

## CAMEL POOL PROGRAM AGREEMENT

This Agreement is made and entered into by and between Habits & Vices (hereinafter referred to as "Venue"), located at 523 West Matilda, Illiopolis, IL 62539 and Sports Marketing Enterprises (hereinafter referred to as "SME"), located at 401 North Main Street, Winston-Salem, North Carolina.

1. Term

The term of this Agreement will begin on 7/14/99 and extend through 7/14/01.

2. The Program

This Agreement involves the ongoing advertising and promotion (hereinafter referred to as the "Program") of CAMEL cigarettes (hereinafter referred to as the "Product"). SME will provide Venue with various items and promotions that will benefit Venue as detailed below. In exchange for these items and promotions, Venue will actively promote the Product according to the terms below.

3. Responsibilities of SME

During the term of this Agreement, SME will provide Venue with the items and promotions listed in Exhibit A attached hereto and incorporated herein by reference.

4. Responsibilities of Venue

- I. Ensure that no one under 18 years of age is permitted to enter the club at any time.
- II. Prominently display signage items listed in Exhibit A for term of contract.
- III. Use bar essentials listed in Exhibit A throughout term of contract.
- IV. When applicable, Venue agrees to prominently merchandise and sell the Product exclusively in display listed in Exhibit A. Venue is responsible for stocking the display with the Product.
- V. Venue shall grant sponsor's representative(s) access to venue on a nightly basis for item delivery, promotion information dissemination, and research purposes.
- VI. When applicable, Venue agrees to host promotion night(s) to be mutually agreed upon by the parties.
- VII. On promotion nights:
  - A. Provide sponsor with high traffic, high visibility location within venue to set up promotion night activities.
  - B. Provide sponsor with reasonable access to club to allow for preparation time.
  - C. Allow sponsor to identify and request information from smokers 21 years of age and older.
  - D. Restrict participation in promotions to smokers who are 21 years of age and older.

5. Confidentiality

Venue, its employees and agents will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by SME to Venue or acquired by Venue in performing services pursuant to the Agreement and not intended for public display or distribution. Venue will not use or disclose the information or materials, or any other confidential information, to third parties without the prior, written consent of SME. Upon termination or expiration of the Agreement, or within thirty days thereafter, Venue will return all materials to SME *if requested to do so by SME*. Venue will not disclose to third parties the existence or terms of the Agreement, except as is necessary for the performance of its obligations hereunder, without the prior, written consent of SME. Venue's responsibility to maintain confidentiality will survive the termination of this Agreement.

6. Exclusivity

For the duration of the Program, Venue will not engage in the activities contemplated in the Agreement or similar activities in connection with cigarettes or other tobacco products of any company other than R.J. Reynolds Tobacco Company without the prior, written consent of SME, which consent will not be unreasonably withheld.

7. Trademarks

The trademarks, label designs, product identifications, artwork and other symbols associated with the Product are and shall remain the property of R.J. Reynolds Tobacco Company.

8. Termination

SME may terminate this Agreement, with or without cause, on seven days advance written notice to Venue. SME will have no liability or obligations to Venue after the termination date specified in SME's notice of termination, except to provide any funds owed to Venue at the time of termination for Venue's participation in the Program.

Venue may terminate this Agreement, with or without cause, on thirty days advance written notice to SME. Venue will have no liability or obligations to SME after the termination date specified in Venue's notice of termination, except to return, at SME's option, any materials furnished to Venue by SME, and refund to SME on a pro rata basis any moneys paid to Venue by SME in return for Venue's participation in the Program.

9. Governmental/Judicial Interference

In the event of federal, state or local legislative, judicial, administrative or other governmental action that prohibits, impairs, inhibits or declares unlawful the advertising and/or promotion of tobacco products or the sponsorship of sporting, entertainment of other events by manufacturers of tobacco products, or that restricts the activities contemplated hereunder, or that in any way affects or frustrates advertising or promotional activity under this Agreement, then, in any such event, SME may terminate this Agreement effective upon the earlier of (i) 7 days following the delivery of written notification by SME of such termination or (ii) the effective date of such legislative, judicial or administrative action. Neither party shall have liability to the other on account of termination pursuant to this paragraph. The parties acknowledge that the current FDA Regulations Restricting the Sale and Distribution of Cigarettes and Smokeless Tobacco Products to Protect Children and Adolescents [21 CFR Parts 801, 803, 804, 807, 820, and 897] are such an event of governmental action under this Paragraph if such Regulations or any of them affecting the activities under this Agreement are upheld by a court of competent jurisdiction or are otherwise allowed to take effect.

10. Right to Renew

Upon expiration of this Agreement, SME shall have the right to renew this Agreement for an additional year or years.

11. Relationship of the Parties

Nothing contained herein shall be construed to create a partnership or joint venture nor to create the relation of principal and agent or employer and employee between the parties or any of its employees or agents within the meaning of any federal, state or local law. Neither party shall hold itself out contrary to the terms of this paragraph, and neither party shall become responsible for any representation, act, or omission of the other contrary to the provisions hereof. Venue shall have no authority to bind or commit SME to any action. No agreement negotiated or obtained by Venue shall be binding upon SME unless approved and signed by SME.

12. Governing Law

North Carolina law shall govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties.

13. Indemnification

Venue shall indemnify, defend and hold harmless SME, its parent, subsidiaries and affiliates, and their respective officers, directors, agents and employees, from and against any and all claims, demands, actions, or causes of action and liabilities and expenses (including reasonable attorneys' fees and costs) incurred by SME, its parent, subsidiaries and affiliates and their respective officers, directors, agents and employees, which action or proceeding arises out of the performance of this Agreement, including without limitation any action or proceeding concerning personal injury, bodily injury (including death), or property damage. Venue also agrees to indemnify and hold SME harmless against the loss, theft, destruction and/or damage of any nature of the Product and/or other property belonging to SME while in Venue's possession, care, control, or custody.

14. Binding Agreement

This Agreement shall be binding upon the parties and their successors and assigns.

15. Entire Agreement

This Agreement embodies all of the terms and conditions of the agreement between the parties and supersedes all other agreements, if any, express or implied, whether written or oral. There are no statements, representations or warranties which have not been included in this Agreement.

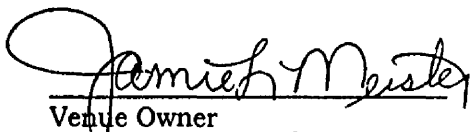
16. Compliance with Laws

Venue, with the execution of this Agreement, shall comply with all applicable federal, state and local laws and regulations bearing on the performance of Venue's obligations.

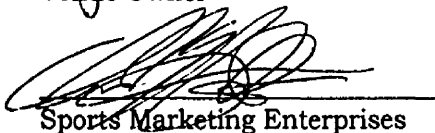
17. Cancellation and Preemption

In the event that any or all of the special events, on-going promotion or product promotion participation does not take place, in whole or in part, due to permanent closing of business, temporary closing of business, bankruptcy, or any natural disasters or force majeure, including without limitation, weather, fire, flood, strike, labor dispute or similar cause beyond the control of the parties, then SME shall be entitled to an immediate refund of any moneys (or a pro rata portion thereof if the promotion took place only in part) that may have been paid to Venue.

AGREED TO AND ACCEPTED:

  
Venue Owner

7/14/99  
Date

  
Sports Marketing Enterprises

7/14/99  
Date

\* Habits & vices agrees to sell exclusively RJE cigarettes

Exhibit A

<u>Item</u>	<u>Quantity</u>
Presence Package	1
Wall mount ashtray	6
Standing Ashtray	4
Message Board	1
Pool Table Lamp	1
Pack Display	1
Customized T-shirts	Habits & Vices
Beast Neon	2 Illio polis, IL
Napkin Holder	4

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