

NUMBERS DON'T LIE

County and Company Real Estate Figures Continue to Shine

YEAR	MONTH	TRANSACTIONS	#
2002	July	\$11.2 million	37
	August	\$41.5 million	69
	YTD	\$200.1 million	449
2003	July	\$23.8 million	45
	August	\$20.0 million	49
	YTD	\$207.4 million	402
2004	July	\$41.0 million	56
	August	\$47.1 million	86
	YTD	\$399.2 million	550
2005	July	\$52.8 million	73
	August	\$58.2 million	86
	YTD	\$458.8 million	591
2006	July	\$60.2 million	62
	August	\$65.9 million	79
	YTD	\$493.1 million	512
2007	July	\$90.1 million	62
	August	\$66.6 million	57
	YTD	\$508.5 million	450

Despite economic slowdowns in various parts of the country, Telluride maintains tremendous results with regard to its booming real estate industry. As recorded by Telluride Consulting, the summer was a hot one for activity in San Miguel County with July and August producing particularly significant numbers. July 2007 topped July 2006 in total dollar volume by 50% as this year's figures amounted to \$90 million, compared to \$60 million from last year. This was, by far, the highest July on record. Record-breaking totals continued into August as August 2007 brought \$67 million in dollar volume, 1.5% higher than the \$66 million from August 2006. At the close of the summer, therefore, dollar volume totals were at \$509 million, the highest year-to-date* amount in history and 3% ahead of last year's \$493 million, which was the former record holder. Additionally, the year-to-date compound annual growth rate over the past six years is a sizeable 21%.

* Year-to-date throughout this piece refers to January through August

PROPERTY TYPES COUNTY-WIDE

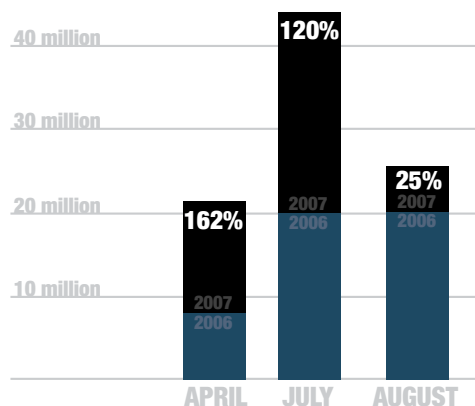
So far, the highest grossing property type in 2007 is Mountain Village single-family homes, which is "through the roof," so to speak, netting \$101 million in total dollar

volume distributed over 28 transactions. This means the average price for a home in Mountain Village is currently \$3.6 million. At this time last year, the average price for a home in Mountain Village was \$2.9 million (\$57 million in total dollar volume by comparison, distributed over 20 transactions), meaning the average price for a Mountain Village home has appreciated 24% in 12 months. Other strong property types this year include Mountain Village condominiums (\$86 million distributed over 61 transactions), County** single-family homes (\$56 million distributed over 55 transactions), County vacant residential land (\$56 million distributed over 59 transactions), Telluride condominiums (\$44 million distributed over 50 transactions), and Telluride single-family homes (\$39 million distributed over 19 transactions). ***County* sales exclude

Telluride, Mountain Village, Aldasoro and Ski Ranches

A GLIMPSE AT OUR COMPANY

With regard to Telluride Real Estate Corporation's company-wide figures, the firm has had a superb eight months. Year-to-date total dollar volume is presently \$196 million, compared to \$181 million through August of 2006. TREC's highest grossing months for 2007 include July (\$44 million), August (\$25 million) and April (\$21 million). These months were drastically ahead of the same months in 2006 for TREC, as displayed in the chart to the right.



BREATHE EASY

Catching your breath just got easier

There's a reason Telluride is like heaven. We're closer to it up here at 8,750 feet. And for that reason, visiting, living and working in the area can be a tad challenging. While the altitude (less oxygen and thinner air) has little-to-no effect on some, it's a bit of a burden for others on various levels. That's why renowned high-altitude physician, Dr. Peter Hackett, who has pioneered projects on Alaska's Denali and the Everest region of Nepal, started the Institute for High Altitude Medicine in Telluride in summer 2007.

The institute's mission is to improve the quality of life for residents and tourists to the region by providing specialized medical services that address Acute Mountain Sickness, sleep issues/disorders, pulmonary edema, high blood pressure, pregnancy, headaches, athlete training and more, as well as conducting research studies and offering seminars/educational materials to the public. "While high altitude can have an impact on pre-existing medical problems, most of these can be dealt with rather easily," said Dr. Hackett. "Very few medical problems result in an inability to come to Telluride."

Presently housed in the Telluride Medical Center, the institute hopes to acquire an echo-cardiogram and ultrasound machine (for TMC use as well), **continued inside**

CHRISTIE'S BOLSTERS MAGAZINE

CIRCULATION Christie's is expanding its international circulation beginning with Issue Two 2007 of the Christie's Great Estates magazine. The elegant publication will now be distributed in first and business class lounges in airports around the globe, including some of the world's most celebrated cities such as Hong Kong, Tokyo, Singapore, Kuwait, New York, Boston, Miami, Los Angeles, London and Cape Town. "With people continuing to purchase second, third and sometimes fourth homes, globalization in the high-value real estate market is a given," says Kay Coughlin, President and CEO of Christie's Great Estates. "Properties enrolled in the Christie's Great Estates marketing program receive unmatched global exposure to the world's most qualified buyers of luxury goods."

BIG NIGHT BIG AWARDS

TREC Agents Honored
at TAR Banquet

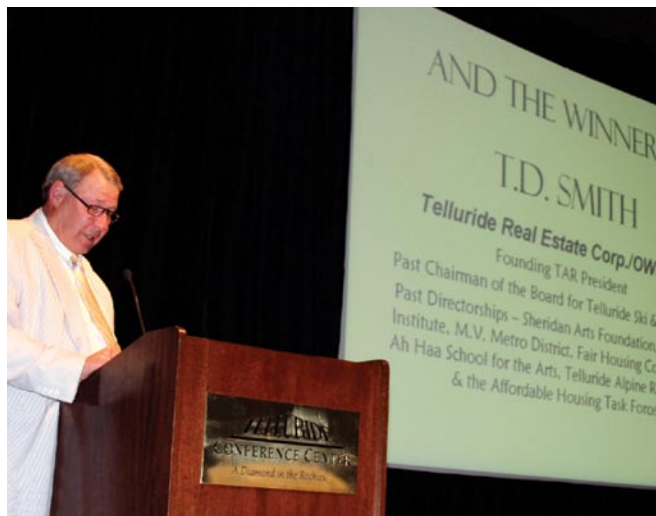
The Telluride Association of Realtors held their Annual Installation and Awards Banquet at the Telluride Conference Center on Thursday, September 6th. The gala event was just the beginning of a very special night for several TREC agents.

Three of TREC's esteemed colleagues were sworn into service on the 2007/08 TAR Board of Directors after having been elected by their peers within the Telluride real estate community. These brokers are: Steve Patterson/Treasurer, Jill Masters/CAR Director, and Barrett Stein/Secretary. Such a welcoming is, of course, paired with ample appreciation for those TREC agents who just concluded their year of elected service on the 2006/07 TAR Board of Directors: Kim Havell/Past President and Teddy Errico/Secretary.

Additionally three TREC agents were honored by their fellow Realtors and Affiliate members of TAR as recipients of much-coveted awards. The TREC award winners were Teddy Errico/Winner of the 'First-time Homebuyers' Realtors of the Year' award, Jörn Reimann/Winner of 'Rookie of the Year' award and TD Smith/Winner of the 'Lifetime Achievement Award'

In the opinion of many, the 'Lifetime Achievement Award' was the crème de la crème of the evening's awards ceremony, and TD was certainly a deserving recipient. With over three decades of experience in the Telluride market, TD is in many ways the 'father' of the Telluride real estate community. He has numerous achievements under his belt, including having been one of the driving forces behind the creation of the Telluride Association of Realtors and the Telluride Multiple Listing Service, as well as current and past service on several community boards of directors. TD gave a rousing speech, which triggered much applause and a standing ovation, and was honored to have been joined by his son, Alex Smith, for the momentous occasion.

Congratulations to TREC's 2007/08 TAR Board representatives and to the lucky awards winners—especially TD.



TELSKI WELCOMES NEW CEO

Dave Riley Joins Team

This summer, the Telluride Ski and Golf Company appointed new Chief Executive Officer, David Riley. Riley brings extensive ski area experience, having come to town from Mt. Hood, Oregon, where he spent 14 years with the Mt. Hood Meadows Ski Resort, most recently as its president. Prior to that, he held positions at New Mexico's Angel Fire Resort, Wyoming's Jackson Hole Ski Corporation and Colorado's Keystone Resort. Riley is also currently on the National Ski Area Association board of directors and has been a leader in resolving complex environmental issues on Mt. Hood.

Michael Berry, president of the Denver-based National Ski Areas Association, said, "Dave Riley brings a wealth of ski industry knowledge and experience to his new role in Telluride. He is a creative, talented CEO who will work effectively to enhance Telluride's reputation as one of the great mountain resorts in North America.

Riley, his wife Noreen and daughter Alex see their move to Telluride as a long-term commitment and look forward to becoming part of the community.

"We are extremely pleased," said Chuck Horning, Telski's owner. "I'm impressed with Dave's broad ski industry experience, proven leadership, and the passion he brings in terms of customer service. He is clearly focused on keeping Telluride on the leading edge of responsible environmental stewardship."

POLITICS OF TREC Telluride Real Estate Corporation brokers are committed to the Telluride community in a myriad of ways with several brokers choosing to play an active role in local politics. Broker associate Rube Felicelli just finished his term as Mayor of Mountain Village after serving as Mayor Pro-Tem for six years and a town councilmember. "I was honored that town council put its trust in me to lead Mountain Village," he said. "These are exciting, challenging times for us and as Mayor, I've learned so much about the many projects happening in our town." Over the hill in Telluride, broker associate Jill Masters is on Telluride's town council, a position she finds tremendously rewarding. "I have learned so much," she says. While her roles are numerous, Jill says working on the Telluride Housing Authority board is a particular highlight as she greatly enjoys being a part of town's affordable housing projects. And most recently, broker associate Andrew Dolese was appointed as an alternate seat to Telluride's Planning and Zoning Commission. He will be working primarily on the Lift 7 Sub Area revitalization plan and is very excited to be involved with reshaping the western end of town, as well as the overall future of Telluride.

MAKING THE GRADE Telluride students achieved high results on standardized tests again this year, outshining a great majority of districts across the state. The Colorado Student Assessment Program tests (CSAPs) are taken annually each spring by 3rd through 10th graders to determine proficiency in reading, math and science. Telluride averaged nearly 20 percent higher than the state average with the elementary school scoring "high" this year (same as last year)

and showing stable growth, while the middle school showed "significant improvement" over last year, and the high school showed stable growth.

Specifically, 9th and 10th graders placed in the 90th percentile for reading proficiency. "We're tremendously proud of our students," said Mary Rubadeau, Telluride R-1 School District superintendent.

breath easy continued has acquired a pulmonary function test machine, and is performing sleep studies. Patients/those interested in obtaining information can schedule appointments, but Dr. Hackett also conducts travel consults via phone for those coming to Telluride, as well as residents looking to embark on other high-altitude adventures. "Telluride is the only resort in North America to have a specialized center devoted to high altitude medicine," said Dr. Hackett. "This expertise is a valuable asset to the tourist and local communities."

The institute is affiliated with the University of Colorado School of Medicine. For more information, visit www.altitudemedicine.org or call 970.728.3848.

IN BUSINESS

OCTOBER

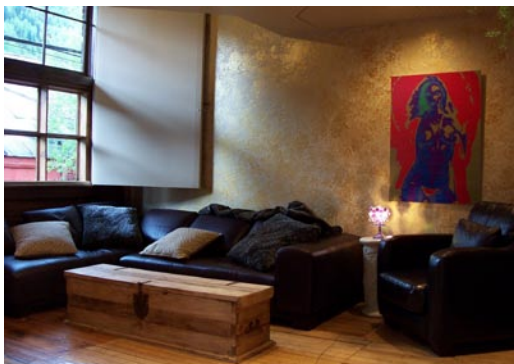
- 11-14 Ideas Festival
- 12-13 Walking Words
- 12-13 Anusara Yoga Workshop
- 20 Seven Sunny Days
- Matchstick Productions — SOH
- 21 Gondola Closes
- 25 Youth Art Awards & Exhibition
- Ah Haa / through November 29th
- 26 KOTO Halloween Party

NOVEMBER

- 2 Day of the Dead Festival
- 9 Lost and Found
- Teton Gravity Research — SOH
- 9-15 KOTO Ski Swap
- 10 Choral Society Fall Concert
- 16 Gondola Reopens
- 22 Ski Area Opens
- 22 Thanksgiving Day
- 30-2 Rapunzel's Haircut
- SAF Young People's Theater

DECEMBER

- 6 Telluride Art Walk
- 7 Very Merry Martini Party — SOH
- 14 Richie Havens — SOH
- 15 Rock n' Roll Academy Winter Tour
- SOH
- 19-23 Second Stage — SOH
- 22 Telluride Nordic Race
- 24 Christmas Eve
- 25 Christmas Day
- 26 Telluride MountainFilm Fundraiser
- SOH
- 27 Smokey Robinson, Palm Theater
- 27 Julian Misliuc — Ah Haa
- Through January 17th
- 28 Otis Taylor — SOH
- 31 Flash Cadillac
- New Year's Eve Gala — SOH
- 31 New Year's Eve



BUBBLE LOUNGE Seeking a bit of the bubbly? Well, the Bubble Lounge, Telluride's newest hot spot, can provide that and a whole lot more. The swanky venue, located adjacent to the Excelsior Café in downtown Telluride, is perfect for a cocktail or nightcap, having earned its name on account of its extensive champagne menu, champagne cocktails and oxygen bar. "Things have been going very well so far," said co-owner Kelly Randazzo. "We opened Memorial Day Weekend and have enjoyed a great summer." The Bubble Lounge also features

wine, beer, martinis and other cocktails, a tapas menu—to be supplied by Crème Fresh catering company this winter—and live music every weekend performed by local and out-of-town bands. Randazzo and her husband, Troy Wilsey, own the establishment together and have been in Telluride 2.5 years, moving to the San Juan Mountains from Connecticut. This is their first crack at the restaurant biz, but from their reception thus far, they're obviously naturals. Visit the Bubble Lounge at 200 West Colorado Avenue, Suite 1 everyday from 3 p.m. to 2 a.m. (closed from October 1 to Thanksgiving weekend for off-season), or at www.telluridebubblelounge.com.

STAR Telluride's newest boutique will certainly burn a hole in your pocket. Be prepared to want absolutely everything when you walk through the doors of Star, located on main street in downtown Telluride. Owner Kimmy Hanley is a veteran to the retail biz and has a special knack for stocking her inventory with the cutest, coolest and sassiest stuff around. Star primarily features kid's clothing (boys and girls), but also offers men's and women's shirts, jewelry, accessories (bags and belts) and home furnishing/gift items. "I've owned kids stores before and it always seemed that the moms would want to buy stuff for themselves," says Hanley. "So with Star I figured that instead of limiting myself to kid's clothes, I'd buy what I liked and see what happened." The theory is working well as the shop, which opened Bluegrass weekend, has had a great summer of business.



Hanley moved to Telluride in 1989, but moved to California for three years before returning to town in 2006. Her first store was Polka-Dot in Telluride; she then opened Swing in Larkspur, California. Star is located at 359 East Colorado Avenue, reachable at 970.728.1708, and open 10 a.m. to 6 p.m. daily (12-5 in off-season).



ABOVE & BEYOND

Airport Master Plan Approved

The Telluride Regional Airport Authority completed its Master Plan update. The Federal Aviation Administration approved Telluride's plan, which will upgrade the Telluride Regional Airport from a B3 classification to a D3 facility over the next five years, costing an already-allocated \$60 million. As the highest commercial airport in the country, perched at 9,078 feet, the upgrade effort translates to an ability to accommodate larger planes, thus making Telluride an even easier travel spot for residents and visitors. The runway is closed through October 10, 2007.

WINTER AIR SERVICE SCHEDULE 2007/08

Depart	Arrive	Flights	Airline
Chicago	Montrose	1 sat	American
Dallas/Ft Worth	Montrose	1 daily	American
Houston	Montrose	1 daily 1 sat	Continental
Newark	Montrose	1/2 sat	Continental
Atlanta	Montrose	1 sat 1 sun	Delta
Salt Lake City	Montrose	1/2 daily	Delta
Los Angeles	Montrose	1 sat	United
Denver	Montrose	5 daily 1 sat	United
Denver	Telluride	5 daily	Great Lakes
Phoenix	Telluride	2 daily	America West

*Nonstop jet service operates 12.13.07 through 4.8.08. Some flights have reduced schedules/changes in aircraft sizes prior to 12.13 and from 1.6 through 2.16; call respective airlines for details or visit www.tellurideskiresort.com for a full airline schedule.

NEW LISTINGS



RIVERCROWN ~ UNIT 1

An unmatched town of Telluride opportunity. Centrally located, this magnificent townhome offers it all to the discriminating buyer. Situated right off the River Trail on the northern corner of an exclusive riverfront private development, this 3-bedroom / 3.5-bath residence has the most expansive box canyon views found within the town captured by floor-to-ceiling pocket doors to the spacious deck. High-end finishes include granite, travertine and tumbled marble, flagstone flooring and stainless appliances.

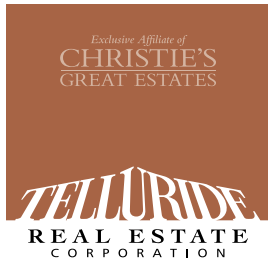


SHINN PARK RANCH

Incredible property is approx 2,365 acres— 1,734 acres of high country summer grazing land with multiple ponds and a headquarters parcel; approx 631 acres of which 327 are irrigated hay meadows and pasture land with abundant water rights. Extensive livestock working facilities and indoor arena, as well as several barns, corrals, pens and shops. Also includes a 3-bedroom manager's home and main 6-bedroom / 5-bath, 7,200-sq.-ft. cedar log home with two large decks and in-floor heat.

SKI AREA OPENS BLACK IRON BOWL

This ski season, the Telluride Ski Resort proudly opens Black Iron Bowl — terrain located adjacent to Prospect Bowl at the western end of the ski area and set against the dramatic backdrop of Palmyra Peak. Accessible via Lift 12, Black Iron Bowl lies within a short hike along Prospect Ridge (10 to 30 minutes) and adds eight backcountry-style runs, including steep faces, open glades, narrow chutes and the expansive Mountain Quail Couloir (which was previously guided-only). Most pitches drop about 1,000 vertical feet and all are recommended to advanced skiers/boarders only. Black Iron Bowl will be open to the public as early as January, as conditions allow.



TOWN OF TELLURIDE
 232 West Colorado Ave 970.728.3111
 135 West Colorado Ave970.728.1613
 666 West Colorado Ave ... 970.728.1629
 MOUNTAIN VILLAGE
 Village Center..... 970.728.6655
 Mountain Lodge..... 970.369.6003
 RICO
 10 South Glasgow Ave..... 970.967.2882