

ADDENDUM TO AGREEMENT

KNT currently is providing services to Tobacco Exporters International (TEI), a purveyor of tobacco products. The services provided have been minimal in scope, for a product line which in no way conflicts with KNT's work for RJRT. This work over the last six months has totalled less than \$2,000.

By this addendum, it is agreed that this work for TEI shall in no way abrogate the attached agreement, specifically Section 8.

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KNT/RJRT Agreement

February 1, 1988

The attached contract is between Keith N. Thomas, Inc. (KNT) and R. J. Reynolds Tobacco Company (RJRT). KNT has worked with RJRT on prior new brands projects and is serving as a contractor to develop a package design for a new RJRT menthol cigarette brand. Their assignment is broken out into four phases with each phase having specific responsibilities and a separate fee calculation.

The contract is for a five-month period (2/1/88 - 7/1/88) and either party can terminate the agreement upon 12 days written notice.

KNT receives a professional fee for each phase of project development as well as reimbursement from RJRT for a reasonable amount of out-of-pocket expenses. The contract is written for a maximum amount of \$275,000 which may not be exceeded without a purchase change order from RJRT. Fees will be billed at the completion of each project phase.