

October 6, 2004

Via Facsimile (512) 474-8557

Timothy Herman, Esq.
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Re: *Lance Armstrong and Tailwind Sports, Inc. v. SCA Promotions, Inc.*; Cause
No. 04-9557; In the 298th Judicial District Court; Dallas County, Texas

Dear Tim:

This letter responds to your letter dated October 5, 2004 to Chris Compton. In your letter, you inform SCA that the remaining \$5 million of performance bonus payment has been paid.

Your letter makes several misleading comments, though, that SCA must correct. First, you make reference that SCA insured \$5 million of the \$10 million in performance bonus. SCA did not "insure" anything. As set forth in the contract, SCA agreed to reimburse or indemnify Sponsor [Disson Furst]. We see a pattern on your part of mischaracterizing the contract as an insurance contract. We can only assume that you do so to further the Plaintiffs' Texas Insurance Code claims. Your repeated and incorrect labeling of the contract as one of insurance does not make it so. If you have a good faith basis for referring to the contract as one involving the practice of insurance, you should provide that basis to us immediately. Otherwise, we demand that you cease your mischaracterizations.

Your letter also states that SCA refuses to meet its obligations, which you allege will have serious consequences from Plaintiffs and the marketplace. As SCA has repeatedly told Plaintiffs, SCA is not refusing to meet its obligation. Rather, it is simply compelled to conduct an investigation of new facts and allegations, which appear credible, and that have a bearing on the contract. SCA requested Plaintiffs' cooperation, which they refused to provide. Moreover, any consequences in the marketplace are a direct result of Plaintiffs' ill-advised strategy of filing the lawsuit publicly. The contract provides for arbitration, so Plaintiffs never needed to file a lawsuit, and certainly not one conveying as much detail as it did. Plaintiffs were obviously seeking to generate public interest in the matter and to disparage SCA in the marketplace. SCA, as you recall, urged the parties to keep the matter private. Of course, Plaintiffs' strategy back-fired, as the story competed for attention with other timely and relevant stories, such as the doping incident involving Armstrong's

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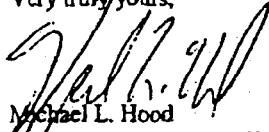
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teammate, Ty Hamilton, and the doping conviction in the Italian courts of Armstrong's trainer, Dr. Ferrari.

Very truly yours,



Michael L. Hood

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bcc: Chris Compton, Esq.
John Bandy, Esq.

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