, with the organizing and coordinating of the meetings of the Board and of the Association, which assistance shall include the preparation and delivery of notices of meetings consistent with the requirements of the Project's Bylaws. Manager shall coordinate the preparation and approval of agendas with the Board and shall be available, as the Board may direct, to assist in the conduct of meetings and/or to oversee the election of Board members.

b) Association Records. Manager shall hold or cause to be held all records of the affairs of the Association, including but not limited to, minutes of meetings, correspondence and amendments of Bylaws and Rules and Regulations.

c) Communications. Manager shall initiate, develop, and establish effective communication with the Board, owners, committee members, and project lenders by use of newsletters, meetings, telephonic or other forms of effectual communication.

d) Association Documents. Manager shall, from time to time as necessary or desirable, recommend to the Board that it amend, modify or supplement the Rules and Regulations or other documents to comply with statutes and operational requirements.

e) Roster of Owners. Manager shall maintain a complete and accurate list of Owners (the "Roster") setting forth the name of each Owner and the mailing address of such Owner. Manager shall thereafter cause the Roster to be maintained on a current basis.

f) Exchange Services. The Manager shall coordinate the administration of any third-party exchange program (the "Exchange Program") that may from time to time be available at the Project and communicate with the representative of Exchange Program regarding the reservations processed by such Exchange Program at the Project.

g) Legal Issues. Manager will work, communicate, and assist legal counsel in any activities that effect the Association.

5.3 Fiscal Services. Not in limitation of the provisions of Paragraph *5.1* above, Manager shall provide the following services of a fiscal nature

a) Budgets. Manager shall prepare and submit to the Board for approval, not less than sixty (60) days prior to the end of succeeding Fiscal Years, a budget and a management plan meeting the requirements of the Declaration Each budget approved by the Board is called the "Budget." Manager shall present the Budget to the Owners at each Annual meeting and cause a copy of the Budget to be distributed to any Owner upon request and payment of a reasonable fee.

b) Reserve Program. Manager shall recommend to the Board an appropriate replacement reserve program as required by the Declaration and the Common Interest Realty Association's guidelines. The program shall include an annual capital expenditure projection for the replacement of items as well as overall upgrading

of the Project and an annual review of the adequacy of the Association's capital reserve funding.

c) Special Assessments. Manager shall, promptly upon making a determination that a Special Assessment is required, submit a recommendation to the Board that a Special Assessment be considered.

d) Collection of Assessments. Manager shall cause the assessments for Common Expenses and the Common Timeshare Assessments to be timely billed and shall enforce collection thereof.

e) Bank Accounts. Manager shall establish such bank accounts as the Board may direct, and shall deposit or invest funds collected from Owners and all other amounts collected by Manager in connection with the performance of its duties hereunder in interest bearing accounts designated for such purpose. The Manager shall keep accurate books and records reflecting the amount of such accounts.

f) Disbursements. Manager shall cause disbursement from the operating bank account of the Association any and all amounts required for the payment of all Association expenses incurred consistent with the applicable Budget and as otherwise permitted by the Declaration and as may be directed by the Board.

g) Financial Statements and Audit. Manager shall cause an audit to be conducted as provided for in the Declaration Manager shall cause the financial statements provided for in the Declaration to be prepared.

h) Books and Records. Manager shall cause to be kept and maintained full and adequate books and records reflecting the results of operation of the Project in accordance with generally accepted accounting principles. The books and accounts and other records relating to the operation of the Project shall be available to the Association and its representatives at all reasonable times for examination, inspection and transcription, or, at the Association's expense, distribution to all members as may be directed by the Board.

i) Expense Control. Manager shall oversee an operating expense control system to reduce unnecessary expenses and initiate cost cutting measures to maximize the Association's fiscal efficiency.

j) Building Manager shall provide the following information to the Board at regularly scheduled Board of Managers meetings.

1) Current reconciliation of the Association's operating accounts.

2) Current reconciliation of the Association's reserve accounts.

3) Latest account statements prepared by the financial institutions where the Association has its operating and reserve accounts.

4) Current year's actual Reserve revenues and expenses.

5) Income and expense statement for the Association's operating and reserve accounts (comparative income statement).

6) Balance sheet.

7) Utilization report reflecting property usage by guest source.

8) A list of all checks, drafts or other transfers of Association funds.

9) Delinquent assessment status.

In addition to the foregoing, the Manager shall also prepare and provide such other periodic reports and schedules as the Board may from time to time direct.

5.4 Physical Services. Not in limitation of the provisions of Paragraph *5.1* above, Manager shall provide the following services of a physical nature:

a) Emergency Procedures. Manager shall oversee establishment and implementation of emergency and disaster procedures to enhance Owner safety and reduce potential Association liability.

b) Inspections. Manager shall make timely inspections of the Common Elements and Timeshare Units and render reports and make recommendations to the Board concerning the repair, restoration, and maintenance of the Common Elements and Timeshare Units.

c) Insurance. Manager shall obtain and keep in force all insurance required by the provisions of the Declaration. Manager shall administer all such insurance and claims under such insurance policies and bonds.

d) Repair and Maintenance of Timeshare Units and Common Furnishings. Manager shall, pursuant to and consistent with a plan

established by the Board, cause the Timeshare Units and the Common Furnishings to be repaired, maintained, repainted, furnished and refinished in accordance with the provisions of the Declaration and in the manner consistent with the reserves established for such purpose.

e) Check-In and Check-Out. Manager shall cause on-site personnel to be available at all required times in order to check-in and check-out Owners, rental guests and Exchange Users. Manager shall also audit or review all procedures for check-in/out to ensure accuracy, efficiency, and quality.

f) Maid Service. Manager shall cause maid service to be provided to the Units within the Project in the manner provided for in the Declaration and in the Rules and Regulations. Manager shall also conduct a review of procedures to see that the best possible use of personnel and materials are being made.

g) Maintenance. Manager shall oversee maintenance to ensure the quality of maintenance is maintained.

1) Maintenance Weeks are scheduled properly with appropriate work schedules.

2) Proper specifications for bids are maintained.

3) Quality goods and services are provided by vendors/contractors.

4) Inspect and evaluate procedures to ensure quality service and good Owner relations. Generally, Manager will establish levels of service and quality and monitor those standards.

h) Reservations. Manager shall cause to be established and operated a reservation system implementing the reservation procedure set forth in the Rules and Regulations and shall do so in a manner that has been mutually agreed between Association and Manager to be in the best interests of the Owners. The reservation system shall include the books and records required to reflect reservations made, Use Periods actually used, and such other information as shall be necessary to coordinate efficient Project operation.

i) Right to Entry. During Service Periods and at any other reasonable time, upon giving reasonable notice, if a Condominium Unit is occupied, to enter the Condominium Unit, at any reasonable time, whether or not during a Service Period and whether or not in the

presence of a owner, for the purpose of (i) making emergency repairs therein, (ii) abating any nuisance or any dangerous, unauthorized, prohibited or unlawful activity being conducted or maintained in such unit; (iii) protecting property rights and welfare of other Owners, or (iv) for any other purpose reasonably related to the performance by the Association of its responsibilities under the terms of this Declaration. Such right of entry shall be exercised in such a manner as to avoid any unreasonable or unnecessary interference with the possession, use and/or enjoyment of the Owner, rental guest, Exchange User or other occupant of such Condominium Unit and shall be preceded by reasonable notice to the Owner or occupant thereof whenever the circumstances permit.

j) Personnel Services. The Manager is authorized to hire, pay, supervise and discharge, or cause to be hired, paid, supervised and discharged all employees and independent contractors that may be required for the proper maintenance and operation of the Project and the Association. Such services may be performed by in-house personnel, rather than on a contracted basis. Compensation, payroll taxes and employees' benefits of such employees shall be the responsibility of the Association. Manager shall also conduct on-going staff training, conduct reviews and evaluation of management level personnel, maintaining morale and consistency throughout the Project

k) Utility and Other Services. Manager shall negotiate on behalf of the Association a contract for certain services including, but not limited to, trash and rubbish removal, utilities, cable or other TV services, snow removal, heating and plumbing repairs, elevator maintenance, laundry and dry cleaning, pest control and any other services as may be necessary or desirable in connection with the Project.

l) Equipment. The Manager shall lease and/or purchase office equipment including but not limited to, calculators, telephone equipment, typewriters, computers and any other office items, equipment, supplies and facilities which may be necessary or desirable in connection with management of the Project.

m) Rental Management. The Manager may provide rental management services and any other ancillary services not required by this Agreement for individual Owners in Grand Timber Lodge terms that the parties to that agreement might agree. This agreement provides no rental management services.

5.5. Limitation on Powers of Manager. Notwithstanding the powers of the Manager as set forth in Paragraphs *5.1* through *5.5*, above, Manager shall not:

a) Make the final determination of estimated expenses, annual budgets and assessments based thereon, promulgate rules and regulations; enter into any contract involving more than $10,000 in any one fiscal year; purchase, hold, sell, convey, or mortgage, any interest in the Project; or bring, prosecute and settle litigation; or enter into any contract in the name of the Association for goods or services not contemplated by the Budget or for amounts in excess of those specified in the Budget, unless the Board shall consent thereto in writing, except for:

b) Make a contract with a public utility company at the rates charged for the materials or services regulated by the Public Utilities Commission; provided, however, that the terms of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; or

c) Prepaid casualty and/or liability insurance policies not to exceed three (3) year's duration provided that the policy permits short-rate cancellation by the insured.

d) Disburse Association funds in an amount in excess of Five Thousand Dollars ($5,000.00) without the counter signatures specified in the banking resolutions from time to time adopted by the Board.

5.6. Limited Liability. Manager shall not be responsible for the acts, omissions to act or conduct of any of the Owners, Exchange Users or rental guests, or for the breach of any of the obligations of any of the Owners. Exchange Users or rental guests.

5.7. Miscellaneous. Manager is further authorized to do all things reasonably deemed necessary or desirable for the proper maintenance and operation of the Project.

6. Compensation of Manager.

6.1. Base Management Fee/Front Desk/Office Fee/Accounting Fee. For the full and complete performance of the duties provided for herein during the term hereof; the Manager shall be entitled to a Base Management Fee of Eighty Eight Dollars ($88.69) and Sixty Nine Cents per month, per completed condominium unit payable on the 1st day of each month, commencing with the effective date of this Agreement.

Manager shall also receive a Front Desk/Office Fee of Two Hundred Thirty Five ($235.66) Dollars and Sixty Six Cents per month, per completed three (3) bedroom unit, and One Hundred Fifty Seven ($157.11) Dollars and Eleven Cents per month, per completed two (2) bedroom unit, and an Accounting Fee of Twenty Eight ($28.85) Dollars and Eighty Five

Cents per month, per completed three (3) bedroom unit, and Nineteen ($19.23) Dollars and Twenty Three Cents per month per completed two (2) bedroom unit, payable on the 1st day of each month, commencing with the effective date of this Agreement.

Effective on September 1st, 2000, the Base Management Fee, Front Desk/Office Fee, and Accounting Fee shall be increased by five (5%) per cent, and increased by five (5%) per cent each year thereafter on September 1st for the term of the Agreement unless otherwise negotiated and agreed to by Grand Timber Lodge Board of Managers and Manager.

6.2. Collection Fee. The Manager shall be entitled to a Collection Fee of Ten ($10.00) Dollars per notice sent to a delinquent Owner that shall be paid by such Owner.

6.3. Advances and Reimbursements. Manager shall not be required to perform any act or duty hereunder involving an expenditure of money unless there shall be sufficient funds therefor in the bank accounts of the Association; if at any time the funds in the bank accounts of the Association are not sufficient to pay the charges incident to this Agreement, Manager, shall, under no circumstances, be required to advance such necessary sums.

6.4. Discounts. All discounts, rebates or commissions or like items shall inure to the benefit of the Association.

7. Indemnification.

7.1. Manager's Indemnification. The Manager shall protect, indemnity and hold the Association harmless from and against any and all losses, costs, expenses, damages or liabilities (including, without limitation, the cost of litigation and attorneys' fees) arising out of any gross negligence or willful misconduct of Manager or related in any way to the failure or refusal of Manager to comply timely and fully with each of its obligations, promises and covenants set forth in this Agreement.

7.2. Association's Indemnification and Insurance. The Association shall protect, indemnify and hold Manager harmless from and against any and all losses, costs, expenses, damages or liabilities (including, without limitation, the cost of litigation and attorneys' fees) or arising out of any litigation in which Manager is named as a party solely by virtue of Manager's position as Manager of the Project. The Association agrees to any, at their own expense, a policy of public liability insurance with the limits of not less than One Million ($1,000,000.00) Dollars per occurrence for bodily injury and property damage, and to name the Agent as an additional insured under that policy.

8. Notices. Any notice, request, demand, instruction or other document to be given

hereunder to any party shall be in writing and shall either be personally delivered to the person at the appropriate address set forth below (in which event such notice shall be deemed effective only upon such delivery) or delivered by mail, sent by registered or certified mail, return receipt requested, as follows:

If to the Association:

Grand Timber Lodge Owners Association
P.O. Box 6897
Breckenridge, CO 80424

If to the Manager:

Peak Resorts Management, LLC
P.O. Box 568
Breckenridge, CO 80424

Notices so mailed shall be deemed to have been given forty-eight (48) hours after the deposit of same in any United States mail post office box in the state to which the notice is addressed or seventy-two (72) hours after deposit in any such post office box other than in the state to which the notice is addressed, postage prepaid, addressed as set forth above. The addresses and addressees for the purpose of this paragraph may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice is received, the last address and addressee stated by written notice, or as provided herein if no written notice of change has been set or received, shall be deemed to continue in effect for all purposes hereunder.

9. Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of such provision or of any other provisions hereof.

10. Merger. All understandings and agreements heretofore had between the parties respecting the employment contemplated in this Agreement are merged by this Agreement which fully and completely expresses the agreement of the parties. There are no agreements except as specifically set forth in this Agreement or to be set forth in the instruments or other documents delivered or to be delivered hereunder.

11. Amendments. No change in or addition to, or waiver or termination of this Agreement or any part thereof shall be valid unless in writing and signed by or on behalf of each of the parties hereto.

12. Paragraph Headings. The paragraph headings herein contained are for the purposes of identification only and shall not be considered in construing this Agreement.

13. Successors and Association. All of the terms and provisions of this Agreement

shall be binding upon and inure to the benefit of and be enforceable by the parties and each of their respective successors and assigns.

14. Attorney's Fees. In the event of any controversy, claim or dispute between the parties hereto arising out of or relating to this Agreement, or the breach thereof results in arbitration or litigation, the prevailing party in such proceedings shall be entitled to recover from the losing party reasonable expenses, attorneys' fees and costs.

15. Severability. Every provision of this Agreement is intended to be separate. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality shall not affect the validity of the remainder of the within Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ASSOCIATION:

By_____
President: Michael C. Millisor

By:_____
Secretary: Robert A. Millisor

MANAGER:

Peak Resorts Management Co. LLC

By:_____
Member: Michael C. Millisor