

3A-5503 (10/98)
114772/800273 (pam)
Records Retention: 5 years

Brown & Williamson Tobacco Corporation

ALLIANCE

LEVEL A-B-C-D

Military Contract

STORE FIXTURING REQUIREMENTS

>STORE CARTON FIXTURE(S) OR COMPETITIVE FIXTURE(S):

- Vertically set by company using share of market = share of space based on Regional Military industry data or store data, where available
- B&W product merchandised within assigned space as determined by your B&W Representative
- A minimum of 450 front carton facings are required for Level A and B

>ONE STORE CENTRAL PACKAGE FIXTURE OR OTHER PACK SELLING LOCATION:

- Vertically set by company using share of market = share of space based on Regional Military industry data, or store data, where available
- B&W will be merchandised in no less than the second marketing position in a horizontal set.

>B&W DISPLAY FIXTURE, IF APPLICABLE:

- B&W fixture headers must be visible and may only be filled with authorized B&W header materials
- A minimum of 6 facings is required

In addition to the above requirements:

Level	B&W CPW	Vertical Set	Vertical Set 1 Exposure	Vertical Set 2 Exposures	Vertical Set 3 Exposures
A	200+	\$	\$	\$	\$
B	100-199	\$ 100.00	\$	\$	\$
C	50-99	\$	\$	\$	\$
D	0-49	\$	\$	\$	\$

STORE NAME AND ADDRESS	Monthly Payment	# of Months	Total Expected Payment
Bldg 1965 Summerall St H. McClellan Navy Exchange # 22260	\$ 100.00	6	\$ 600.00

CONDITIONS:

- Any store that is NOT set vertical may only qualify for Level D. Exposure payments.
- Space to be re-allocated at least annually based on share of market/share of space.
- B&W brand mix and space allocations will be determined by the B&W Representative based on store data.
- B&W must be set last in line in full revenue section and first in line in VFM section (side by side).
- Store must accept new brand styles as determined by the B&W Representative for a minimum of six months.
- Store must allow B&W some vehicle to communicate net price to consumer.
- All payments will be made to Headquarters, unless other direction is received from Headquarter level.
- Base Level payments will increase or decrease based upon percentage of B&W increase or decrease in unit volume sales by branch of service annually.
- If, at any time, store is found to be out of compliance with this contract, payments are subject to immediate suspension.
- The 450 front carton facings requirement is waived for Levels C and D.
- B&W fixtures will stay in place for a minimum of three years. B&W fixtures removed prior to the end of the three-year period will result in contract cancellation.
- Customer agrees to provide on-going store level sales data to determine B&W volume in a manner agreeable to B&W. If data is not provided, store may only qualify for D Level payment.
- Exposures may consist of B&W displays, Showcase displays or B&W Headers on competitive or store fixtures.
- This contract may be canceled at any time upon thirty (30) days written notice.
- This supersedes any previous contract and becomes effective on July 1, 1998.

BROWN & WILLIAMSON TOBACCO CORP.

James K. Hozier
SIGNATURE

SMAN 5200m
TITLE

7/23/98
EFFECTIVE DATE

Distribution: WHITE-SMRM Yellow-Store Pink-Retail

STORE MANAGER/BUYER

Douglas Vassallo
SIGNATURE

General Manager
TITLE