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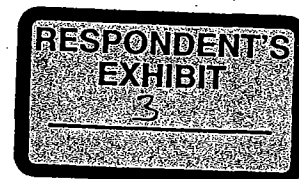
Sponsorship Agreement

102590-96-Z-0739

U.S. POSTAL SERVICE CYCLING TEAM

*Services Purchasing
Room 4541
475 L'Enfant Plaza SW
Washington DC 20260-6237*

RESPONDENTS 4



the Company that the Contract Term will not be further extended, which notice shall be provided to the Company on or before such July 1.

5. **Indemnification.** The Company agrees to indemnify, defend and hold the Sponsor, its subsidiaries and the affiliates of each such entity, as well as each officer, agent, distributor, employee, attorney, dealer, consultant, representative, contractor, successor and assign of any of the above, harmless from and against any and all expenses, damages, claims, suits, losses, actions, judgments, liabilities and costs whatsoever (including, without limitation, attorneys' fees) arising out of: (i) the Company's breach, misrepresentation or non-performance under this Agreement; and (ii) any claim or action for personal injury, death, bodily injury, property damage or otherwise, suffered by participants, patrons or others at the Company; other than as a result of the Sponsor's actions or negligence.

6. **Insurance.** The Company agrees to carry full insurance coverage (including comprehensive general liability) for all activities reasonably connected with this Agreement naming the Sponsor as an additional insured.

7. **Trademark.**

(a) The Sponsor hereby grants to the Company the right to use such trademarks, trade names, service marks or logos owned by the Sponsor in connection with the implementation of this Agreement, as may be agreed to in writing from time to time by Sponsor and the Company. The Company shall have no interest in or right to the use of such names, marks or logos, except for any limited right of usage which the Sponsor may grant in writing pursuant to this Agreement. Any such limited right shall, in any event, be expressly limited to any activities or promotions reasonably incident to this agreement.

(b) The limited license granted hereunder is nonassignable and does not inure to the benefit of the Company's assigns and successors, except as permitted by this Agreement. In the event the Company or any affiliate or agent attempts to transfer or assign this limited license, except as permitted by this Agreement, such limited license shall terminate immediately without further action from the Sponsor.

(c) The Company hereby grants to the Sponsor the right to use any trademark, tradename or other name or logo which is an integral part of the name of the Company and the Team in advertising and promotional materials. The Sponsor shall have no other right to or interest in any such name, mark or logo and this license shall be expressly limited to the activities or promotions reasonably incident to this agreement.

8. **Prior Approval.** Any advertising or other material prepared by the Company which contains the Sponsor's name or logo or which otherwise utilizes any trademark, trade name, service mark or logo owned by the Sponsor shall be provided to the Sponsor in advance of publication for its review. All such materials must receive the written approval of the Sponsor prior to any publication thereof, such approval not to be

unreasonably withheld. Any advertising or other material prepared by the Sponsor which contains the Company's or the Team's name or logo or which otherwise utilizes any trademark, trade name, service mark or logo owned by the Company shall be provided to the Company in advance of publication for its review. All such materials must receive the written approval of the Company prior to any publication thereof, such approval not to be unreasonably withheld.

9. Default; Remedies; Changed Circumstances.

- (a) The following events shall constitute an event of default ("Event of Default") under this Agreement regardless of whether any such event shall be voluntary or involuntary or shall result from the operation of applicable laws, rules or regulations or shall be pursuant to or in compliance with any judgment, decree or order of any court of competent jurisdiction:
 - (i) Either party shall make any material misrepresentation or shall materially breach any warranty made herein;
 - (ii) Either party shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief under any bankruptcy, insolvency or similar law, or shall make a general assignment for the benefit of creditors, or shall have any involuntary case or other proceeding instituted against it seeking similar relief; or
 - (iii) Either party shall otherwise fail to perform or observe any other covenant or condition set forth herein and such failure shall continue unremedied for a period of thirty (30) days after the receipt of written notice thereof from the nondefaulting party.
- (b) Upon the occurrence of an Event of Default, and at any time thereafter so long as the same shall be continuing, the nondefaulting party may declare, at its option, this Agreement to be in default and: (1) may immediately terminate this Agreement without any liability whatsoever; (2) may seek enforcement by appropriate court action of the terms hereof and recover damages for the breach hereof; (3) may exercise any other right or remedy available to it under law or in equity; or (4) may seek any permitted combination of such remedies. No remedy is intended to be exclusive, but each shall be cumulative and the exercise of any such remedy shall not preclude the simultaneous or later exercise of any other remedy.
- (c) In the event there are changed circumstances that do not constitute an Event of Default but which in the reasonable opinion of Sponsor materially reduce the anticipated benefits of the Team sponsorship to Sponsor as set forth on Exhibits A and D, then Sponsor will have the right, upon 30 days' prior written notice to the Company, to a reasonable proportionate reduction in the amount of the sponsorship fee to be paid by Sponsor hereunder. By way of example, such changed circumstances would include: (i) beginning in 1996 the Team fails to recruit at least 2 proven European riders, such as Ekimov, Jaskula, Boardman, Veenstra or other riders of similar ability; (ii)

in 1996 the Team fails to compete in twenty total races, 10 races in Europe, 1 race in China and 1 race in Japan; (iii) in 1997 the Team fails to recruit riders with sufficient points to rank as one of the top 20 UCI teams, which the Company and Sponsor anticipate will allow the Team to qualify for the 1997 Tour de France and other major races in Europe, America, Asia and Classic races in 1997; or (iv) the total amount of documented media exposure is less than the ad equivalency of \$10 million per year (domestically and internationally).

10. **Representations, Warranties and Covenants of the Parties.** Each party represents and warrants to the other party that: (1) the execution, delivery and performance of this Agreement have been duly authorized by all necessary actions; (2) this Agreement is a valid and binding obligation of such party enforceable against it in accordance with its terms; (3) there are no pending actions or proceedings, or threatened actions or proceedings, which if adversely determined would impair either party's right to perform its obligations hereunder; and (4) each party has authority, subject to the terms of this Agreement, to grant the promotional rights to the other party which are the subject of this Agreement.

11. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties, their respective successors and permitted assigns to the extent assignment is permitted. Neither party shall assign its rights under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that either party shall have the right without the consent of the other party to assign this Agreement in connection with the sale of all or substantially all of its assets.

12. **Independence.** The parties shall at all times act independently. Nothing contained in this Agreement shall be construed to make one party the partner, joint venturer, principal, agent or employee of the other party hereto. Specifically, neither party shall have the express or implied authority to act for or on behalf of the other party.

13. **Governing Law and Rules.** The validity, interpretation and construction of this Agreement, and all other matters related to this Agreement, shall be interpreted and governed by the federal laws of the United States of America. The performance of the obligations of the parties under this Agreement shall at all times and in all events be subject to compliance with all applicable rules of the *Union Cycliste Internationale*, the *Federation Internationale du Cyclisme Professionnel*; the United States Professional Cycling Federation, Inc., the International Olympic Committee, the United States Olympic Committee, the International Amateur Cycling Federation, the United States Cycling Federation and all other governing organizations.

14. **Entire Agreement.** This Agreement, together with the Exhibits hereto and any extensions or renewals hereof, constitutes the parties entire agreement with respect to the subject matter hereof and supersedes all prior statements or agreements, both written and oral. This Agreement may be amended only by a writing signed by the Company and the Sponsor.

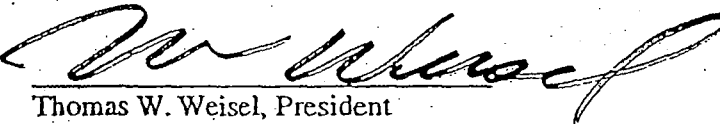
15. Notices. All notices shall be sent or delivered in writing to the parties at the following addresses or at such other address as may have been furnished by such party in writing to the other party:

Montgomery Sports, Inc.
600 Montgomery Street, Suite 2100
San Francisco, CA 94111
Attention: Thomas W. Weisel, President

United States Postal Service
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260
Attention: Susan M. Brownell
Contracting Officer, Services Purchasing

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

MONTGOMERY SPORTS, INC.

By: 
Thomas W. Weisel, President

UNITED STATES POSTAL SERVICE

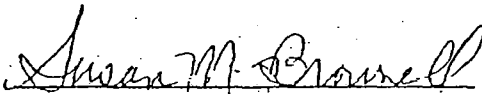
By: 
Susan M. Brownell
Contracting Officer, Services Purchasing

EXHIBIT A
TO
SPONSORSHIP AGREEMENT

PROMOTIONAL RIGHTS AND ACTIVITIES

1. Promotional rights granted to the Sponsor by the Company during the Term of this Agreement:

Sponsor shall be the sole title sponsor of the Team. The Team will be known as the U.S. Postal Service Cycling Team. Sponsor will be entitled to have its logo displayed on the Team jersey (see Exhibit C), shorts, cycling caps, gloves, team leisure wear, and helmets as well as on the official Team motor vehicles. Sponsor's name and/or logo will appear on Team press releases, promotional materials (posters, media guides, etc.) and advertisements. Sponsor understands that other Team sponsors will also be entitled to have their names and logo displayed, but in a less prominent position than Sponsor.

The Company shall enter into agreements with each of the Team riders which grant Sponsor the right to use the Team riders collectively and individually in advertising, promotions and publicity and for personal appearances for no additional fee. Sponsor will pay the costs and expenses related to its use of this right, except for costs and expenses which would otherwise have been incurred by the Team and costs and expenses for which the company is responsible as set forth below in Item 2.

Sponsor shall be the exclusive mail service and overnight courier sponsor of the Company during the Term. The Company shall exclusively use Sponsor's mail service and overnight courier system for all of its mailing needs during the term of this Agreement. In addition, the Company will use its best efforts to have Montgomery Securities use Sponsor's services to the extent reasonably practical and to introduce Sponsor to other potential customers.

2. Promotional activities to be performed by the Company during the Term of this Agreement:

The promotional activities that the Company will exercise its best efforts to perform for Sponsor during the term of this Agreement are described in the Sponsorship Proposal attached as Exhibit D. All requests for services of Team riders by Sponsor will be made to the Company, which will coordinate such services.

Both parties recognize the fact that there will be additional costs incurred in carrying out the promotional activities described in Exhibit D, as well as other promotional concepts which may be developed by both parties in the future. Unless otherwise agreed upon by both parties, Company shall be responsible for all costs associated with producing Sponsor's identification on all Team-related items, including, but not limited to, jerseys, media, print and advertising materials, team vehicles, press releases and team posters (2,000 per year); other costs incurred to produce any of the agreed upon promotions (such as, but not limited to, travel expenses of team

members and staff, costs to secure local media celebrities, and giveaway items) and to secure exhibit and hospitality areas at cycling competitions. In addition, unless otherwise agreed upon by both parties, Sponsor shall be responsible, as the sponsor agrees to, for any catering costs associated with on-site hospitality; travel costs for USPS staff; the cost to deliver Company kiosks to cycling competitions and staff such kiosks; cost to produce USPS sales and promotional materials; reproduction costs associated with items such as the U.S. Postal Safety manual; and any local advertising to support such promotions.

Company and Sponsor agree to meet within 60 days prior to the start of each calendar year to determine which promotions will be undertaken for the forthcoming year and mutually agree upon the allocation of various responsibilities required to carry out such promotions as well as the parties responsible for any incidental costs associated with such promotions.

**EXHIBIT B
TO
SPONSORSHIP AGREEMENT
OBLIGATIONS OF SPONSOR**

1. The Sponsor shall pay for all sales and promotional literature which may be distributed by its representatives or at its request at events.
2. The Sponsor shall provide such camera-ready art, related to Sponsor's marks and logos as the Company shall reasonably request for inclusion in Company-related and Team-related media and print materials or advertisements.
3. Unless the Agreement has terminated earlier in accordance with its terms, the Sponsor shall pay the Company the net Sponsorship Fee of [REDACTED] in 1996, [REDACTED] in 1997 and [REDACTED] in 1998, payable as follows:

[REDACTED] on January 1, 1996
[REDACTED] on March 1, 1996
[REDACTED] on June 1, 1996
[REDACTED] on September 1, 1996
[REDACTED] on January 1, 1997
[REDACTED] on March 1, 1997
[REDACTED] on June 1, 1997
[REDACTED] on September 1, 1997
[REDACTED] on January 1, 1998
[REDACTED] on March 1, 1998
[REDACTED] on June 1, 1998
[REDACTED] on September 1, 1998

For each subsequent year the Sponsor and the Company shall agree upon the net Sponsorship Fee on or before July 1 of the preceding year. Payment of that fee shall be made in four equal installments payable on January 1, March 1, June 1 and September 1 of the subsequent year.

The Company's address for receipt of payments is:

Montgomery Sports, Inc.
600 Montgomery Street, Suite 2100
San Francisco, CA 94111
Attention: Diana Sangston, CFO





**UNITED STATES
POSTAL SERVICE**

**UNITED STATES
POSTAL SERVICE**

**UNITED STATES
POSTAL SERVICE**

FROM USPS, HQ-PURCHASING

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**EXHIBIT D
TO
SPONSORSHIP AGREEMENT
SPONSORSHIP PROPOSAL**

SPONSORSHIP PROPOSAL





CYCLING TEAM

BACKGROUND ON PROFESSIONAL CYCLING

Professional cycling is one of the world's most popular spectator and recreational sports, with over one hundred hours of live television coverage and over 50 million spectators on an annual basis. The Tour de France, cycling's greatest event, is the world's third largest sporting event with over 20 million spectators and television coverage in 120 countries (In comparison, the Super Bowl is broadcast to 60). The champions of pro cycling are sports legends in countries throughout the world and earn salaries in the million dollar range. Some riders, such as four-time defending Tour de France champion Miguel Indurain, earn Michael Jordan-like adulation from their fans. The top professional teams travel to races on four continents and are title sponsored by major multi-national companies such as Motorola, Novell, Deutsche Telekom, GAN, Banesto, Coca-Cola and DuPont. Professional cycling has seen tremendous growth in the U.S. in the last ten years with significant corporate involvement and over four million spectators annually. American Greg LeMond's three Tour de France victories have been responsible for dramatically increasing the awareness of the sport in the United States.



BACKGROUND ON MONTGOMERY SPORTS

The guiding force behind Montgomery Sports is its President, Thomas Weisel. A major figure in the business world, Weisel is the founder, Chairman and CEO of Montgomery Securities, a leading investment banking firm. An avid athlete, Weisel is a former World Masters Cycling Champion, a multi-World and National record holder. Weisel was introduced to Montgomery Sports team manager Eddie Borysewicz in 1986 and the pair formed its first cycling team in 1989. Borysewicz led the U.S. Olympic Cycling Team to nine medals at the 1984 Los Angeles Games and was the mastermind behind the ascent of the United States Cycling Federation in the late 1970s through the mid 1980s. Borysewicz is credited with recognizing some of America's top cycling talent. In 1995, Mark Gorski, a 1984 Olympic Gold Medalist, joined Montgomery Sports as Director of Sales and Marketing after serving as the Director of Corporate Development for the U.S. Cycling Team.



MONTGOMERY SPORTS A WINNING TRADITION

Montgomery team members and personnel have accomplished the following:

- Three Tour de France victories
- Six total Olympic medals won: Gold (two), Silver (two), Bronze (two)
- Nine World Championship titles
- 35 U.S. National Championship titles
- Second American-based cycling team to earn invitation to the Tour de France
- Four Tour DuPont stage victories
- CoreStates USPRO Championship victory
- 65 Race wins from 1992-1995 in the U.S., Canada, Mexico, France, Spain, Great Britain, Norway, Australia and Poland
- Top U.S. based-domestic team at 1995 Tour DuPont
- Coached U.S. Olympic Cycling Team to nine medals at 1984 Los Angeles Games



MONTGOMERY SPORTS OBJECTIVES AND GOALS

The mission of Montgomery Sports over the next several years is:

- To secure a Title Sponsor as a marketing partner for the professional cycling team
- To prepare its athletes to win medals at the 1996 Olympic Games
- To expand its 1996 team racing schedule to include a select number of European professional races as well as the premier domestic events on the calendar such as the Tour DuPont and Tour of America events
- Add a select number of proven, European-based riders to accomplish that goal (see Prospective Team members)
- The team's goal for 1997 is to launch a full scale Tour de France caliber team that will contest all of the major European, American and Asian Tours and Classic events
- Become the first American cycling team to win the Tour de France, the world's third largest sporting event



MONTGOMERY SPORTS PERSONNEL

Thom Weisel (President) - Founder, Chairman and CEO of Montgomery Securities, former Masters World cycling champion

Eddie Borysewicz (Director Sportif) - Led the U.S. Olympic cycling team to nine medals at the 1984 Los Angeles Games and was the mastermind behind the ascent of U.S. cycling from the 1970s to the 1980s

Mark Gorski (Director of Sales & Marketing) - 1984 Olympic Gold Medalist and former Director of Corporate Development for the U.S. Cycling Federation

Greg LeMond (Assistant Team Director) - Three-time Tour de France champion and two-time World champion. *Sports Illustrated's* 1989 Sportsman of the Year

Rebecca Twigg (Team Member) - Five-time World champion and two-time Olympic Medalist

Darren Baker (Team Member) - 1992 Olympic Team Member and second American overall, 1995 Tour DuPont

Clark Sheehan (Team Member) - Stage winner, 1995 Tour DuPont and 1993 Tour of Mexico



CYCLING TEAM

PROSPECTIVE TEAM MEMBERS

Viatcheslav Ekimov (Russia) - Former Tour de France stage winner (1991); 1994 Tour DuPont race champion; Three-time World Pursuit champion

Zenon Jaskula (Poland) - Third place overall, 1993 Tour de France; Former Tour de France stage winner (1993); Top 10 finish, 1993 Tour of Italy; Top five finish, 1995 Tour of Switzerland

Chris Boardman (Great Britain) - 1992 Olympic Gold Medalist; Former World Hour record holder; Former Tour de France stage winner and yellow jersey holder (1994); 1994 World Pursuit champion

Wiebren Veenstra (The Netherlands) - Three-time Tour DuPont stage winner (1993, 1994); Stage winner, 1995 Dauphine Libere; Former stage winner at the Tours of Holland and Belgium

**MONTGOMERY SPORTS PROFESSIONAL CYCLING TEAM
1996 PROSPECTIVE RACING SCHEDULE**

DATE	RACE	COUNTRY	ATTENDANCE	TELEVISION
► February				
2-5	Etoile de Besseges	France	200,000	_____
8-12	Tour de Mediterranee	France	250,000	_____
19-23	International Cycling Week	Italy	300,000	_____
► March				
4	Circuit du Het Volk	Belgium	500,000	EBU 1-8 hrs
8-15	Tirreno Adriatico	Italy	1,000,000	RAI 7 hrs
11-20	Classico RCN	Colombia	_____	_____
25-26	Criterium International	France	200,000	A2 4 hrs
► April				
2	Tour of Flanders	Belgium	750,000	EBU 1-8 hrs *
5	Ghent-Wevelgem	Belgium	500,000	EBU 1-8 hrs
9	Paris-Roubaix	France	750,000	EBU 1-8 hrs
12	Fleche Wallonne	Belgium	500,000	EBU 1-8 hrs
16	Liege-Bastogne-Liege	Belgium	750,000	EBU 1-8 hrs
22	Amstel Gold Race	Holland	750,000	EBU 1-8 hrs
27-May 5	Tour DuPont	United States	2,000,000	ESPN 12 hrs CBS 2 hrs
► May				
1	Henninger Turm	Germany	750,000	EBU 1-8 hrs *
2-7	Tour de Romandie	Switzerland	750,000	EBU 1-8 hrs
19, 26, June 2	U.S. Olympic Trials	United States Seattle, Pittsburgh, Charlotte	360,000	NBC 3 hrs
► June				
4	Corestates USPRO Championship	United States	700,000	CBS 4 hrs local ESPN 1 hr
8-11	Tour of Luxembourg	Luxembourg	400,000	_____
13-22	Tour of Switzerland	Switzerland	1,300,000	EBU 18 hrs *
► July				
28	Olympic Games-Road Race	United States	500,000	NBC 2 hrs
31-Aug 4	Tour of Great Britain	Great Britain	500,000	_____
► August				
6	Leeds International Classic	Great Britain	750,000	_____
12	San Sebastian-San Sebastian	Spain	750,000	_____
20	Championship of Zurich	Switzerland	500,000	_____
22-26	Tour of Holland	Holland	400,000	NED 3 8 hrs
► September				
2-24	Tour of Spain	Spain	10,500,000	EBU 24 hrs
27-Oct 1	Tour of Ireland	Ireland	300,000	_____
► October				
15-22	Herald Sun Tour	Australia	350,000	_____
26-Nov 5	Tour of China	China	10,000,000	CCTV 10 hrs

* All European countries

TOTAL ATTENDANCE
TOTAL TELEVISION

37,260,000
133 hrs



TITLE SPONSORSHIP BENEFITS

A. MEETING U.S. POSTAL SERVICE'S MARKETING OBJECTIVES

Montgomery Sports' primary mission is to accomplish the business objectives of the U.S. Postal Service. Based on input from the D&F Group, we believe the U.S. Postal Service's business objectives, relating to its sports marketing involvement, to include the following:

1. Increase revenue and sales of the U.S. Postal Service's products on a global basis
2. Maintain and grow the U.S. Postal Service's overnight mail service throughout the world
3. Associate the U.S. Postal Service with a sports property that showcases its advances in technology, speed and efficiency of Priority Mail
4. Identifying the U.S. Postal Service as an innovative global marketer and increase sales in key international markets
5. Ownership of a sports property that is mobile and has the ability to reach multiple key international markets



6. Enhance employee morale
7. Ability to provide customer hospitality at several of the world's leading sporting events
8. Utilization of a property that the branch offices can use effectively
9. Association with a property that enhances the U.S. Postal Service image in the community and generates goodwill
10. Increase the public awareness of the quality of the U.S. Postal Service products and services



B. TEAM NAME & LOGO IDENTIFICATION

1. Team name - U.S. Postal Service Cycling Team
2. Product category exclusivity
3. Right to utilize U.S. Postal Service Cycling Team name/logo and all team members in advertising, promotions and publicity
4. Logo identification - As Title sponsor, the U.S. Postal Service's logo will be largest and most prominent on all clothing, vehicles and materials. The team includes 12 racing members and 5 full-time staff members. Recognition will be on the following:
 - Team Uniforms
 - Jersey - 8 IDs
 - Shorts - 2 IDs
 - Hat/Helmet/Headbands - 2 IDs
 - Rain gear - 1 ID
 - Gloves - 1 ID
 - Warm-ups - 1 ID
 - Leisure Wear - 1 ID(see attached)
5. Additional logo identification on all U.S. Postal Service Cycling Team vehicles, (6 Isuzu vehicles), media guide (1000 produced), press releases (weekly), and team posters (2000 produced)



C. MEDIA & ON-SITE IMPRESSIONS

Title sponsorship of the U.S. Postal Service Cycling Team will produce significant exposure in newspapers, radio and television throughout North America, Europe and Asia. This exposure is especially effective because the team is identified as the U.S. Postal Service Cycling Team

- On site exposure - 37.3 million spectators:
- U.S. (Tour DuPont, Tour of America) 4,500,000
- Europe (Tours of Spain, Holland and Switzerland, Classic events) 22,500,000
- Asia (Tours of China and Australia) 10,300,000
- Total attendance 37,300,000
- Television - 133 hours of coverage on European Broadcast Union and U.S. Network and Cable
- Print - Recent coverage of the team has included:

USA Today	New York Times
Los Angeles Times	Chicago Sun-Times
L'Equipe	Gazzetta dello Sport
VeloNews	Winning
Philadelphia Inquirer	Bicycling
Seattle Post-Intelligencer	
Atlanta Journal-Constitution	



**Estimated Total Ad Equivalency for the team
(domestic and international): \$12 million**

The total ad equivalency in dollars of \$12 million was estimated using the following three parameters:

1. Motorola, Inc. measured its total ad equivalency in 1993 for title sponsorship of its Cycling Team at \$24 million (this included the Tour de France). They measured the ad equivalency of the team's participation in the Tour de France at \$10 million and the Tour DuPont at \$1.9 million
 - PDM, the manufacturer of cassette tapes, was the title sponsor of a Dutch professional team for seven years. They commissioned BBDO Holland to analyze its ad equivalency for the years 1989, 1990 and 1991. The result was 1989 - \$8.5 million; 1990 - \$8.1 million; and 1991 - \$9.75 million
2. Montgomery Sports has estimated that the U.S. Postal Service would receive on average approximately three minutes of high quality visual and audio recognition of the U.S. Postal Service name and logo per hour of televised coverage. The three minutes of coverage are factored to be the equivalent of six (6) thirty second commercial units valued at \$10,000 to \$15,000 per unit. With the team receiving 133 hours of televised coverage, the ad equivalency number equals \$8-11 million



- 133 televised hours of coverage X \$60,000 - \$90,000 per hour of coverage = \$8-11 million in televised ad equivalency
- The number of print media impressions and visibility exceeds that of television but obviously at a lower rate. We would estimate the print media equivalency to be in the \$2.5-3 million range
- Total media equivalency estimated at \$10.5-14 million

3. Montgomery Sports estimated the ad equivalency based upon a per impression cost that we have used in computing sports marketing property values with the Coca-Cola Co. They have used the per impression cost figure of 1 cent per impression for other cycling sponsorships. Based upon this assumption and our estimated impressions for the 1996 U.S. Postal Service Cycling Team, the breakdown is as follows:

- Estimated 1996 impressions:
- Live (on-site) 37,000,000
- Television 357,000,000
- Print 650,000,000

- Total 1,044,000,000

1,044,000,000 X 1 cent impression = \$10,044,000
Total ad equivalency

**MONTGOMERY SPORTS PROFESSIONAL CYCLING TEAM
1996 PROSPECTIVE RACING SCHEDULE**

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► April				
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5	Ghent-Wevelgem	Belgium	500,000	EBU 1-8 hrs
9	Paris-Roubaix	France	750,000	EBU 1-8 hrs
12	Fleche Wallonne	Belgium	500,000	EBU 1-8 hrs
16	Liege-Bastogne-Liege	Belgium	750,000	EBU 1-8 hrs
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8-11	Tour of Luxembourg	Luxembourg	700,000	_____
13-22	Tour of Switzerland	Switzerland	1,300,000	EBU 18 hrs *
► July				
28	Olympic Games-Road Race	United States	500,000	NBC 2 hrs
31-Aug 4	Tour of Great Britain	Great Britain	500,000	_____
► August				
6	Leeds International Classic	Great Britain	750,000	_____
12	San Sebastian-San Sebastian	Spain	750,000	_____
20	Championship of Zurich	Switzerland	500,000	_____
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► October				
15-22	Herald Sun Tour	Australia	350,000	_____
26-Nov 5	Tour of China	China	10,000,000	CCTV 10 hrs

* All European countries

TOTAL ATTENDANCE

37,260,000

TOTAL TELEVISION

133 hrs



D. GRASS ROOTS & COMMUNITY RELATED ACTIVITIES

A key element to leveraging the U.S. Postal Service's sponsorship of the team is to develop programs which enhance its image in local communities around the world. An involvement in the sport of cycling provides an effective means of doing that because cycling is such a popular participant sport, particularly among children. Among the programs that Montgomery Sports can assist in creating are the following:

1. U.S. Postal Service Cycling Safety Day

On the Saturday prior to major events at locations selected by the U.S. Postal Service (minimum of 12 markets each year), a Cycling Safety Day could be held in the parking lot of U.S. Postal Service branch offices. These events would be promoted through posters at branch offices and a local media partner. The events of the day would include:

- U.S. Postal Service-Cycling Team member attends with Coach Eddie B. and speaks to families about cycling safety and fitness
- Bike safety check assisted by a local bike shop



- Distribute U.S. Postal Service Cycling Safety manual, which will be written and produced by Montgomery Sports (with reproduction costs to be paid for by the U.S. Postal Service)
- Local media celebrity attends insuring local media coverage
- Helmet, bicycle, sunglass giveaways
- Assistance in securing a local bike trail map for distribution with the U.S. Postal Service logo

2. U.S. Postal Service Cycling Team Community Outreach Program

In a minimum of 12 markets selected by the U.S. Postal Service each year around the world, U.S. Postal Service Cycling Team members and personnel can coordinate School visits hosted by the U.S. Postal Service at which team members visit a school in their team uniforms and speak about the importance of a healthy and active lifestyle and cycling safety. The U.S. Postal Service Cycling Safety and Fitness Handbook could be distributed along with a helmet



E. EMPLOYEE MORALE & INCENTIVE PROGRAMS

The Montgomery Sports executive team feels that it is critical to plan interesting and motivational programs that create ways for a large percentage of the U.S. Postal Service's 750,000 employees to identify with the team and further enjoy the sport of cycling. Montgomery Sports will work closely with the U.S. Postal Service to design, create and implement the following programs:

1. The U.S. Postal Service Cycling Club

While the stars of the U.S. Postal Service Cycling Team race in televised events around the globe, thousands of U.S. Postal Service employees and their families can join the U.S. Postal Service Cycling Club. For a nominal fee (\$5-10), employees and their families get a membership card which entitles them to:

- A free manual on Cycling Safety and Fitness
- Free VIP hospitality at all major U.S. cycling events in such markets as Atlanta, Pittsburgh, Philadelphia, Chicago, Minneapolis and Seattle
- Discounted price on U.S. Postal Service Cycling Team jerseys



- Discounts on GT Bicycles, Bell helmets, Yakima bicycles racks
- A chance to win an all-expense paid trip to the Tour de France
- A chance to win a trip to a weekend fantasy cycling camp in southern California with Coach Eddie B. and Olympic medalists on the team

The U.S. Postal Service branch office that signs the most members up in 1996 would earn a visit from Coach Eddie B. and members of the team.

2. U.S. Postal Service Employee Cycling Program

In an effort to encourage a healthy and active lifestyle among U.S. Postal Service employees, a program could be created in which employees provide weekly or monthly training logs documenting their cycling activities with the following rewards for most miles ridden, most improved, etc.

- U.S. Postal Service Cycling Team jersey and clothing
- Team Helmet
- Team Sunglasses
- A weekend with team coach Eddie B.



3. U.S. Postal Service Cycling Team Member
Appearances

- Staff meetings
- Branch office autograph sessions



F. CROSS PROMOTION OF U.S. POSTAL SERVICE
NAME AND LOGO

One of the strengths of Montgomery Sports is the development of aggressive marketing partnerships between the sponsors of the U.S. Postal Service Cycling Team. Effective cross promotions will be implemented to generate incremental exposure for the U.S. Postal Service name and logo, such as:

- A U.S. Postal Service Cycling Team vehicle (Isuzu Trooper) will be displayed at the Isuzu booth at over 20 U.S. Auto Shows (over 10 million attendees in 1994)
- U.S. Postal Service Cycling Team images will be a part of product catalogues for GT Bicycles (50,000), Bell Helmets (66,000) and other prominent team sponsors
- The U.S. Postal Service name and logo will be featured on p.o.p. displays of Coca-Cola's PowerAde brand in 8-10 key U.S. markets
- The U.S. Postal Service name and logo will be promoted through the sale of official team cycling clothing at bicycle retailers throughout the U.S.
- Current team sponsors include:

American Isuzu Motors	Bell Sports
Coca-Cola/PowerAde brand	GT Bicycles
Cox Enterprises	Bausch & Lomb



H. BUSINESS DEVELOPMENT OPPORTUNITIES

Montgomery Sports will exclusively use the U.S. Postal Service's Express Mail and Second Day Priority for all of its business-related and team correspondences, which will include the following:

- mailing of all team press releases and media guides to members of the national and international press
- invitations to all team functions
- team sponsorship reports and media success

Montgomery Securities, one the nation's leading investment banking firms and the largest tenant in the Transamerica Pyramid with over 900 employees, will use Express Mail for a portion of its overnight and international mail use. Montgomery Securities currently has an account with Federal Express and mails out approximately 50,000 pieces of overnight mail per year

Another way to help increase product usage will be the appearance at most major U.S. cycling events of a U.S. Postal Service kiosk/booth on-site to sell product, handle all mail needs and conduct other activities. Montgomery Sports will negotiate with race promoters to reserve a space for the kiosk/booth at the events



I. SPONSORSHIP ANNOUNCEMENT

An important component of an effective sponsorship is a highly-visible, professional kick-off function. Montgomery Sports will coordinate the official team presentation of the U.S. Postal Service Cycling Team and formally introduce the relationship between Montgomery Sports and the U.S. Postal Service. The goal of the press conference will be to introduce the team to the press and sports public and will detail the team's roster, staff, season-long goals and racing schedule, as well as unveil the team's uniform for the first time. U.S. Postal Service Cycling Team members, staff and management will attend the press conference along with key management of the U.S. Postal Service and other key team sponsors.

Montgomery Sports will plan the time, date and location of this event to meet specific objectives of the U.S. Postal Service. In order to maximize media coverage, leverage the Olympic connection of the team and to generate the most impact for the U.S. Postal Service, Montgomery Sports would suggest the following:

What: U.S. Postal Service Cycling Team
announcement/press luncheon



Where: International Sports Summit at Atlanta Hilton and Towers (this is prior to the annual Super Show held in Atlanta)

When: February 1st, 1996, at 12:00PM

Who: Key U.S. Postal Service representatives, Montgomery Sports representatives and all team members, team sponsor representatives from Coca-Cola, Cox Enterprises

Invitees: Key members of the television, radio and print media, and all sports, fitness and Olympic-related media already in Atlanta for the Super Show

Along with the above mentioned press conference, Montgomery Sports could also hold a similar team presentation at the Washington, D.C. headquarters of the U.S. Postal Service, or any other key locations recommended by the U.S. Postal Service.



SPONSORSHIP SERVICING

Montgomery Sports is focused on increasing the U.S. Postal Service's return on investment and furthering the objectives of the U.S. Postal Service. Mark Gorski, Director of Sales and Marketing and Dan Osipow, Promotions Director, will provide leadership and support in designing and implementing marketing programs to leverage the U.S. Postal Service's investment. Montgomery Sports will provide:

- Professional team management
- Assistance in development of marketing strategies and partnerships
- Assistance in implementation of advertising, promotions and hospitality
- Negotiation of event marketing rights and media buys at major events
- Public Relations and media support to include:
 - Press Releases
 - Story Placement
 - Press Conferences
 - Media Guide
 - Team Posters
 - Media Hospitality
- Production of Annual Sponsorship report documenting sponsorship benefits



SPONSORSHIP TERM AND FEE

In order for Montgomery Sports to reach its goals together with the objectives of the U.S. Postal Service, the proposed investment is outlined below. Montgomery Sports intends to add the Tour de France and the Tour of Italy to its schedule in 1997 and 1998, which is the primary reason for the increase in fees in such years.

1996 - [REDACTED]
1997 - [REDACTED]
1998 - [REDACTED]



1995 TOUR OF CHINA EVENT FACTS

As an incentive to come to a positive and timely decision, and to assist the U.S. Postal Service in reaching its international business objectives, Montgomery Sports will offer title sponsorship of the Team at the 1995 Tour of China. Montgomery Sports will make this title sponsorship available as a part of the 1996 sponsorship fee. A special U.S. Postal Service jersey will be created for the team that could feature a cycling/sports oriented stamp that would be of great interest in China. The event is expected to draw a large television audience in China and Asia with over ten million spectators anticipated to view the race. Here is an overview of the event:

- 1995 Kent Tour of China
October 26 - November 5
- Organized by Medalist Sports and Medalist Offshore, Hong Kong
- 18 Elite Professional and Amateur teams from Asia, Europe and North America (7 riders per Team)



- Stage locations include: Hong Kong, Shenzhen, Guangzhou, Shanghai (2) and Beijing (2)
- Prize money: \$200,000
- Spectators: Estimated 10,000,000
- Television:
 - China: CCTV (Ch. 1 & 4) - 90 hours
Domestic affiliates - 13-30 min. daily
 - Europe: NBC Superchannel - 25 min. daily
(30 countries, 80 million homes)
 - U.S.: Turner Network - 1 hour show
 - Asia: STAR TV - 25 min. daily
(57 countries, 250 million homes)
NHK - 25 min. daily
(Japan only)



CYCLING AUDIENCE AND PARTICIPANT DEMOGRAPHICS

Cycling is one of the fastest growing sports in the world. Cycling represents a \$3.5 billion market in the US alone

Cycling is the second most popular recreational activity in the United States. A total of 99 million; or one out of every three Americans, participate in the sport of cycling. The European market is estimated to be 198 million.

- There are more cyclists in the US than skiers, golfers and tennis players combined
- 52.8 million people attend professional cycling events around the world
- 4.3 million cycle commuters (growing 15% annually)
- 250,000 competitive adult cyclists (growing 10% annually)
- 25 million mountain bikers (growing 20% annually)



Average U.S. cyclist is young and affluent:

- 87% are between the ages of 18-44
- 55% male; 45% female
- 63% are professional managers
- 75% have attended college, 52% have graduated
- High discretionary income (average household income - \$55,000 in 1990)
- High brand loyalty and concerned with value and quality, hence "ideal customers"

European Demographics:

- 80% are between the ages of 24-54
- 60% male; 40% female
- 40% earn \$25,000 - \$40,000
- 20% earn more than \$40,000



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- 80% are between the ages of 24-54
- 60% male; 40% female
- 40% earn \$25,000 - \$40,000
- 20% earn more than \$40,000

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION		PAGE OF. PAGES 1 2	
MODIFICATION NO.: M 013		CONTRACT/ORDER /AGREEMENT: 102590-96-Z-0739	
2. a. DATE ISSUED: 12/09/1999	b. PR NO.: 00-02067		
c. FINANCE NO.: 660418	d. TIN/SSN: 52-2158985		
3. SUPPLIER: DFP CYCLING, LLP Suite 325 5301 Wisconsin Avenue, N.W. Washington DC 20015-2048 ATTENTION: Allen S. Furst (202) 364-8500		4. ISSUED BY: U. S. POSTAL SERVICE HQ PURCHASING 475 L'ENFANT PL SW RM 4541 WASHINGTON DC 20260-8237 FOR INFORMATION CALL: Lynda Zelnick (202) 288-3157 lzelnick@email.usps.gov ACO CODE: 102592	
5. The above numbered contract/order/agreement is modified as set forth in Block 6, by supplement agreement entered into pursuant to authority of Assignment provision of the sponsorship agreement.			
6. DESCRIPTION OF MODIFICATION: This modification is a supplemental agreement entered into pursuant to the authority of paragraph 11, Assignment. This modification recognizes a successor in interest in this contract for sponsorship of the United States Cycling Team, effective June 15, 1999. This change is due to the sale of all the contractor's assets and confirms the three party novation agreement attached to and made a part of this modification. This modification therefore transfers all obligations under this contract TO: DFP CYCLING, LLC Suite 325 Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.			
7. ACCOUNTS PAYABLE DATA <input checked="" type="checkbox"/> is not, <input type="checkbox"/> is changed, see Previous Grand Total: [REDACTED] Value of Modification: New Grand Total: [REDACTED]			
The supplier <input type="checkbox"/> is not <input checked="" type="checkbox"/> is required to sign and return an original and 1 copy(ies) of this modification to the Issuing Office (See Block 4).			
8. SIGNATURES: SUPPLIER _____ 12/15/99 Signature Date Allen S. Furst Name of Person Authorized to Sign Chief Operating Officer Title		U.S. POSTAL SERVICE _____ 12/22/99 Signature Date Lynda Zelnick Contracting Officer	

CONTRACT/ORDER MODIFICATION DESCRIPTION - Continuation		PAGE OF PAGES	
		2	2

MODIFICATION NO.: 013

CONTRACT/ORDER /AGREEMENT: 102590-96-Z-0739

6. DESCRIPTION OF MODIFICATION:

5301 Wisconsin Avenue, N.W.
Washington, DC 20015-2048

FROM: MONTGOMERY SPORTS, INC.
SUITE 3700
ONE MONTGOMERY STREET
SAN FRANCISCO, CA 94104-2743

The remittance address is changed to:

DFP Cycling LLC
Attn: Allen Furst
Suite 325, 5301 Wisconsin Avenue, N.W.
Washington, DC 20015-2048

The contract price and all terms and conditions remain the same.

NOVATION AGREEMENT

(a) THE PARTIES TO THIS AGREEMENT:

TWP Sports Inc. (Transferor), a corporation formerly named "Montgomery Sports, Inc." and duly organized and existing under the laws of California with its principal office in San Francisco; DFP Cycling LLC, a limited liability company duly organized and existing under the laws of Delaware with its principal office in Washington, DC; and the U.S. POSTAL SERVICE enter into this agreement as of August 1, 1999.

(b) THE FACTS ON WHICH THE PARTIES AGREE AND WHICH FORM A BASIS FOR THIS AGREEMENT:

- (1) The U.S. POSTAL SERVICE has entered into contractual agreements with the transferor, namely Sponsorship Agreement #1025090-96-Z-0739, dated as of October 1, 1995, as modified and extended pursuant to a certain letter dated May 29, 1999, and any other contractual agreements not specifically identified in this agreement, including modifications to those contractual documents made between the U.S. Postal Service and the transferor before the effective date of this agreement. Included in the term "contractual agreements" are those contractual agreements under which performance has been accepted and payment has been completed if the U.S. Postal Service or the transferor has any remaining rights, duties, or obligations under these contractual agreements. Hereafter the term "contract" shall include all those contractual agreements as defined in this paragraph (b)(1).
- (2) As of June 15, 1999, the transferor has transferred to the transferee all the assets of the transferor by virtue of a sale of all of the assets of transferor via a stock sale of transferor between the transferor and the transferee.
- (3) The transferee has acquired all of the assets of the transferor by virtue of the above transfer.
- (4) The transferee has assumed all obligations and liabilities of the transferor under the contracts by virtue of the previously mentioned transfer.
- (5) The transferee is in a position fully to perform all obligations that may exist under the contracts.
- (6) It is consistent with the Postal Service's interest to recognize the transferee as the successor party of the contracts.
- (7) Evidence of the above transfer has been filed with the Postal Service.

(c) IN CONSIDERATION OF THESE FACTS, THE PARTIES HEREBY AGREE THAT:

- (1) The transferor confirms the transfer to the transferee, and waives any claims and rights it now has or may have in the future against the Postal Service in connection with the contracts.
- (2) The transferee agrees to be bound by and to perform each contract in accordance with the conditions contained in the contracts. The transferee also assumes all obligations and liabilities of and all claims against the transferor under the contracts as if the transferee were the original party to the contracts.
- (3) The transferee ratifies all previous actions taken by the transferor with respect to the contracts, with the same force and effect as if the action had been taken by the transferee.
- (4) The Postal Service recognizes the transferee as the transferor's successor in interest in and to the contracts. The transferee by this agreement becomes entitled to all rights, titles and interests of the transferor in and to the contracts as if the transferee were the original party to the contracts. Following the effective date of this agreement, the term "contractor" as used in the contract shall refer to the transferee.
- (5) Except as expressly provided in this agreement, nothing in it shall be construed as a waiver of any rights of the Postal Service against the transferor.
- (6) All payments and reimbursements previously made by the Postal Service to the transferor, and all other previous actions taken by the Postal Service under the contracts, shall be considered to have discharged those parts of the Postal Service's obligations under the contracts. All payments and reimbursements made by the Postal Service in the name of the transferor after the date of this agreement shall have the same force and effect as if made to the transferee and shall constitute a complete discharge of the Postal Service's obligations under the contracts, to the extent of the amounts paid or reimbursed.
- (7) The transferor and the transferee agree that the Postal Service is not obligated to pay or reimburse either of them for, or otherwise give effect to, any costs, taxes, or other expenses, or any related increases, directly or indirectly arising out of or resulting from the transfer or this agreement, other than those that the Postal Service in the absence of this transfer or agreement would have been obligated to pay or reimburse under the terms of the contracts.
- (8) The transferor guarantees payments of all liabilities and the performance of all obligations that the transferee (i) assumes under this agreement or (ii) may undertake in the future, should these contracts be modified under their terms and conditions. The transferor waives notice of, and consents to, any such future modifications.

(9) The contracts shall remain in full force and effect, except as modified by this agreement.

THE U.S. POSTAL SERVICE

By: [Signature]

Title: Industry Affairs Services Purchasing

DFP CYCLING LLC

By: [Signature] (Corporate Seal)

Title: Chief Financial Officer

TWP SPORTS, INC.

By: [Signature]

Title: Chief Operating Officer

CERTIFICATE

I, Mark B. Gorski, certify that I am the Secretary of the DFP Cycling LLC; that Allen S. Furst, who signed this agreement for this limited liability company, was then of this limited liability company; and that this agreement was duly signed for and on behalf of the limited liability company by authority of its governing body and within the scope of its corporate powers.

Witness my hand and the seal of this corporation this 1 day of Sept, 1999.

By: Allen S. Furst (Corporate Seal)

CERTIFICATE

I, Mark B. Gorski, certify that I am the Secretary of the TWP Sports, Inc.; that Allen S. Furst, who signed this agreement for this corporation, was then of this corporation; and that this agreement was duly signed for and on behalf of the corporation by authority of its governing body and within the scope of its corporate powers.

Witness my hand and the seal of this corporation this 7th day of Sept, 1999.

By: Allen S. Furst (Corporate Seal)

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

PAGE OF PAGES

1 2

1. MODIFICATION NO.: M 012 CONTRACT/ORDER /AGREEMENT: 102590-96-Z-0739
 2. a. DATE ISSUED: 08/27/1999 b. PR NO.: 98-09415
 c. FINANCE NO.: 660418 d. TIN/SSN: 94-3214304

3. SUPPLIER:
 MONTGOMERY SPORTS INC
 Suite 3700
 One Montgomery Street
 SAN FRANCISCO CA 94104-2743
 ATTENTION:
 Mark Gorski
 (415) 627-2685

4. ISSUED BY:
 U. S. POSTAL SERVICE
 HQ PURCHASING
 475 L'ENFANT PL SW RM 4541
 WASHINGTON DC 20260-6237
 FOR INFORMATION CALL:
 Lynda Zelnick
 (202) 268-3157
 lzelnick@email.usps.gov
 ACO CODE: 102592

5. The above numbered contract/order/agreement is modified as set forth in Block 6, by supplement agreement entered into pursuant to authority of mutual agreement of the parties




6. DESCRIPTION OF MODIFICATION:

The purpose of this modification is to provide funding for expansion of services as described below:

In consideration of the additional funding being provided herewith, the Team will add two riders for domestic events, provide the catering and set up services for a new business development conference at the Team training camp, to include two dinners, a reception and a luncheon for co-sponsors, existing Postal customers, potential customers and Postal managers; provide catering and set up services for new business development conference at the Philadelphia racing venue to include a reception, dinner and hospitality at the race site; hospitality for co-sponsors, existing postal customers and potential customers for the Tour de France new business generation events.

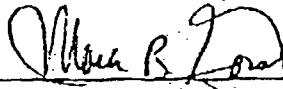
Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA is not, is changed, see


Previous Grand Total: 
 Value of Modification: 
 New Grand Total: 

The supplier is not is required to sign and return an original and 1 copy(ies) of this modification to the Issuing Office (See Block 4).

8. SIGNATURES: SUPPLIER


 Signature Date
 Aug 31, 1999
 Mark B. Gorski
 Name of Person Authorized to Sign
 General Manager
 Title

U.S. POSTAL SERVICE


 Signature Date
 9/1/99
 Lynda Zelnick
 Contracting Officer

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

PAGE OF PAGES

1 2

1. MODIFICATION NO.: M 011 CONTRACT/ORDER/AGREEMENT: 102590-96-Z-0739
 2. a. DATE ISSUED: 07/26/1999 b. PR NO.: 99-07945
 c. FINANCE NO.: 660418 d. TIN/SSN: 94-3214304

3. SUPPLIER:
 MONTGOMERY SPORTS INC
 SUITE 2100
 600 MONTGOMERY ST
 SAN FRANCISCO CA 94111-2723
 ATTENTION:
 (415) 331-6100

4. ISSUED BY:
 U. S. POSTAL SERVICE
 HQ PURCHASING
 475 L'ENFANT PL SW RM 4541
 WASHINGTON DC 20260-6237
 FOR INFORMATION CALL:
 Lynda Zelnick
 (202) 268-3157
 lzelnick@email.usps.gov
 ACO CODE: 102582

5. The above numbered contract/order/agreement is modified as set forth in Block 6, by supplement agreement entered into pursuant to authority of Mutual agreement of the parties

6. DESCRIPTION OF MODIFICATION:

The purpose of this modification is to provide funding in the amount of [REDACTED] to continue the Postal Service cycling sponsorship for calendar year 2000. The supplier shall have additional responsibilities as outlined herein for the calendar year 2000. The payment schedule is set forth herein.

In addition to the basic services of the sponsorship agreement, for calendar year 2000, the supplier shall also negotiate and secure event sponsorships for the USPS to include benefits equivalent to those negotiated separately by the USPS for calendar year 1999 at the following events:

USPRO Tour
 USPRO Criterium Championship in Downer's Grove, IL

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA is not, is changed, see

Previous Grand Total: [REDACTED]
 Value of Modification: [REDACTED]
 New Grand Total: [REDACTED]

The supplier is not is required to sign and return an original and 1 copy(ies) of this modification to the Issuing Office (See Block 4).

8. SIGNATURES: SUPPLIER

Mark B. Gorski 8/31/99
 Signature Date

Mark B. Gorski
 Name of Person Authorized to Sign
 General Manager
 Title

U.S. POSTAL SERVICE

Lynda L. Zelnick 9/3/99
 Signature Date

Lynda L. Zelnick
 Contracting Officer

CONTRACT/ORDER MODIFICATION DESCRIPTION - Continuation	PAGE OF PAGES
	2 2

1. MODIFICATION NO.: 011	CONTRACT/ORDER /AGREEMENT: 102590-98-Z-0739
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DESCRIPTION OF MODIFICATION:

Killington Stage Race, Killington, VT

The supplier shall provide two VIP tables at the Ride for the Roses event in Austin, TX.

Payment schedule:

January 4, 2000 [REDACTED]

March 1, 2000 [REDACTED]

September 1, 2000 [REDACTED]

December 1, 2000 [REDACTED]

It is noted that the total amount shown on modification M10 is in error. The amount should read: [REDACTED]

FROM USPS, HQ-PURCHASING

(TUE) 8:22'00 17:27/ST. 17:23/NO. 4861316670 P 11

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

1. MODIFICATION NO.: M10 TO CONTRACT/ORDER NO.: 102590-96-Z-0739
2. a. DATE ISSUED: 02/17/99 b. REQUEST NO.: 99-04234
c. Finance No.: 66-0418

3. CONTRACTOR:
MONTGOMERY SPORTS, INC.
SUITE 2100
600 MONTGOMERY STREET
SAN FRANCISCO, CA 94111-2723

4. ISSUED BY:
U.S. Postal Service
Services Purchasing, Room 4541
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-6237

ATTENTION:
MARK GORSKI
(415) 627-2665

FOR INFORMATION CALL:
Lynda Zelnick
202/268-3157
ACO CODE: 102592


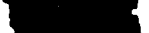

5. The above numbered contract/order is modified as set forth in Block 6, by administrative change (such as changes in paying office or accounting and fiscal data.) The contractor is required to sign and return 0 copies of this modification to the issuing office. (See block 4)

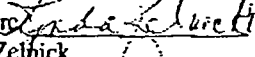
6. DESCRIPTION OF MODIFICATION:

The purpose of this modification is to change the finance number for FY-99 to 66-0418 vice 51-2910.
The applicable account number is 52418.587. No change is made to the dollar value of this contract.

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA: is unchanged as a result of this modification

Previous Grand Total: 
Value of Modification: 
New Grand Total : 

8. Signature  Date 17 Feb 99
Lynda Zelnick
Contracting Officer

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

1. MODIFICATION NO.: M08 TO CONTRACT/ORDER NO.: 102590-96-Z-0739
 2. a. DATE ISSUED: 08/05/98 b. REQUEST NO.: 98-08555
 c. FINANCE NO: 512910

3. CONTRACTOR:
 MONTGOMERY SPORTS INC
 SUITE 2100
 600 MONTGOMERY ST
 SAN FRANCISCO CA 94111-2723

4. ISSUED BY:
 U.S. Postal Service
 Purchasing Room 4541
 475 L'Enfant Plaza SW
 Washington DC 20260-6230

ATTENTION: Mark Gorski
 (415) 627-2665

FOR INFORMATION CALL:
 Chris Gaidnick
 (202) 268-7978
 ACO CODE: 102592

5. The above numbered contract/order is modified as set forth in Block 6, by administrative change (such as changes in paying office or accounting and fiscal data).

6. DESCRIPTION OF MODIFICATION:

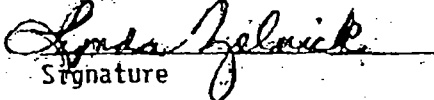
For accounting purposes only:

Finance no. 59-2910 added by mod M06 is corrected to read 51-2910 and should be identified as sequence 0003.

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA is unchanged.

8. U.S. POSTAL SERVICE


 Signature

08/05/98
 Date

Lynda Zelnick
 Name of Contracting Officer

FROM USPS HQ-PURCHASING
1. MODIFICATION NO.: M06

(TUE) 8.22'00 17:28/ST. 17:23/NO. 4861316670 P 14
TO CONTRACT/ORDER NO. 102590-96-Z-0739
b. REQUEST NO.:

2. a. DATE ISSUED: 07/24/98
c. Finance No.: 59-2910

90-08874

CONTRACTOR:
MONTGOMERY SPORTS, INC
SUITE 2100
600 MONTGOMERY STREET
SAN FRANCISCO, CA 94111-2723
ATTENTION:
MARK GORSKI

4. ISSUED BY:
U.S. Postal Service
Services Purchasing, Room 4541
475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-6237

FOR INFORMATION CALL:
Lynda Zelnick
202/268-3157
ACO CODE: 102592

5. The above numbered contract/order is modified as set forth in Block 6, by administrative change (such as changes in paying office or accounting and fiscal data).

6. DESCRIPTION OF MODIFICATION:

The purpose of this modification is to correct the typographical error on in the total contract amount reflected on modification M06. The correct total should read [REDACTED]

The corrected information is set forth in block 7 below.

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged in full force and effect.

7. ACCOUNTS PAYABLE DATA IS CORRECTED TO READ AS FOLLOWS:

Previous Grand Total : [REDACTED]
Value of M06 : [REDACTED]
Corrected New Grand Total: [REDACTED]

8. SIGNATURE:
U.S. POSTAL SERVICE

Lynda Zelnick
LYNDA ZEUNICK
Contracting Officer

FROM USPS, HQ-PURCHASING

(TUE) 8. 22' 00 17:29/ST. 17:23/NO. 4861316670 P. 15
P. 3/4

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

- 1. MODIFICATION NO.: M06 TO CONTRACT/ORDER NO.: 102590-96-Z-0739
- 2. a. DATE ISSUED: 07/20/98 b. REQUEST NO.: 07983
- c. Finance No.: 59-2910

<p>3. CONTRACTOR: MONTGOMERY SPORTS, INC. SUITE 2100 600 Montgomery Street San Francisco, CA 94111-2723</p>	<p>4. ISSUED BY: U.S. Postal Service Services Purchasing, Room 4541 475 L'Enfant Plaza, S.W. Washington, D.C. 20260-6237</p>
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ATTENTION:
Mark Gorski

(415) 627-2665

FOR INFORMATION CALL:

Lynda Zelnick
202/268-3157
ACO CODE: 102592

The above numbered contract/order is modified as set forth in Block 6, pursuant to mutual agreement of the parties. The Contractor is required to sign and return one copy of this modification.

DESCRIPTION OF MODIFICATION:

See attached page.

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain changed and in full force and effect.

ACCOUNTS PAYABLE DATA is changed as follows:

Previous Grand Total:	
Value of Modification:	
New Grand Total :	

CONTRACTOR:

Signature: Thomas W. Weisel Date: 7/20/98
Contractor

U.S. POSTAL SERVICE

Signature: Lynda Zelnick Date: 7/21/98
LYNDA ZELNICK
Contracting Officer

THOMAS W. WEISEL
Name of Person Authorized to Sign

PRESIDENT
Title

102590-96-Z-0739

The purpose of this modification is to provide funding for the services of Lance Armstrong and to set forth the terms of the continued USPS sponsorship for 1999 under the above numbered contract.

1. Funding in the amount of [REDACTED] is provided for the retention of the services of Lance Armstrong for the USPS 1998 cycling season.

2. Further, in confirmation of USPS letter of 29 May 1998, issued pursuant to Section 4 of the Agreement, the USPS and the contractor have agreed that the sponsorship of the cycling team will continue for calendar year 1999. The USPS agrees to a sponsorship fee of [REDACTED] for 1999. The payment schedule will continue to be quarterly with the first payment due 1 Jan 99, the second on 1 Mar 99, the third 1 Jun 99 and the last 1 Sep 99.

Actual funding for the extended sponsorship will be provided under a separate modification.

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

1. MODIFICATION NO. 05 TO: CONTRACT/ORDER NO.: 102590-96-Z-0739
a. DATE ISSUED 03/03/98 b. REQUEST NO.: 98-04181
c. FINANCE NO.: 67-7830

CONTRACTOR
MONTGOMERY SPORTS, INC
600 Montgomery Street, Suite 2100
San Francisco, CA 94111-2723

4. ISSUED BY:
U. S. Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260-6239

ATTENTION: Mark Gorski
Telephone (415)627-2453
FAX (415)627-2675

FOR INFORMATION CALL:
ROSALIE MCGOVERN
Telephone 202/268-5651
FAX 202/268-5665

5. The above numbered contract/order is modified as set forth in Block 6, by a supplemental agreement entered into pursuant to the authority of a Supplemental Agreement. The contractor is required to sign and return 0 copy/copies of this modification to the Issuing Office (See Block 4).

6. DESCRIPTION OF MODIFICATION:

This modification is issued to extend the Period of Performance through December 31, 1998 and to provide additional funding for Sponsorship Fees due:

March 1, 1998

[REDACTED]

June 1, 1998

[REDACTED]

September 1, 1998

[REDACTED]

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA IS changed.

Previous Grand Total
Value of Modification
New Grand Total

[REDACTED]

8. SIGNATURE: CONTRACTOR
NOT APPLICABLE

U.S. POSTAL SERVICE

Signature _____ Date _____
Name of Person authorized to
sign on behalf of Contractor

Michael Harris 3/3/98
Signature _____ Date _____
Name of Contracting Officer
MICHAEL J. HARRIS

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

- 1. MODIFICATION NO.: M04 TO CONTRACT/ORDER NO.: 102590-96-Z-0739
- 2. a. DATE ISSUED: 12/30/97 b. REQUEST NO.: 98-2614
- c. FINANCE NO: 102531

3. CONTRACTOR:
 MONTGOMERY SPORTS INC
 SUITE 2100
 600 MONTGOMERY ST
 SAN FRANCISCO CA 94111-2723

4. ISSUED BY:
 U.S. Postal Service
 Purchasing Room 4541
 475 L'Enfant Plaza SW
 Washington DC 20260-6230

ATTENTION:
 (415) 627-2665

FOR INFORMATION CALL:
 Rosalie McGovern
 (202) 268-5651
 ACO CODE: 102590

5. The above numbered contract/order is modified as set forth in Block 6, by administrative change (such as changes in paying office or accounting and fiscal data).

6. DESCRIPTION OF MODIFICATION:

- 1. Change Finance Number to 67-7830
- 2. Add funds in the amount of [REDACTED]

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA is changed, see below.

Previous Grand Total : [REDACTED]
 Value of Modification : [REDACTED]
 New Grand Total : [REDACTED]
 New Net Total (less discounts): [REDACTED]

8. U.S. POSTAL SERVICE

Michael J Harris 12/30/97
 Signature Date

MICHAEL J HARRIS
 Name of Contracting Officer

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

1. MODIFICATION NO.: M03 TO CONTRACT/ORDER NO.: 102590-96-Z-0739
2. a. DATE ISSUED: 04/03/97 b. REQUEST NO.: 97-05059
c. FINANCE NO: 677830

3. CONTRACTOR:
MONTGOMERY SPORTS INC
SUITE 2100
600 MONTGOMERY ST
SAN FRANCISCO CA 94111-2723

4. ISSUED BY:
U.S. Postal Service
Purchasing, Room 1140
475 L'Enfant Plaza, SW
Washington, DC 20260-6237

ATTENTION: Mark Gorski
(415) 627-2665

FOR INFORMATION CALL:
John R. Portell
(202) 268-3789
ACO CODE: 102592

5. The above numbered contract/order is modified as set forth in Block 6, by supplemental agreement entered into pursuant to authority of mutual agreement. The contractor is required to sign and return two copy/copies of this modification to the Issuing Office (See Block 4).

6. DESCRIPTION OF MODIFICATION:

Funding in the amount of [REDACTED] is added for hospitality marquees at each of the three events comprising the 1997 Tour of America. The event names, dates, and price for each race are:

4/27/97 First Union Grand Prix [REDACTED]
6/08/97 Thrift Drug Classic [REDACTED]
6/16/97 CoreStates USPRO Championship [REDACTED]

Montgomery Sports may invoice the USPS upon completion of each race.

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA is changed, see below.

Previous Grand Total : NTE [REDACTED]
Value of Modification : NTE [REDACTED]
New Grand Total : NTE [REDACTED]
New Net Total (less discounts): NTE [REDACTED]

B. SIGNATURES: CONTRACTOR

Mark B. Gorski
Signature
Mark B. Gorski
Name of Person Authorized to Sign

April 7, 1997
Date
General Manager
Title

U.S. POSTAL SERVICE

Alfred S. Keve
Signature
4/7/97
Date
Alfred S. Keve
Name of Contracting Officer

U.S. POSTAL SERVICE: CONTRACT/ORDER MODIFICATION

-
1. MODIFICATION NO.: M02 TO CONTRACT/ORDER NO.: 102590-96-Z-0739
2. a. DATE ISSUED: 1/3/97 b. REQUEST NO.: 97-02609
c. FINANCE NO: 677835
-

3. CONTRACTOR:
MONTGOMERY SPORTS INC
SUITE 2100
600 MONTGOMERY ST
SAN FRANCISCO CA 94111-2723

4. ISSUED BY:
U.S. Postal Service
Services Purchasing Room 4541
475 L'Enfant Plaza SW
Washington DC 20260-6237

ATTENTION: Mark Gorski
(415) 627-2665

FOR INFORMATION CALL:
Alfred S. Keve
(202) 268-2245
ACO CODE: 102592

5. The above numbered contract/order is modified as set forth in Block 6, by administrative change (such as changes in paying office or accounting and fiscal data).
-

6. DESCRIPTION OF MODIFICATION:

The finance number for the funding added in modification M01
is changed from: 10-5080
to: 67-7835

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA is unchanged.
-

8. U.S. POSTAL SERVICE


Signature

1/3/97
Date

Alfred S. Keve
Name of Contracting Officer

1. MODIFICATION NO.: M01 TO CONTRACT/ORDER NO.: 102590-96-Z-0739
2. a. DATE ISSUED: 10/11/96 b. REQUEST NO.: 97-00687
c. FINANCE NO: 105080

3. CONTRACTOR:
MONTGOMERY SPORTS INC
SUITE 2100
600 MONTGOMERY ST
SAN FRANCISCO CA 94111-2723

4. ISSUED BY:
U.S. Postal Service
Services Purchasing Room 4541
475 L'Enfant Plaza SW
Washington DC 20260-6237

ATTENTION: MARK GORSKI
(415) 627-2665

FOR INFORMATION CALL:
Alfred S. Keve
(202) 268-2245
ACO CODE: 102592

5. The above numbered contract/order is modified as set forth in Block 6, by supplemental agreement entered into pursuant to authority of mutual agreement. The contractor is required to sign and return two copy/copies of this modification to the Issuing Office (See Block 4).

6. DESCRIPTION OF MODIFICATION:

1. The period of performance is extended through 12/31/97. The sponsorship fee for 1997 is increased from [redacted] to [redacted]. This additional funding of [redacted] shall be used exclusively as a pass-through to riders for salaries.
2. Paragraph 9.(c)(iii) of the sponsorship agreement is modified as follows: Change "top 20 UCI teams" to "top 18 UCI teams".
3. The following is added to Exhibit A of the sponsorship agreement: "The Company shall provide, at its sole expense, a hospitality program valued between [redacted] and [redacted] for the benefit of the Sponsor at the 1997 Tour de France."
4. The payment schedule in Exhibit B of the sponsorship agreement is modified to reflect four payments of [redacted] each in 1997.
5. In addition to the funds added by para. 1 above, funding in the amount of [redacted] is added for the services of Greg LeMond in 1996 per the attached agreement. Funding in an amount NTE [redacted] is also added for Mr. LeMond's travel expenses, for a total of [redacted].

Except as provided herein, all terms and conditions of the document referenced in Block 1, as heretofore changed, remain unchanged and in full force and effect.

7. ACCOUNTS PAYABLE DATA is changed, see below.

Previous Grand Total	:	[redacted]
Value of Modification	:	[redacted]
New Grand Total	:	[redacted]
New Net Total (less discounts):	:	[redacted]

8. SIGNATURES: CONTRACTOR

Shona P. Sangston 10/29/96
Signature Date

Shona P. Sangston CFO
Name of Person Authorized to Sign Title

U.S. POSTAL SERVICE

Alfred S. Keve 10/21/96
Signature Date

Alfred S. Keve
Name of Contracting Officer

ATTACHMENT
MODIFICATION M01 TO
SPONSORSHIP AGREEMENT
102590-96-Z-0739

RECITALS

- A. The Company and LeMond Cycling, Inc. (LCI) are parties to that certain Endorsement Agreement dated as of March 5, 1996 (the Endorsement Agreement), and that certain Supplemental Agreement to Endorsement Agreement dated as of March 5, 1996, pursuant to which the Company and Sponsor have obtained certain rights to the use of the name and services of Greg LeMond; and
- B. The Company and Sponsor desire to modify the Sponsorship Agreement to provide that the Sponsor will reimburse the Company for certain of the compensation to be paid by the Company to LCI pursuant to the Endorsement Agreement.

Now, therefore, the parties agree as follows:

AGREEMENT

Exhibit B to the Sponsorship Agreement is hereby modified by adding the following new paragraph 4.

4. The Sponsor will reimburse the Company for one-half of all amounts paid to LCI or Greg LeMond (LeMond) pursuant to the Endorsement Agreement; provided, however, that the Sponsor will not reimburse the Company for any amounts paid or reimbursed to LCI or LeMond for air travel pursuant to Section 3.02 thereof which are in excess of the rate for coach class air travel or for any travel expenses of LeMond's companion. In addition, the Sponsor will only reimburse the Company in the second Contract Year to the extent that the Sponsor elects to use the services of LCI or LeMond. The obligation of the Sponsor contained in this paragraph 4 will survive any expiration or termination of this Agreement.



Pro Cycling Team

**Sponsorship Evaluation Outline
2001 USPS Pro Cycling Team**

A. TANGIBLE ASSETS

I. Race Programming:

a. Outdoor Life	\$ 2,584,200
b. CBS	1,707,492
c. Fox Sports Net	432,234

a. ESPN SportsCenter	\$ 346,250
b. FSN National Sports Report	85,500
c. CNN/SI Sports Tonight	2,850
d. Overall Win / Local News Media	10,999,758
e. 4 Stage Wins / Local News	14,666,344

a. OLN	\$ 510,048
b. CBS	840,000

a. Sea Otter Classic	\$ 45,000
b. Clarendon Cup	3,000
c. First Union Nationals	12,000
d. Paris Roubaix	13,399
e. Tour of Flanders	3,000
f. Liege Bastogne Liege	3,000
g. Amstel Gold Cup	3,000
h. Classique des Alpes	6,000

i. Tour de Suisse	12,000
j. Vuelta de Espana	562,400

II. Editorial/PR Coverage:

a. USA Today cover	\$ 30,000
b. Local/Misc papers	1,079,229

a. Sports Illustrated cover	\$ 257,900
b. TV Guide	51,340
c. Time Magazine	25,000
d. Misc.	490,649

¹ FCB Sports with the help of Tailwind and USPS will re-evaluate numbers make sure to include cycling and postal trade magazines

- a. ussprocyling.com.
- b. OLNTV.com webcasts
- c. circleofhope.com
- d. lancearmstrong.com
- e. georgehincapie.com
- f. tylerhamilton.com
- g. letour.fr/2001/us—the official website of the Tour de France
- h. velonews.com—the Journal of Competitive Cycling
- i. cyclingnews.com—Cycling racing results and news analysis

² All these websites did not show up on Media Matrix/Neilsen runs because traffic was too low

a. Charlie Rose	\$ 80,000
b. David Letterman	285,000
c. Today Show	180,000
d. Live with Regis	183,500
e. CBS This Morning	63,000

- a. USPS vehicles
- b. Chicago Nike Town bus ads
- c. Time Square/SF billboards



- a. Various Lance books
- b. AP Awards exposure

III. Contractual Assets:



- a. Lance Armstrong
- b. Other USPS Team Riders
- c. USPS Team Executives



- a. Tour de France hospitality \$ 25,000
- b. US-based races hospitality 27,125



- a. Uniform/Likeness for Tradeshows \$ 25,000
- b. Videos on Exhibit Theaters 50,000
- c. Premium giveaways 10,000

IV. In-Direct Advertising & Promotions:

- | | |
|-----------------------------|---------------------------|
| 1. USPS | Tamara Michael/John Ward |
| 2. Nike | Dan Osipow/Bill Stapleton |
| 3. Yahoo | \$ 356,400 |
| 4. Trek | Dan Osipow/Cindy Sisson |
| 5. Bristol Meyer Squibb | Dan Osipow/Bill Stapleton |
| 6. PowerAde | Dan Osipow/Cindy Sisson |
| 7. Giro | Dan Osipow/Cindy Sisson |
| 8. Clif Bar | Dan Osipow/Cindy Sisson |
| 9. Thomas Weitzel Financial | Dan Osipow/Cindy Sisson |

² Subjective analysis based on our extensive experience and working knowledge of the sports sponsorship industry

B. INTANGIBLE ASSETS ²

I. Prestige of Property	\$ 250,000
II. Brand Equity Transfer	500,000
III. Recognition of Event	50,000
IV. Category Exclusivity	25,000
V. Audience Loyalty/Interest	10,000
VI. Ability to "Activate"	25,000
VII. Lack of Sponsor Clutter	10,000
VIII. Non-Ambushability of Property	5,000
IV. Sales Development/Networking	50,000
V. Overall PR coverage	<u>50,000</u>
	\$ 975,000

² Subjective analysis based on our extensive experience and working knowledge of the sports sponsorship industry

