

## Email letter received from Mr. Dimmick's Attorney on May 14, 2007

Dear Jim:

I write in response to your email yesterday, attaching a letter dated May 12, 2007.

Mr. Dimmick believes that pursuit of partial resolution is the best course at the point in the process, given the time constraints set forth in your letter and the likely difficulty of resolving some of the parties' differences in connection with a global settlement. Mr. Dimmick is prepared to enter into an agreement to resolve the dispute in part along the lines set forth in my letter of May 8, 2007, with modifications as follows:

Item 1: Payment. Mr. Dimmick will pay to Mateel Community Center, Inc. ("MCC") the sum of \$200,000, plus \$20.00 per person to the extent the attendance limit is raised from its current level, with all amounts in excess of \$200,000 allocated to a purchase of any interest MCC may have in infrastructure on the Dimmick property or, in the event it should be determined by Mr. Dimmick or by binding third-party decision that Mr. Dimmick owes any other monetary obligation to MCC, toward any such obligation. The choice of how to allocate as between the infrastructure interest or other obligation shall be Mr. Dimmick's. Depending on the equipment MCC seeks for its Summer Arts Fair, Mr. Dimmick may agree to this term as provided in your letter.

Item 2: Rescission of 2B1/MCC agreement: Agreed

Item 3: License/Use of name. Mr. Dimmick cannot agree to refrain from using the name "Reggae Rising" in connection with the event. At this point, there is so much confusion in the market place, Mr. Dimmick cannot reasonably expect to sell out the event without using that name, especially given the increasing public reports that "Reggae on the River" may not occur regardless of the outcome of the legal dispute. He will, however, agree to place the "Reggae Rising" name in more of a supporting position, such as using the phrase "Reggae Rising presents Reggae on the River."

Item 4. Non-interference. Mr. Dimmick agrees that the pendency of litigation alone shall not be considered an impediment under this term, but believes, as explained below, that the term should make clear that no steps will be taken in the litigation at all, except as required by a court or to effectuate a stay, until after the 2007 festival takes place.

Item 5: Transfer of ticket proceeds/control: Agreed, but it should be clear that this includes a transfer of proceeds relating to camping and a list of vendors detailing the status of those arrangements. Mr. Dimmick would not be obligated to vendors, but would consider them on a case-by-case basis.

Item 6: Indemnity/Covenant Not To Sue: The original rationale for requesting indemnity against claims by 2B1 was to protect against a circumstance in which 2B1 objected to the rescission of the agreement with MCC and the license to Mr. Dimmick. Mr. Bragg, however, has indicated that 2B1 will agree to the rescission/license to Mr. Dimmick. We suggest that he sign off on this agreement, and that no one will provide any indemnity or other commitment regarding refraining from making claims. I doubt we have time to negotiate anything more complicated and, as written, the modifications suggested in your letter are problematic.

Item 7: Litigation Stay: All litigation must be stayed until after the festival. The reason for this is that discovery proceedings are likely to create a significant impediment to the extremely time consuming process of preparing for the festival. Additionally, there is no logical reason why only the summary judgment motion hearing should be deferred. If an overall stay is agreed upon, a deferral of proceeding until 45 days after the festival is acceptable.

Item 8: Payment of 2006 Obligations: It sounds like we do not have a disagreement in principle on this point. From Mr. Dimmick's point of view, he simply does not want outstanding obligations to government agencies or vendors to pose an impediment to the 2007 festival.

Receipt of a copy of the final, signed version of the MCC/2B1 agreement and a certified box office statement regarding ticket sales to the "Reggae on the River" event for 2007, and subsequent approval of the terms above by Mr. Dimmick, are preconditions to any deal. It is therefore urgent that MCC/2B1 provide that information immediately if we are to conclude even a tentative deal by tomorrow.

Please inform your client not to respond to these proposed deal terms with a "counterproposal." Not only is there inadequate time to continue these negotiations, but Mr. Dimmick cannot offer any increased sum, given existing financial constraints and uncertainties, nor can he afford to refrain from using the "Reggae Rising" name. The other terms, too, are all more than reasonable.

I will attempt to contact you later today or early tomorrow to discuss.

JGK