

850 Lafayette Street  
Denver, Colorado 80218  
May 25, 1990

Dear Rick,

I just received your letter of May 18. At this point, I am really confused. About 10 days ago, I got a letter from Bob Hultquist, which was copied to you, saying you said you were willing to accept all the terms and conditions of the March, 1990 version of our agreement except the interest provision. Now you are saying that you are not willing to accept any of the agreement - you want to start from scratch and work a new agreement. I don't get it.

There is no doubt in my mind that you are sincere in wanting to get this taken care of. But that is not quite the same thing as actually negotiating in good faith. Right now I feel like I am really getting jerked around.

When you came out here last August, we agreed to a \$40,000.00 payout over five years and a "bonus" payment scheme based on gross receipts. The \$40,000.00 figure was a significant drop from what I had asked for and the five years was considerably longer than I wanted. I agreed to these terms because you said you wanted the \$40,000 figure over the longer period so that you were not committing to more than you yourself could pay off each year if T&P went belly up. You offered the bonus arrangement as a way to compensate for the difference between what I thought was a reasonable price and what you were comfortable being committed to as an absolute figure. That was the substance of our agreement. You never said anything about basing the "bonus" on a profit figure. From day one you offered to pay the bonus based on income, not profit.

When the first draft of the agreement arrived, I saw that the "special project" provision had been added. I do not have any recollection that we ever talked about that provision in August. In fact, you specifically said you did not want to make any more tapes at all. The first I heard about a "special project" provision was when I received the draft. I was really shocked, because you had been so adamant about not wanting to do any more tapes. I called Bob Hultquist, saying this. He suggested I submit revisions in writing, reflecting what I understood our agreement to be. I did this in early November. The interest provision was in that revision and the "special project" provision was not.

The interest provision was inserted, even though we had not specifically talked about it, because it is a standard business practice to pay interest on installment purchases. (I don't know of anyplace a person can go and borrow \$40,000.00 without