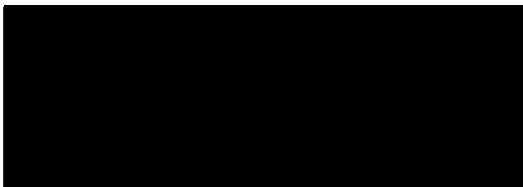


# Kevin Costner

May 5, 2000



Dear Peggy,

1. In order to assist you during your transition period to other work, I will pay you \$60,000 (\$5,000 per month on the first day of each month over the next year) once the last sculpture has been delivered to the mold makers. I will even make \$10,000 of this a non-taxable gift to you so that you will only have to pay taxes on \$50,000. If we are able to sell the "Ridge Runners" (H&R1, BB1, CW2, and CF3) or the "Collision" (H&R3 and BB13) in the life scale to any party at or above standard bronze market pricing, the \$60,000 will have not to be paid. The receipts from any such sale will be divided as outlined in clause 2.

2. Although I will be the sole owner of all rights in the sculptures, including the copyright, in the sculptures, you will always be attached through your royalty participation. Because I believe that the sculptures are a valuable asset, I feel strongly that it is important that you maintain your 20% of gross retail price royalty on future sales of fine art reproductions (5% of gross retail price royalty on mass market reproductions selling for under \$200). However, should you desire to sell that interest to me at some point in the future, I would be happy to discuss that with you in good faith.

3. Although I do not anticipate this will ever arise, if The Dunbar is not built within ten (10) years or the sculptures are not agreeably displayed elsewhere, I will give you 50% of the profits from the sale of the one and one-quarter life scale sculptures after I have recouped all my costs incurred in the creation of the sculptures and any such sale. The sale price will be at our above standard bronze market pricing. All accounting will be provided. In addition, I will assign back to you the copyright of the sculptures so sold (14 bison, 3 Lakota horse and riders).

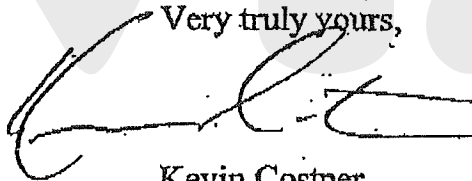


4. We will locate a suitable site for displaying the sculptures if The Dunbar is not under construction within three (3) years after the last sculpture has been delivered to the mold makers. In the meantime, until the sculptures are put on display, I will permit you to market and sell reproductions and you can retain eighty percent 80% of the gross retail sales price and pay 20% to me. Once the sculptures are put on public display in public view, agreed upon by both parties (but with the final decision to be made by me if we do not agree); the percentages will reverse, 80% of the gross retail sales price to me and 20% to you. The marketing must proceed as outlined below.

5. After the sculptures are completed and prior to the resort's completion, I will, upon your request, advance the costs necessary to produce, photograph and advertise up to two (2) maquette limited editions (not to exceed \$7,500 in the aggregate), provided that such advances will be recoupable out of sales proceeds and the royalties paid as indicated above. A minimum of two Southwest Art full page, full color ads are to be purchased (not to exceed \$5,220 in the aggregate) within this first year (2000), to market one of the editions, it being understood that the amounts paid for such ads will be recoupable out of the sales proceeds.


If the foregoing is acceptable, please sign two (2) copies of this letter to confirm our agreement and return them to me.

Very truly yours,



Kevin Costner

AGREED

  
Peggy Deiners