July 31, 1998

<u>Via Facsimile - 011 33 380 628234</u>

Mr. Mark Gorski
Mr. Thom Weisel
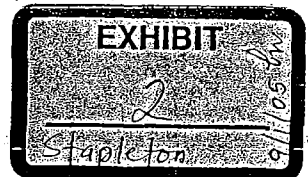c/o The Chateau de Gillig

Dear Mark:

Pursuant to your discussions with Bill Stapleton of Capital Sports Ventures, Inc., Lance Armstrong would like to continue his relationship as a member of the U.S. Postal Service Professional Cycling Team, which is owned and managed by Montgomery Sports, Inc. ("Montgomery"). This letter agreement is intended to outline the general terms of a Professional Rider Agreement into which Armstrong will enter with Montgomery in the near future.

The following are the general terms pursuant to which Lance is prepared to enter into an agreement:

- Base annual compensation for each season shall be as follows:
  1999 - Four Hundred Thousand Dollars ($400,000.00) plus any bonuses Armstrong earns after July 1, 1998 pursuant to the bonus system outlined below. The salary shall be payable in equal monthly installments.

  2000 - His base salary shall be equal to his 1999 base salary plus any bonuses he received in 1999 pursuant to the bonus system outlined below. The salary shall be payable in equal monthly installments.

During each year of the term of this agreement, Armstrong shall be the highest paid rider on the team in terms of overall compensation, bonuses, and benefits. If any other rider is paid a higher compensation, the above compensation shall be accordingly adjusted.

RESPONDENTS 2

• The venue provision from Armstrong's prior professional rider agreement with Montgomery shall remain in effect.
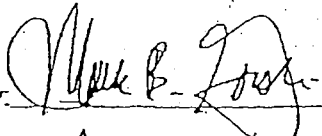
The terms set forth in this letter are intended to be a binding agreement between Montgomery and Armstrong, pending completion and execution of a more detailed Professional Rider Agreement mutually agreeable to both parties.

Yours very truly,

J. Lawrence Temple
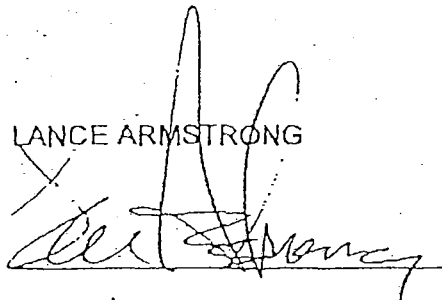General Counsel
Capital Sports Ventures, Inc.

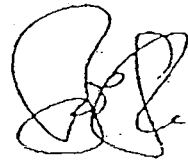Acknowledgment of Letter of Intent:

MONTGOMERY SPORTS INC.   LANCE ARMSTRONG

By: _____   X _____

Date: _August 2ⁿᵈ 1998_   Date: _August 2, 1998_