

**POST-WAR AND CONTEMPORARY ART
EVENING SALE ACHIEVES \$691,583,000:
HIGHEST AUCTION TOTAL IN ART
MARKET HISTORY**

**\$142.4 MILLION FOR FRANCIS BACON TRIPTYCH - MOST
VALUABLE WORK OF ART EVER SOLD AT AUCTION**

**\$58.4 MILLION FOR JEFF KOONS'S BALLOON DOG - MOST
VALUABLE WORK SOLD AT AUCTION BY A LIVING ARTIST**

10 WORLD AUCTION RECORD PRICES ACHIEVED



New York – On November 12th Christie's Post-War and Contemporary Art evening sale achieved \$691,583,000 (£435,697,000 /

€511,771,420), the highest total for an auction sale in art market history, with a strong sell-through rate of 98% by value and 91% by lot. Bidders from 42 countries competed for an unprecedented offering of masterworks from all the major art movements of the last six decades.

The top lot of the sale was the highly anticipated Francis Bacon Three Studies of Lucian Freud, 1969, which achieved a stunning \$142,405,000 (£89,715,150/€105,379,700) after fierce bidding between two telephone bidders plus a persistent client in the saleroom, which burst into applause when the hammer came down, setting the new world auction record for any work of art ever sold at auction. The previous record was held by the nearly \$120 million paid for Edvard Munch's "The Scream" at a 2012 Sotheby's sale. This extremely rare triptych, executed almost 25 years after Francis Bacon and Lucian Freud met, was exhibited in Bacon's now renowned retrospective at the Grand Palais, Paris, in 1971-72, and has never been presented before at auction. The triptych was bought by Acquavella LLC.

**REAL ESTATE MARKET
UPDATE: "CATCHING UP"
TO 2012**

Overall Market Up 6% Over 2012, With \$83 Million Worth of Transactions Currently Under Contract



NEWLY LISTED: 111 ADAMS WAY

After a record setting December of 2012, the Telluride marketplace "played catch up" throughout the winter, spring and early summer of 2013. Uncertainty related to potential tax code changes in 2013 incentivized both buyers and sellers to culminate transactions in December of 2012 that might otherwise have occurred in 2013. A very strong 3rd quarter of 2013 (up 29.8% over the 3rd quarter of 2012) placed gross dollar sales 6% ahead of last year's sales (\$225M vs. \$212M) with August

and September closings up 56% and 63%, respectively, over those same months of 2012.

Of particular note, YTD 2013 Telluride Mountain Village (TMV) condominium gross dollar sales have increased 53% (\$52M vs. \$33.9M). Town of Telluride (TOT) condominium sales increased 22% (\$27.5M vs. \$22.5M). The sale of TOT homes has remained relatively stable (\$30.7M vs. \$33.1M), as has the average price per sale (\$1.8M vs. \$1.9M). TMV homes are lagging behind the market with \$24.4M closed YTD vs. \$36M for the same period of 2012.

Given that nearly 63% of 2012's real estate transactions closed as the result of contracts and closings occurring late summer through the end of the year, and 2013 appears to be tracking in the same manner, it is perhaps becoming apparent that the summer / fall selling season is outperforming the winter. This same indicator seems to be present in statistics for retail sales tax as well. Summer tax revenues have eclipsed winter in the recent past.

A very good indicator for the upcoming last quarter is the fact that \$83M in transactions are currently under contract.

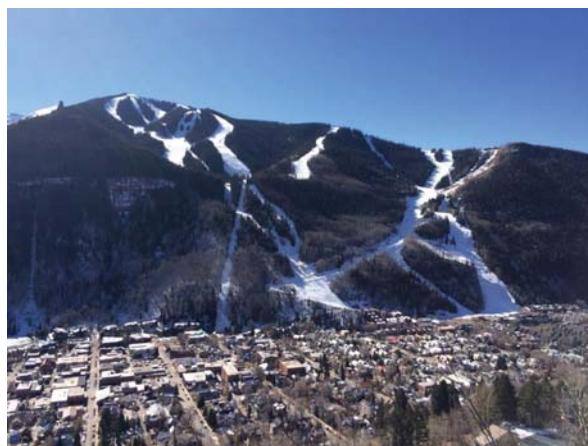
SKI AREA UPDATE

New Management Team, Snowmaking Upgrades, New Ski School Programs Highlight Ski Area Strengths

As Telluride Ski Resort prepares for the 2013-14 ski season, some new faces will be stepping in to help lead this top ranked resort of North America - Telluride Ski & Golf welcomes four seasoned veterans in the industry to Telluride. Greg Pack will be joining Telluride Ski & Golf team as President and General Manager. Brad Larsen joins the team as the Vice President of Sales and Marketing, Robert Stenhammer will be the new Vice President of Hospitality, and Scott Clements came on board as the Director of Ski Patrol and Risk Management.

Telluride Ski Resort is also excited about the snowmaking system upgrades and expansion around the ski area, completed at great expense this summer. The new system on Butterfly and Village Bypass ski runs is extremely efficient and will enhance early season conditions with more snow earlier in the season in this and other mountain areas. The state-of-the-art equipment will provide electricity savings by completing snowmaking operations earlier with lower energy consumption. This project greatly improves efficiency and the overall operation of snowmaking, allowing for safer early season conditions and a reliable schedule for other terrain openings.

The Ski & Snowboard School will be implementing several new specialized programs this season. Ski Biomechanics Camp will be held in January for those looking to take their performance to the next level. Through body awareness, this camp will improve technique, efficiency, and safety while skiing.



Other new programs available this season with ski school are Yoga for the Mountains, Intermediate Breakthrough and Heli Ski-Prep Camp which will offer a two day course with a third day of heli skiing with Telluride Helitrax. Also being offered this season is Morning Max 4, a morning lesson limited to four people per instructor to prepare skiers and snowboarders for the day on the mountain. Check out these innovative programs before you hit the slopes!

And finally, two Telluride skiers are Olympic hopefuls for the 2014 Winter Olympic Games! Joe Discoe, known for some of the most dynamic turns in mogul skiing, is from Telluride and competes on the US

Freestyle Team. Gus Kenworthy, master of both halfpipe and slopestyle skiing events, grew up in Telluride and has medaled at the Olympic venue and at the X Games in 2013. We hope to see them both on the podium this February in Sochi!

RECORD SUMMER FOR OCCUPANCY IN TELLURIDE

Occupancy Up 2.7% Over Summer 2012

Data for occupancy in Telluride during Summer 2013 shows a 2.7 percent increase over last summer, with the overall 2013 occupancy rate at 49.7 percent, a new record. June, July and August were up 12 percent, 7 percent and 2 percent respectively, with a small decrease in September of 2%. However, September revenue remained static, as the average daily rate charged by lodging companies was actually up.

According to Town of Telluride tax data, a 2.7 percent occupancy increase equals about \$684,783 in money spent on lodging. Lodging represents about 34 percent of what people spend on a trip to Telluride, restaurants equal about 40 percent and retail and other is about 26 percent. That translates to about \$2 million in growth across all segments for summer 2013, according to Telluride Tourism Board CEO, Michael Martelon.

NOVEMBER

22
28
Gondola Reopens
Thanksgiving/Telluride Ski Area Opening Day

DECEMBER

4
6-8
6-8
6
7
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13-14
13, 15
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18-22
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31
Noel Night
Telluride Artisan's Guild Holiday Bazaar
Young People's Theatre: "You're A Good Man, Charlie Brown"
Ski Tree Lighting & Ullr's Ceremonial Ski Burn
Holiday Cookie Decorating At The Library
Old-Fashioned Christmas At Schmid Ranch
Mountain Village Winter Fest
Telluride Chorale's Wintersing
"Fire & Ice" Skating Party
Rock & Roll Academy Concert
Dude & Bro's A Christmas Carol
Travis Julia Presents Warren Miller's "A Ticket To Ride"
Christmas Eve/Torchlight Parade
Christmas Day
Santa Skis!
Purley Patsy: Patsy Cline Tribute
The Oh Hellos Live In Concert
The Delta Saints Live In Concert
Live At The Palm: Circque Mechanics
Ah Haa New Year's Eve Gala
Opera House New Year's Eve Gala With Jefferson Starship
New Year's Eve Main Street Countdown to 2014
Torchlight Parade and Fireworks

JANUARY

11
24
Telluride Lifesaver's Ball
KOTO Lip Sync

RECENT SALES



SEE FOREVER 152: \$1,500,000
Listed and Sold by TREC



SEE FOREVER 125: \$1,600,000
Listed by TREC



BEAR CREEK RANCH: \$1,100,000
Listed and Sold by TREC

DIRECT FLIGHTS NOW FROM 8 MAJOR CITIES NATIONWIDE

Five Major Carriers Provide Direct Flights Into Telluride and Montrose

This ski season, five air carriers are flying direct into Telluride/Montrose (MTJ) from eight major cities across the United States, including New York/New Jersey, Chicago, Dallas/Ft. Worth, Houston, Los Angeles, Phoenix, Atlanta and Denver. Local hotels provide free shuttle services from Telluride/Montrose Airport to your front door and other shuttle options are available. Once you are here, everything is accessible by foot, free Gondola, or free local shuttle services.

PESCADO REOPENS, OFFERS FRESH SUSHI IN A FRESH ATMOSPHERE

Pescado returns to Main Street with a new location and a hot kitchen, serving up sushi with a latin flair in a laid-back atmosphere. Along with traditional Japanese sushi, such as sashimi, nigiri, spicy tuna, salmon, scallop and crab rolls, Pescado's menu includes specialty rolls such as the "Baconator." With daily happy hour specials and "poke" (poh-kay) of the day, everyone is sure to find something to satisfy their appetite for sushi. Located at 115 W. Colorado Ave.

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NEW LISTINGS



138 RUSSELL DRIVE

Completely re-imagined by Truline Architects, this spectacular four-bedroom residence is the only brand new home currently offered for sale in Mountain Village. OFFERED AT: \$3,395,000



793 SMUGGLER AVENUE

Recently fully remodeled 5-bedroom Bachman Village residence. Desirable sunny corner lot with large yard. Great views: ski area, Bridal Veil, west sunset, San Sophias. OFFERED AT: \$1,800,000



HERNDON RANCH

This historic 1,641-acre ranch was originally homesteaded by the Herndon family four generations ago, and is being offered for sale to the public for the first time. OFFERED AT: \$2,300,000



LORIAN III

Six luxury residences ranging from 4,000-6,800 sf. Located adjacent to Double Cabins ski run, with incredible views of the San Sophias; high-end finishes and amenities. \$3,251,200-\$4,654,125

TREC WELCOMES SEVEN NEW BROKERS IN 2013

The Telluride Real Estate Corp. team has been strengthened by the addition of seven new brokers who have joined the firm in 2013. TREC is proud to welcome Ben Jackson, Chris Christian, Chip Lenihan, Sandy Sucharski, Amy Taylor, Kiplynn Smith and Jessica Simon to our growing company. Together, these seven brokers add a combined 107 years of real estate experience to TREC, already the most established real estate company in Telluride. Stop by on your next visit to greet our new faces!