R.J. Reynolds Tobacco USA Winston-Salem, N.C. 27102 (919) 777-5000

RUR

No. 88-820-008SEC

January 2, 1988

Mr. David Allio
The Darkroom
Hix Orchard
501 Dogwood Avenue
Wise, Virginia 24293

Dear Mr. Allio:

This letter will confirm the agreement between R.J. REYNOLDS TOBACCO USA ("Reynolds") and DAVID ALLIO of The Darkroom ("Contractor") whereby you will provide to Reynolds the services described below ("Services") on the terms set forth herein. Specifically, it is agreed as follows:

1. <u>Description of Services</u>. Contractor shall provide the following Services to Reynolds:

Photographic services at selected events agreed upon in advance and in writing on the NHRA Winston Drag Racing series, Winston West series, Camel Pro series, Camel GT series and Winston Racing series. Written specific assignments for each series and events within the series will become a part of this agreement and will be attached hereto.

- 2. Compensation. Upon satisfactory completion of the Services, Reynolds will pay Contractor applicable sums based on the attached 1988 Vivid Images Master Pricelist (revised 12/15/87) payable upon receipt by Reynolds of an itemized invoice for services rendered. Invoices should be sent to: Nat Walker, R.J. Reynolds Tobacco Co., 401 N. Main St., 16th Floor, Winston-Salem, NC 27102.
- 3. Term. This agreement shall commence on the date hereof and shall terminate December 31, 1988. In addition, upon default or unsatisfactory performance by either party, this Agreement may be terminated by the other party upon prior written notice to the defaulting or non-performing party.

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- 4. Indemnification. Contractor shall indemnify, defend, and hold harmless Reynolds, its parent and subsidiaries, from and against any and all loss, cost, claims, demands or actions arising out of bodily injury (including death), property damage or personal injury resulting from the negligent act or omission of Contractor in the performance of this agreement.
- 5. Audit. Reynolds shall have the right, during regular business hours and upon reasonable notice, to examine and audit all documents and records in the possession of Contractor that relate to any costs or expenses associated with the performance of the Services.
- 6. Relationship. The parties to this agreement intend that the relationship between them be that of independent contractor. The Services shall be performed at Contractor's risk. Nothing contained herein shall be construed to create the relationship of principal and agent or employer and employee. Contractor shall have no authority to bind or obligate Reynolds without the prior consent of Reynolds.
- 7. Assignment. Contractor shall have no right to assign or sublicense any rights or obligations to be performed by it under this agreement.

If you agree to the foregoing, please acknowledge your agreement in the space provided below and return the original executed copy to me.

Yours very truly,

Dávid B. Fishel Vice President

By:

Title: OWNER