

COLUMBIA BROADCASTING SYSTEM, INC.

485 MADISON AVENUE, NEW YORK 22, N. Y.

PLAZA 5-3000

October 25, 1950

The American Tobacco Company
111 Fifth Avenue
New York 3, N. Y.

Gentlemen:

We both desire that the four Jack Benny television programs to be sponsored by you and telecast over our facilities during the 1950-51 season receive the greatest possible advertising and promotion.

In consideration of your agreeing to give prominent mention in your advertising and promotion of the programs to the fact that they are being telecast over our facilities, we agree to pay you Twenty-five thousand dollars (\$25,000) for each program so telecast to be spent by you, in such manner as you see fit, for the advertising and promotion of each such program.

The amount so payable to you with respect to each of such four programs shall be paid within ten days following the telecast of such program.

If the foregoing is agreeable to you, will you please so indicate by signing and returning one copy of this letter.

Very truly yours,

COLUMBIA BROADCASTING SYSTEM, INC.

by *[Signature]*

Accepted and Agreed:

THE AMERICAN TOBACCO COMPANY

by *[Signature]*
Pres.

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(d)

COLUMBIA BROADCASTING SYSTEM, INC.
485 MADISON AVENUE, NEW YORK 22, N. Y.
PLAZA 5-2000

October 26, 1950

The American Tobacco Company
111 Fifth Avenue
New York, N. Y.

Dear Sirs:

We are about to enter into an agreement of even date herewith with respect to our furnishing Jack Benny programs for television broadcasts on your behalf.

CBS is aware that the cigarette business is highly competitive. In making advertising expenditures of the magnitude contemplated by the aforesaid agreement, The American Tobacco Company cannot be put to a disadvantage in relation to its competitors in the cigarette business. CBS agrees that if it shall make any agreement with any competitor of The American Tobacco Company in relation to telecasting by stars of the stature of Jack Benny on terms that would give such competitors the services of such comparable stars on terms and conditions substantially more favorable, in the light of all relevant circumstances, than those applicable to the aforesaid agreement between CBS and The American Tobacco Company, then the terms and conditions under the aforesaid agreement shall be commensurately adjusted for that portion of the term of the aforesaid agreement which shall be concurrent with the term of any such agreement with any competitor of The American Tobacco Company.

Very truly yours,

COLUMBIA BROADCASTING SYSTEM, INC.

By 

Date October 25, 1950.

Mr. Jack Benny
c/o MCA Artists, Ltd.
9370 Santa Monica Blvd.
Beverly Hills, California

Dear Mr. Benny:

It is hereby mutually agreed that the contract between you and us dated March 6, 1947, as heretofore modified, is hereby further modified as follows:

(1) You have heretofore negotiated with us on the possibility of your entering into an employment agreement with us for a television program series to be sponsored by us for a non-cancellable period of five (5) years starting during the current television season. We, with reluctance, have to advise you and we hereby reaffirm that it is contrary to the policy of the American Tobacco Company to enter into employment agreements for non-cancellable periods in excess of three years. Thereafter, Columbia Broadcasting System, Inc. advised us that if we did not elect to enter into a five-year non-cancellable television contract with you that they would desire to negotiate with you for such an employment contract, and that they would be willing to enter into an agreement with us for furnishing a package program to us of which you would be star for a five-year period cancellable by us at the end of three-years as therein provided. It would, therefore, inure to our benefit for you to enter into such television employment agreement with the Columbia Broadcasting System, Inc. The agreements that we shall enter into with the Columbia Broadcasting System, Inc. for said package program series would conform to our business policy and also give us certain benefits. Therefore, since you are about to enter into a television employment agreement with the Columbia Broadcasting System, Inc. and since we are about to enter into an agreement with the Columbia Broadcasting System, Inc. for the delivery to us of said package program series, we hereby acknowledge that you have fulfilled all of your obligations to us under subdivision (b) of paragraph 7 of said agreement between you and us dated March 6, 1947, and it is hereby mutually agreed that you have no further obligations to us whatever under said subdivision (b) of paragraph 7 of said agreement.

(2) In consideration of the fact that experience has proven that originating some of your broadcasts from Palm Springs, California, enhances the reception thereof by the public, it is

hereby mutually agreed that no more than five (5) programs are to be broadcast from Palm Springs, California during the current Program Period and also no more than five (5) programs during the next succeeding Program Period as follows: You shall determine which of said programs shall so originate from Palm Springs, California pursuant to the provisions of this paragraph, and you shall give us two weeks prior written notice of each such change of origination point under this paragraph; it being further agreed that the last two provisions of paragraph 11 of said agreement between you and us shall be applicable to this paragraph, and it is also agreed that this paragraph is deemed a binding provision added to the provisions of the said paragraph 11.

Except as hereinabove modified, said agreement between you and us dated March 6, 1947 remains as is and is hereby reaffirmed.

Both your and our signatures hereinbelow shall constitute this a binding modification of said agreement dated March 6, 1947.

Very truly yours,

THE AMERICAN TOBACCO COMPANY

by *Richard Hahn*
Pres.

ACCEPTED AND AGREED TO:

Jack Benny
JACK BENNY

✓
AMUSEMENT ENTERPRISES, INC.
6121 Sunset Boulevard
Los Angeles 28, California

10/25/50

The American Tobacco Company
111 Fifth Avenue
New York, New York

Gentlemen:

We understand that you intend to deliver to Jack Benny a letter embodying the following modification of the agreement between Mr. Benny and your company dated March 6, 1947, with respect to his radio services:

"In consideration of the fact that experience has proven that originating some of your broadcasts from Palm Springs, California, enhances the reception thereof by the public, it is hereby mutually agreed that no more than five (5) programs are to be broadcast from Palm Springs, California during the current Program Period and also no more than five (5) programs during the next succeeding Program Period as follows: You shall determine which of said programs shall so originate from Palm Springs, California pursuant to the provisions of this paragraph, and you shall give us two weeks prior written notice of each such change of origination point under this paragraph; it being further agreed that the last two provisions of paragraph 11 of said agreement between you and us shall be applicable to this paragraph, and it is also agreed that this paragraph is deemed a binding provision added to the provisions of the said paragraph 11.

"Except as hereinabove modified, said agreement between you and us dated March 6, 1947, remains as is and is hereby reaffirmed."

We hereby approve the change in origination of the Jack Benny radio program as set forth above.

Very truly yours,

AMUSEMENT ENTERPRISES, INC.

By James M. Seward
President

COLUMBIA BROADCASTING SYSTEM, INC.

485 MADISON AVENUE, NEW YORK 22, N. Y.

PLAZA 5-2000

October 23, 1950

The American Tobacco Company
111 Fifth Avenue
New York 3, N. Y.

Gentlemen:

This letter, when signed by you and by us, will constitute an agreement between us amending, in the particulars set out below, the agreement of March 31, 1950 under which we agreed to furnish to you the program package, "This Is Show Business."

The above described agreement shall be regarded as amended as follows:

1. Notwithstanding anything to the contrary contained in said agreement, it is now agreed between us that the programs will not be furnished to you on the dates of December 10, 1950; February 11, 1951; and March 25, 1951; and that we shall be under no further obligation to you with respect to the furnishing of said specific programs or any of them.

2. In lieu of the payment specified in paragraph 6 (a) of said agreement you shall elect one of the two options set out in paragraph 3 of this letter agreement.

3. At your election, you shall either:

(a) Pay to us for each of the omitted programs the gross sum of Five thousand six hundred and three dollars (\$5,603.00), each of such payments being subject to the deduction therefrom of an advertising agency commission equal to fifteen per cent (15%) of such payment, or

(b) In consideration of our agreement to waive all payments for the omitted programs you will agree that your right under paragraph 4 (b) of the original agreement to suspend the furnishing of the programs for a period of not to exceed eight (8) consecutive weeks during the period from June 1 to September 30

of any calendar year shall be modified and limited to the right to so suspend the furnishing of said programs for a period of not to exceed five (5) consecutive weeks during the said period from June 1 to September 30 of the calendar year 1951. It is further agreed that during said period, from June 1 to September 30 of the calendar year 1951, we will furnish to you three (3) programs in lieu of those omitted under paragraph 1 of this letter agreement and that you will pay for the furnishing of said programs the applicable compensation for the period in question as set forth in paragraph 6 of the original agreement. It is understood and agreed that each of the three (3) additional programs covered by this paragraph of this letter agreement is to be broadcast prior to September 30, 1951, the exact dates of such broadcasts to be later agreed upon between us.

Very truly yours,

COLUMBIA BROADCASTING SYSTEM, INC.

By *Norman R. Paul* JCF.

ACCEPTED AND AGREED TO:

THE AMERICAN TOBACCO COMPANY

By *Richard L. Lohr*
Pres.

THIS AGREEMENT made and entered into
this 25th day of October, 1950 by and between THE
AMERICAN TOBACCO COMPANY, a New Jersey corporation
(hereinafter referred to as "Sponsor") and COLUMBIA
BROADCASTING SYSTEM, INC., a New York corporation
(hereinafter referred to as "CBS"),

W I T N E S S E T H:

1. CBS shall furnish to Sponsor a series of
package television programs, as more fully described
herein, starring Benny (hereinafter called the "Pro-
grams"); and Sponsor agrees to pay therefor upon all
of the terms and conditions hereinafter set forth.

2. The Programs to be furnished by CBS here-
under shall be of a variety nature, shall star Benny
and shall contain such other elements as shall be
mutually agreed upon by Sponsor and CBS, it being
understood that all of such elements are subject to
Benny's reasonable approval. While the CBS-Benny
agreement provides for Benny's services only "as a
television artist and performer to appear on and
participate on television programs," it is the mutual
desire of the parties hereto that Benny participate
actively and extensively in the selection of the

elements for the Programs, and CBS agrees that, subject to budget limitations, it will be guided by Benny's and Sponsor's wishes with respect to the elements of the Program. In the event that CBS and Sponsor shall be unable to agree upon the elements (other than Benny) of any of the Programs, such other elements shall be determined by CBS.

3. (a) The Programs shall be telecast only over the network television facilities of CBS pursuant to agreement or agreements (hereinafter called the "Facilities Agreements") to be entered into between Sponsor and CBS for the furnishing by CBS of network television facilities for telecasting the Programs. So long as CBS shall continue to furnish facilities for the telecasting of other outstanding nighttime programs by the present generally-used black and white telecasting methods, the Programs, unless otherwise mutually agreed by CBS and Sponsor, shall be telecast by such black and white telecasting methods; provided, however, that Sponsor will agree to telecasting in color when, in its judgment, exercised in good faith, color telecasting will produce as large a viewing audience as black and white telecasting.

(b) The Facilities Agreement for the first

telecast year shall be signed concurrently with this agreement. The term of the Facilities Agreement subsequent to that for the first telecast year shall commence April 1, 1951, and the term of each subsequent Facilities Agreement thereafter shall commence immediately following expiration of the term of the preceding Facilities Agreement.

(c) The terms and conditions of each Facilities Agreement shall be those generally offered and published by CBS at the time each such Facilities Agreement is signed, except that each such Facilities Agreement (other than that for the first year of the term) shall provide for fifty-two (52) consecutive weeks of telecasting, with Sponsor having no right of cancellation or suspension except as follows:

- (1) Sponsor may suspend telecasts under each such Facilities Agreement in accordance with CBS' then current hiatus policy, it being understood that Sponsor shall have the benefit of the most favorable hiatus privilege that CBS is granting to any advertiser at the time such hiatus is taken, and
- (ii) the last Facilities Agreement may be cancelled as of the completion of the telecast of the last Program to be furnished pursuant to this agreement (in

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the third telecast year if Sponsor shall not exercise the option granted in Article 26 hereof, in the fifth telecast year if Sponsor shall exercise such option) and in the event that Sponsor shall not cancel such Facilities Agreement as of the completion of such last telecast, it shall thereafter have the same rights of cancellation as those granted advertisers generally at the time of execution of such Facilities Agreement.

The Sponsor shall furnish programs for the telecast dates falling within the term of any such Facilities Agreement and on which the Programs are not scheduled to be furnished hereunder.

(d) CBS shall furnish under each Facilities Agreement, except as prevented by causes beyond CBS' control, a minimum network coverage substantially equal, in terms of aggregate card rates, to that set forth in Schedule B of the Facilities Agreement, dated October 19, 1950, and, in addition, shall make available all television stations then available to CBS for the Programs. In the event that the network coverage which CBS furnishes under any subsequent Facilities Agreement shall be less than a

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network coverage substantially equal to that provided for the Sunday telecasts under the Facilities Agreement dated October 19, 1950, being executed concurrently herewith, and (i) such condition exists for thirty (30) days or more, and (ii) such event is the result, direct or indirect, of any statute, regulation, rule, order or decree of any governmental body, then there shall be a reduction in the amount of payments to be made under Article 11 hereof, which reduction shall be determined in the manner provided in paragraph (f) of this Article 3. In the event that CBS shall furnish part, but not all, of the minimum network coverage described above with respect to any Program, then, to the extent that CBS' failure to furnish part of such coverage arises from causes beyond its control, other than that set forth in the preceding sentence, there shall be no reduction in the amount payable with respect to such Program under Article 11 hereof. In the event CBS shall completely fail, for any reasons beyond its control, to provide any facilities whatsoever for any one or more Programs, then

- (1) where the failure is of a permanent nature, the Sponsor shall have no obligation to make payment to CBS with respect to Programs scheduled for telecast during

the period of failure;

- (11) where the failure is not of a permanent nature, then no amount shall become due or payable under Article 11 and, in lieu thereof, Sponsor shall pay to CBS only an amount equal to the total sums, if any, that CBS may be required to pay any of the persons engaged by CBS for such Programs (a) by any union or unions having jurisdiction or (b) by reason of any contractual obligations of CBS, but in no event more than would have been payable under Article 11 hereof; (CBS' contract with Benny provides, with certain exceptions, for such payments to him); and, in this connection, CBS shall use reasonable efforts to limit its commitments to persons participating in the Programs so as to minimize the amounts that may become payable by Sponsor pursuant to the preceding sentence of this Article 3.

(e) In the event that CBS shall have offered to make another Class A time period (as defined in Article 10 hereof) available as a substitute for the time period then being used for the Programs and, at

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the time such offer was made, CBS offered to furnish substantially the minimum network coverage (measured in terms of the aggregate of applicable stations rates) in the time period offered, reductions, if any, under paragraph (d) of this Article 3 by reason of prior events shall be deemed terminated as of the first telecast date for which CBS offered such substitute time. CBS shall be deemed to have offered to make a substitute time period available if it shall have offered to furnish such substitute time period on condition that both Sponsor and Benny shall notify CBS in writing within ten (10) days after CBS shall have notified Sponsor and Benny of CBS' ability to make such substitute time period available, that Sponsor and Benny desire to use such substitute time period for the Programs commencing on the earliest date on which substitute time period shall become available.

(f) For the purpose of computing whether or not any reduction shall be made under the second sentence of paragraph (d) of this Article 3 in the amounts payable hereunder with respect to any Program and, if so, the amount thereof,

(1) the aggregate of the then applicable rates of all of the television stations presently listed in Schedule B of the Facilities Agreement dated October 19,


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1950, being executed concurrently
herewith, shall be the base amount,

- (ii) the aggregate of the then applicable
rates of all available television
stations, as defined below, shall be
the available amount.

10 In the event that the available amount with respect to
25 any Program shall be less than ninety per cent. (90%)
50 of the base amount, then the amount payable by Sponsor
2d under Article 11 hereof with respect to such Program
shall be that amount which would have been payable under
Article 11 hereof if CBS had furnished substantially
the minimum network coverage for such Program less which-
ever shall be the smaller of (i) Fifteen thousand dollars
(\$15,000) or (ii) the amount obtained by multiplying the
amount which would have been payable under Article 11 here-
of if CBS had furnished substantially the minimum network
coverage for such Program by a fraction, the
numerator of which is the amount by which the base



amount exceeds the available amount and the denominator of which is the base amount. A station shall be deemed to have been available for any Program if it shall be a station (i) which carried that Program, or (ii) was offered by CBS for that Program and was not ordered by Sponsor, or (iii) once having carried the Programs, discontinued the Programs for any reason other than as the result, direct or indirect, of any statute, regulation, rule, order or decree of any governmental body.

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(g) The reduction of the amount payable by Sponsor for any Program shall not affect the computation of the budget average of the Programs.

(h) The reduction provisions of the second sentence of paragraph (d) of this Article 3 shall not be applicable to any Programs telecast in the fourth or fifth year of the term of the agreement.

4. CBS agrees to furnish the Programs to Sponsor as a "package" for telecast on behalf of Sponsor over the television stations designated in the Facilities Agreements and any extensions, amendments or modifications thereof.

Said "package" shall consist of the following:

- (a) The services of Jack Benny as the star.
- (b) The services of a cast, as required by the script.
- (c) The services of writers and scripts.
- (d) Direction and production.
- (e) An orchestra of 19 musicians and a conductor, and all cue music and musical arrangements required.
- (f) Sound and lighting effects, if and as required.
- (g) All rights to telecast the Programs.
- (h) Scenery, props and costumes.
- (i) Such other personnel and equipment as may be required for the Programs as such; except


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as such personnel and equipment are provided under the terms of the Facilities Agreements.

The Programs shall be called THE JACK BENNY PROGRAM or by such other title as shall be mutually agreeable.

5. Subject to the provisions of Article 2 hereof and subject to the provisions of paragraph 13 of the CBS-Benny agreement, a copy of which paragraph is attached hereto as Exhibit A, the Programs will be produced under CBS' direction and control.

6. The Programs shall advertise LUCKY STRIKE Cigarettes. CBS is not obligated to furnish hereunder any personnel, services or materials, whether aural or visual or both, with respect to the commercial or advertising matter to be telecast in connection with the Programs, and Sponsor shall furnish and pay for all such personnel, services and materials, except that CBS shall furnish, and cause some of the performing personnel on the Program to present, if requested by Sponsor, an integrated commercial, the placement and subject matter of which shall be subject to the approval of Benny. It is understood that, except for the integrated commercial, the advertising continuity telecast in connection with the Programs shall be telecast only before the beginning



of, and after the end of, the entertainment portion of the Programs.

7. Sponsor shall have no right, title or interest in or to the Programs, including, but not limited to, their title, format, idea, names, stories, plots, characters and any other literary, musical or other creative material included therein. CBS shall have no right, title or interest in or to any commercial or advertising matter furnished by Sponsor.

8. The Programs will originate from a CBS studio or theater studio in New York, New York, during the first year of the term hereof. They shall also originate in a CBS studio or theater studio in New York thereafter whenever transcontinental network television transmission facilities are not available to CBS in Los Angeles for the time period then being used under this agreement. When such facilities are so available, the Program shall be telecast from a CBS studio or theater studio in Los Angeles or its environs. Whenever television programs of the same general standard of quality as the programs hereunder are being recorded on film or by any other means heretofore or hereafter devised and are being telecast by such recordings, such television programs as Sponsor, Benny and CBS may jointly designate as those to be recorded shall be similarly recorded and telecast. In such event, all of

CBS' costs in connection with recording the programs on film (or otherwise) shall be divided equally between Sponsor and CBS, unless the parties hereto shall agree otherwise with respect to any program at the time it is designated as one to be recorded and telecast. Any such costs shall be excluded from any computation of program costs. It is understood that either Sponsor or CBS, in its sole and uncontrolled discretion, may refuse to designate any program as one which is to be recorded.

In any case, the origination point of telecasts of live performances shall be from CBS studios or theater studios at the point of origination.

9. The term of this agreement shall commence September 15, 1950, and shall consist of three (3) consecutive periods of one (1) year each.

10. (a) During the first year of the term, CBS shall furnish four (4) programs to be telecast from 8:00 to 8:45 PM, current New York time, on October 28, 1950 and from 7:30 to 8:00 PM, current New York time, on December 10, 1950, February 11, 1951 and March 25, 1951.

(b) During the second year of the term, CBS shall furnish four (4) Programs to be telecast from 7:30 to 8:00 PM, current New York time, on such Sundays during the second year of the term as shall be agreed

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upon between Sponsor and CBS on or before June 18, 1951. In the event that CBS and Sponsor shall not so agree, the Programs will be telecast during the second year of the term on October 28, 1951, December 9, 1951, February 3, 1952 and March 23, 1952.

(c) During the third year of the term (and during the fourth and fifth years of the term if the Sponsor shall exercise the option granted in Article 26 hereof) CBS shall furnish the programs as half-hour programs to be telecast for not less than twenty (20) telecasts nor more than twenty-four (24) telecasts as CBS shall elect (or, if Sponsor and CBS shall mutually agree upon a greater number, such greater number, not in excess of thirty-eight (38) as shall be mutually agreed upon by Sponsor and CBS and CBS will so agree if, but only if, both Sponsor and Benny request in writing that CBS so agree). At least five (5) weeks prior to the beginning of each 13-week cycle CBS shall give Sponsor written notice of the number of telecasts to be telecast during such 13-week cycle and of the weeks during such cycle during which the Programs are to be telecast; provided, however, that

(1) The first telecast of the Programs

*Par 10 Deleted
see Amendment 4/30/53*

in each telecast year shall be on the telecast date in the first week of such telecast year, and the last telecast of the Programs in such year shall be on the telecast date in the thirty-ninth (39th) week of such telecast year.

(ii) No interval between telecasts shall exceed two (2) weeks, i.e., no telecast of the Programs in any telecast year shall be more than two (2) weeks subsequent to the immediately preceding telecast in such year.

(iii) During each telecast year the Program shall be telecast only on a telecast date of such telecast year as provided in the following paragraphs of this Article 10.

(iv) The aggregate number of Programs telecast in such third year (or in the fourth and fifth years of the term if Sponsor shall exercise the option granted in Article 26 hereof) shall

*Par 10 deleted
per Amendment 1
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not exceed twenty-four (24) or such greater number as shall be mutually agreed upon between Sponsor and CBS.

(d) As used herein

(i) the term 13-week cycle shall mean a period of thirteen (13) consecutive weeks and each telecast year shall consist of three such cycles, the first of which shall commence concurrently with the beginning of such telecast year;

(ii) the term telecast date with respect to any year shall mean the day of the week and the half-hour period on such day selected or determined as the time for the telecasting of the programs during such year as provided in the following paragraphs of this Article 10;

the term "telecast year" with respect to any year shall mean a period of thirty-nine (39) consecutive weeks, commencing on such date not earlier

than September 15, nor later than October 10 of such year as Sponsor shall specify in written notice given to CBS on or before the July 15 preceding such year. If Sponsor shall not so specify such date with respect to any year, the telecast year within such year shall commence on the last Sunday in September of that year.

(e) If, on or before October 10, 1951, both Benny and Sponsor notify CBS in writing that they have jointly selected one of the following time periods, to-wit:

Tuesday, 10:00 to 10:30 PM

Thursday, 8:30 to 9:00 PM

Wednesday, 9:30 to 10:00 PM

(all then current New York time)

as the time period during which the Programs are to be telecast during the third year of the term, the time period so selected shall be the telecast date for the third year of the term. CBS may, at its option, substitute the Thursday, 9:00 to 9:30 PM period for the Wednesday, 9:30 to 10:00 PM period by giving Sponsor written notice of CBS' intentions so to do at any time prior to May 15, 1951, and shall give such notice in the event that Esso discontinues use of such

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time period prior to May 15, 1951. In the event that the General Electric Company shall discontinue use of the Sunday, 9:00 to 10:00 PM period on or before May 15, 1951, and CBS shall not require such time period or shall require only one-half hour thereof, for the Ed Sullivan program in order to fulfill presently outstanding commitments with respect to the Sunday, 8:00 to 8:30 PM or Sunday, 8:30 to 9:00 PM periods, CBS shall so notify Sponsor and Sponsor may substitute the Sunday, 9:00 to 9:30 PM or 9:30 to 10:00 PM period, or whichever of them shall be available, for one of the time periods listed above (or for the Thursday, 9:00 to 9:30 PM period if that shall have been substituted for the Wednesday, 9:30 to 10:00 PM period), provided Sponsor gives CBS written notice of Sponsor's election so to do within two (2) business days after CBS shall have notified Sponsor that either or both of such 9:00 to 9:30 PM or 9:30 to 10:00 PM periods on Sunday shall have become available. If Benny and Sponsor shall notify CBS that they have selected one of the time periods designated above as the time period during which the Programs are to be telecast during the third year of the term, then Sponsor shall have the right to telecast any other program sponsored by it and acceptable to CBS during the Sunday, 7:30 to 8:00 PM current New York time period, commencing effective with

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the week in which the time of telecast under the Facilities Agreement for the Programs is changed from 7:30 to 8:00 PM, as above provided. The foregoing option may be exercised by Sponsor by giving CBS written notice of its election so to do on or before October 10, 1951. The Facilities Agreement for the continued use of such time period shall contain the same terms and conditions as those generally offered and published by CBS thirty (30) days prior to the first telecast thereunder. If either Benny or Sponsor shall fail so to notify CBS that they have selected one of the time periods designated above as the time period during which the Programs are to be telecast during the third year of the term, then the telecast date for the third year of the term shall be Sunday, 7:30 to 8:00 PM, current New York time, and Sponsor shall have the right to telecast any other program sponsored by it and acceptable to CBS during such one of the said time periods (which might have been selected for the Programs) as it shall designate by written notice to CBS on or before October 10, 1951, and Sponsor shall agree at the same time to use such time period commencing no later than October 10, 1952, and no earlier than one year subsequent to the date on which Sponsor shall notify CBS of Sponsor's desire to use such period, for such telecasts pursuant to a facilities agreement which shall contain the same terms and conditions as those

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generally offered and published by CBS thirty (30) days prior to the first telecast in such time period. Sponsor will endeavor, in good faith, to advise CBS by June 18, 1951, or at such earlier date as is possible, of its selection and use of the time periods above referred to.

(f) On or before February 1, 1953, CBS shall notify Benny and Sponsor in writing of three (3) Class A time periods, in addition to that being used, during which the Programs may be telecast during the fourth year during the term in the event Sponsor exercises the option granted in Article 26 hereof. CBS shall advise Sponsor at the same time that it designates such time periods of the network coverage which it expects to be able to deliver for such time periods, including the one then being used for the Programs. At least one of such time periods (or the time period then being used for the Programs) shall be a time period during which CBS will be able to deliver, except for causes beyond its control, facilities which will furnish a minimum network coverage substantially equal to the average of such network coverage of the five (5) programs then being telecast over CBS facilities which have the greatest network coverage. For this purpose, network coverage shall be measured in the terms of the aggregate gross card rates of the facilities furnished

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or to be furnished.

(g) Between and including March 1 and March 8, 1954, CBS shall notify Benny and Sponsor in writing of three (3) Class A time periods, in addition to that being used, during which the Programs may be telecast during the fifth year of the term in the event Sponsor has exercised the option granted in Article 26 hereof. CBS shall advise Sponsor at the same time that it designates such time periods of the network coverage which it expects to be able to deliver for such time period, including the one then being used for the Programs. At least one of such time periods (or the time period then being used for the Programs) shall be a time period during which CBS will be able to deliver, except for causes beyond its control, facilities which will furnish a minimum network coverage substantially equal to the average of such network coverage of the five (5) programs then being telecast over CBS facilities which have the greatest network coverage. For this purpose, network coverage shall be measured in the terms of the aggregate gross card rates of the facilities furnished or to be furnished.

(h) If, on or before February 15, 1953, or March 18, 1954, as the case may be, both Benny and Sponsor notify CBS in writing that they have jointly selected one (1)

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of the time periods designated by CBS, as provided in the foregoing paragraphs (f) and (g) as the time period during which the Programs are to be broadcast during the next succeeding year, such time period shall be the telecast date for said year.

(i) If either Benny or Sponsor shall fail to give CBS the notice as provided above, then the telecast date for the next succeeding year of the term shall be the same as the telecast date in the immediately preceding year.

(j) "Class A time period" as used herein means such of the time periods for the broadcasting of the Programs hereunder over CBS' television network stations which commence no earlier than 7:00 PM and end no later than 10:30 PM, current New York time, on any evening except Sunday, when the Programs may commence no earlier than 6:00 PM and terminate no later than 10:30 PM, current New York time.

(k) In the event that the time period used for the Programs, pursuant to the preceding paragraphs of this Article 10, shall not provide substantially the network coverage which CBS notified Sponsor that it expected to be able to deliver, or would be able to deliver (except

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for causes beyond its control), as the case may be, CBS, subject to the approval of Benny, shall designate a substitute Class A time period for the Programs, such substitute time period to be subject to the reasonable approval of Sponsor and to be one which will provide network coverage substantially equal to that which CBS had advised Sponsor that it expected to be able, or would be able, to deliver (except for causes beyond its control), as the case may be, as provided in paragraphs (f) and (g) of this Article 10.

*Par 10 deleted
per 2 4/30/57*

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11. In consideration of CBS' agreements herein contained, Sponsor hereby agrees to pay CBS at New York, New York for each program broadcast during the term hereof the following:

(a) With respect to each program furnished during the first and second year of the term hereof, the sum of Fifteen Thousand Dollars (\$15,000) for the services of Benny, plus a sum equal to program costs as herein-after defined.

(b) With respect to each of the first twenty (20) programs of the third year of the term hereof:

(1) the sum of Fifteen Thousand Dollars (\$15,000) for the services of Benny;

[Handwritten signature]

(ii) program costs as hereinafter defined;

(iii) a sum equal to twenty per cent (20%) of the program costs specified in subdivision (ii) above, but in no event to exceed Four Thousand Five Hundred Dollars (\$4,500) per program.

(c) With respect to each program in excess of twenty (20) programs during the third year of the term hereof,

(i) the sum of Fifteen Thousand Dollars (\$15,000) for the services of Benny;

(ii) a sum equal to program costs as hereinafter defined;

(iii) a sum equal to ten per cent (10%) of program costs set forth in subdivision (ii) above, but in no event to exceed Two Thousand Two Hundred Fifty Dollars (\$2,250) per program.

Payments for each program shall be made within ten (10) days after receipt by Sponsor of a bill therefor

from CBS.


12. The term "program costs" with respect to any program furnished by CBS hereunder shall mean and include the following:

(a) All costs and expenses paid for orchestral services, based upon actual cost or then current applicable minimum union scales, whichever is the greater.

(b) All sums paid by CBS for the services of performers (including audition costs) other than Benny, script materials, production, direction and literary and music rights with respect to the Program.

(c) A fair allocation of salaries paid by CBS to any of CBS' personnel (other than musicians and executive and administrative personnel) who perform direct services which are part of the "package" furnished by CBS pursuant to Article 4 hereof, in addition to other services for CBS.

(d) Commissions paid by CBS to MCA Artists, Ltd., with respect to the Programs, such commissions to be ten per cent (10%) of program costs, exclusive



of MCA commission

(e) All production costs and expenses based upon CBS' standard rates charged to advertisers generally therefor, for example, sound effects, floor manager, set design, rental and dressing, lighting, supervision and special equipment, wardrobe, makeup and hairdressing, special effects, graphic arts, charges for services of stagehands, video and audio personnel, office costs for offices maintained for Benny and his writers and equipment in excess of the services and equipment normally furnished and paid for pursuant to the Facilities Agreements, etc.


(f) All of CBS' direct out-of-pocket costs and expenses with respect to any and all program elements reasonably necessary for the Programs and not specified in preceding subdivisions (a), (b), (c), (d) and (e) above.

The cost of television facilities or costs

properly applicable to such facilities such as studio rehearsal time with or without facilities, rehearsal costs and theatre origination charges shall be provided for in the facilities agreements at the standard rates charged to advertisers generally and are not deemed part of the program costs hereunder.

It is understood, however, that the average of the "program costs," with respect to the Programs telecast in any telecast year shall not exceed the applicable budget average (and CBS shall not be obligated to spend more than the budget average with respect to such Programs), unless Sponsor shall agree to any such excess.

The budget average shall be Twenty-eight thousand twenty-two dollars and fifty cents (\$28,022.50) subject to adjustment from time to time to reflect the establishment of, or changes in, the minimum union scale, taxes on employers based on payrolls, or general change in the customary price for guest stars of comparable stature to those contemplated for the first four (4) Programs to be furnished hereunder as contained in the



budget attached hereto as Exhibit B.

Over and above the budget average, Sponsor shall pay the first-class transportation from Los Angeles to New York and return of the persons participating in the Programs broadcast from New York, and living allowances for such persons while their presence is reasonably required in New York, at the rate of Twenty-one Dollars and Fifty Cents (\$21.50) per day per person, subject to adjustment by agreement of the parties in the event of change in living costs. The foregoing limitation on living expenses shall not, however, apply to Jack Benny.

When requested by Sponsor, CBS shall furnish or make available to Sponsor evidence supporting each bill and each item therein.

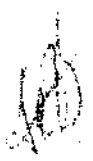
13. Delayed telecasts may be made over non-interconnected stations or stations unavailable to carry the Programs live by means of television recordings in accordance with the provisions of the Facilities Agreements and within the terms thereof relating to television recordings.

Provision for the making of television recordings of the Programs and the distribution and broadcasting thereof shall be made in the Facilities Agreements.


No use of any recording will be made which violates the applicable rules or regulations of any union having jurisdiction. It is agreed that, as between Sponsor and CBS, the television recordings of any Program shall remain the sole and exclusive property of CBS, it being understood, however, that such recordings shall not be used, during the term of this agreement, for any purpose whatsoever except reference and auditions and delayed telecasts, as aforesaid. In the event that CBS shall make a television recording of any of the Programs, CBS will deliver a print of each such television recording to Sponsor, Sponsor agrees that such prints shall be used only by it for file and reference purposes.

14. (a) In the event Benny dies then this agreement shall forthwith terminate.

(b) In the event, by reason of any cause beyond Benny's control, Benny shall not appear upon any one or more scheduled Programs hereunder, this agreement shall not terminate or become terminable by reason thereof, except as provided in paragraph (c) of this Article 14, but CBS shall nonetheless furnish, and Sponsor shall nonetheless pay for, such Program, and Benny or CBS shall provide a substitute, and in the event such substitute is furnished by Benny, he shall be paid the same amount as he would




have been paid if he had performed on such Program. If, in the opinion of the then President of CBS, any substitute so furnished by Benny is a recognized star whose standing in the entertainment industry is comparable to Benny's standing, then there shall be no adjustment in the sum of \$15,000. payable by Sponsor with respect to Benny's services on such Program or with respect to the services of his substitute. In any other case, there shall be an adjustment in the said sum of \$15,000. so that any excess above the amount actually paid to such substitute shall be credited to Sponsor and serve to reduce the item of \$15,000., except that if such substitute shall be furnished by Benny and shall not be entitled to receive from Benny any monetary payment for his or her appearance as such substitute on such Program, there shall be an adjustment in the said sum of \$15,000. so that any excess above such substitute's then current salary for appearances as a guest on television programs shall be credited to Sponsor and serve to reduce the item of \$15,000. In the event that the substitute is to be furnished by CBS, such substitute shall be satisfactory to Sponsor. If, in order to obtain a substitute who is satisfactory to Sponsor, it shall be necessary to pay such substitute in excess of \$15,000. for any program, such excess shall be paid by Sponsor and shall be excluded from any computation to determine whether program costs exceed the budget average.



(c) If, for any reason beyond the control of Benny, he shall fail to perform on six or more consecutive Programs within one telecast year, then the Sponsor at any time before Benny shall thereafter have appeared on a program, shall have the right to terminate the then current telecast year by written notice to CBS. No such termination shall terminate this agreement in its entirety but, on the contrary, it shall merely terminate the agreement for the then current telecast year.

15. It is agreed that CBS' status hereunder is that of an independent contractor and that, except as herein otherwise provided, CBS has and shall have complete control over the means, method, details, working conditions, tools, place of work, hiring, firing, substitution and compensation of persons performing on or participating in the Programs. CBS covenants and agrees, with relation to persons employed by CBS in connection with the said Programs, to do or cause to be done all acts or things required of it as an employer under any statute, ruling, regulation or order relating to workmen's compensation, unemployment compensation insurance or old-age benefits, or under any other applicable statute, ruling, regulation or order, including the filing of such returns and reports and payment of such taxes or contributions with relation to any of said persons as may be required of employers.



16. CBS agrees to indemnify and hold Sponsor and its advertising agency, if any, harmless from and against any and all claims, damages, liabilities, costs and expenses, including counsel fees arising from the broadcasting of the portion of the Programs for which CBS is responsible; provided, however, that at CBS' option, CBS may assume the defense of any claim or litigation to which the indemnity set forth in this paragraph applies, and, if CBS does so assume the defense of any such claim or litigation to which the indemnity set forth in this paragraph applies, CBS' obligations with respect to such claim or litigation shall be limited to holding Sponsor and its advertising agency, if any, harmless against any loss or damages or costs caused by or arising out of any judgment or any settlement approved by CBS of any such claim or litigation. Notwithstanding CBS' election to assume the defense of any such claim or litigation, Sponsor and its advertising agency, if any, shall have the right in such instances, at its own expense, without being required to do so, to engage independent counsel to participate in the defense of their interests regarding any claim or litigation as to which they are indemnified under this paragraph 16. Sponsor agrees similarly to indemnify and hold CBS harmless with respect to commercial or advertising matter or other material furnished by Sponsor which is broadcast in con-

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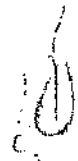
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nection with or as part of the Programs. Any agreements of indemnity given by Sponsor or its advertising agency, if any, to CBS under the Facilities Agreement shall not be applicable to the Programs to be supplied by CBS under this agreement.

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17. (a) Except as may be otherwise authorized by Sponsor, CBS agrees to provide in its respective agreements with all permanent principal actors appearing on the Programs that, during the period of their respective engagements upon the Programs, they will not participate in any radio broadcast or television telecasts (other than the telecasts which are the subject of this agreement or other broadcasts and telecasts sponsored by Sponsor), which advertise any other tobacco or tobacco products, and that they will not authorize the use of their names and/or likenesses in connection with advertising of or giving publicity to any other tobacco or tobacco products. CBS agrees that, Sponsor, in its own name or that of CBS, and at Sponsor's expense, may take all necessary steps to enforce performance of such agreements. CBS shall take reasonable precautions to guard against the employment of any person as a permanent principal actor who has authorized the use of his name or likeness in connection with the advertising of or giving publicity to any other tobacco or tobacco product.

(b) CBS shall provide in its agreement with



Benny that, during the period of his engagement upon the Programs, he will not participate in any television programs, live or recorded, other than those that are the subject of this agreement, and that, after expiration of his present agreement with Sponsor for radio broadcasts, he will not, during the term of this agreement, participate in any radio broadcasts, live or recorded, other than those under the sponsorship of the Sponsor, except

- (1) in connection with any radio or television program or program broadcast or telecast over any station or network, whether or not a COLUMBIA station or network, where such program is of a patriotic, political, or charitable nature, or for the armed services, or in connection with any war effort of the United States or its allies, or of national importance, provided, that no commercial products or services and no person, firm or other organization which furnishes any commercial products or services are advertised on any such program; and provided that BENNY receives no compensation therefor except as may be required by union regulations; and provided that he does not perform any services in connection with, or permit his name to be used in connection




with, more than one of any such programs during such year which are part of a series,

- (ii) after the second year of the term hereof, in connection with an aggregate of not more than four (4) guest appearances each year on any radio or television programs broadcast or telecast over any station or network (provided such program does not advertise any other tobacco or tobacco product.

(c) Under the provisions of the contract of March 6, 1947 between Benny and Sponsor, Benny has agreed that, during the term of said agreement, he will not appear, without the consent of Sponsor, on any radio broadcast, except (i) for Sponsor pursuant to said agreement and as specifically provided for in the contract of March 6, 1947, (ii) non-commercial programs broadcast for the entertainment of members of the armed services of the United States, and (iii) guest appearances. Sponsor hereby covenants that, so long as this agreement remains in full force and effect, it will not grant such consent for any other radio broadcasts by Benny, except those under the sponsorship of THE AMERICAN TOBACCO COMPANY and which are to be broadcast exclusively over Columbia facilities.

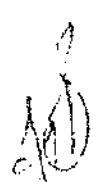
18. CBS agrees that, during the term of this agreement, the originally conceived portion of the Program



shall not, with CBS's consent, be reproduced in whole or in part for broadcasting or telecasting by CBS or by any artists appearing on the Programs, or by any other artist in the employ or under the control of CBS, without the prior written consent of Sponsor, except that Benny may use the same on any radio or television program in connection with which he may participate pursuant to the provisions of paragraph (b) of Article 17 hereof.

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19 (a) CBS represents that it will be authorized to grant and does hereby grant to Sponsor, the right to use, and to license others to use, in a dignified manner, during their respective engagements upon the Programs, the names and likeness of each permanent performer appearing upon and as part of the said package, in the advertising and publicity of the product advertised on the Programs and in advertising and publicising the broadcasting of such Programs, but Sponsor shall not use, or license others to use, the name or likeness of any such performer in connection with any endorsement of any kind; provided, however, that the use of Benny's name and likeness shall be only in accordance with the extract from the CBS-Benny agreement attached hereto as Exhibit "C". Nothing in this paragraph (a) of Article 19 shall in any way impair or limit the rights now available to Sponsor by virtue of its contract with Benny dated March 6, 1947, and its con-



tract with Amusement Enterprises, Incorporated, of same date. Sponsor agrees that in any and all advertising or publicity released or authorized to be released by it with respect to the Programs, it will comply with the provisions of the extract from the CBS-Benny agreement attached hereto as Exhibit "C".

(b) Unless it shall be prevented from doing so by any collective bargaining agreement or contractual commitment, if requested so to do by Sponsor, CBS will grant to Sponsor the right to use, and to license others to use, during the existence of the agreement, any quotations from CBS' scripts hereunder, for the publicizing and advertising of Lucky Strike Cigarettes, and further grants to Sponsor the right so to use such phrases from said scripts as may be peculiarly and particularly adapted or attached to Lucky Strike Cigarettes. During the term of this agreement and any extension hereof, Sponsor shall have the right to use in any and all advertising and publicity media the format, idea, plot and any other literary, musical or other creative material included in any integrated commercial.

20. CBS shall not be liable or responsible in any way whatsoever for failing to furnishing the package hereunder, or any part thereof, because of epidemic, acts

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of God or public enemy, fire, accident, casualty, riot, war, lockout, strike, labor conditions, or any other calamitous event, the issuance of any executive or judicial order or the enactment, direction or act of any legally constituted authority, or because of any other cause, similar or dissimilar, beyond CBS' control, including, but without limiting the generality of the foregoing, the failure or refusal of any of the personnel engaged by CBS, other than Benny, for said package to perform their services in connection therewith; and in any of the events enumerated above, neither Sponsor nor CBS shall have the right to terminate this agreement by reason thereof, or be relieved of their obligations hereunder. In the event that any of the personnel agreed to be furnished by CBS hereunder (other than Benny) fail or refuse to perform their services hereunder in connection with said package for any reason other than because of a strike, lock-out, or labor conditions caused by any union or unions of which they may be members, CBS shall use its best efforts to furnish such substitute or substitutes as CBS shall deem necessary for the rendition of the Program.

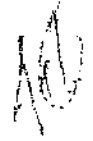
If, in any of the events mentioned in this Article 20, and as a result thereof, the furnishing of the package by CBS shall be omitted or prevented, then CBS

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shall not be entitled to any payment from Sponsor with respect to any such prevented or omitted program except that Sponsor shall be liable to pay to CBS therefor an amount equal to the total sums, if any, that CBS may be required to pay any of the persons engaged by CBS for such Programs (i) by any union or unions having jurisdiction, or (ii) by reason of any contractual obligations of CBS. (CBS' contract with Benny provides, with certain exceptions, for such payments to him.) CBS shall use reasonable efforts to limit its commitments to persons participating in the Programs so as to minimize the amounts that may become payable by Sponsor under this Article 20.

21. If, pursuant to any rights so to do provided for in the Facilities Agreements, CBS eliminates the broadcast of any scheduled Programs hereunder in order to broadcast public events of importance, CBS may substitute for such scheduled performance another hour and date acceptable to Sponsor. In the event that no such hour and date are mutually agreeable to CBS and Sponsor, then and in that event such omitted broadcast shall be deemed cancelled and Sponsor shall not be required to make any payment to CBS with respect to such cancelled broadcast.

22. (a) CBS agrees that the Programs will not



include any material which CBS has reasonable grounds to believe shall be detrimental to Sponsor's products or offensive to Sponsor or to any race, creed or national origin and that the said material used by CBS will be in accord with CBS' policies and standards with respect to good taste. If Sponsor deems any material included in any script in violation of CBS' agreement set forth in the preceding sentence and Sponsor notifies CBS in writing of its objections, CBS agrees to rectify the matter complained of by Sponsor in all future programs.

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50 CBS agrees that it will not engage any person on the Programs which CBS has reasonable grounds to believe shall be detrimental to any of Sponsor's products or be offensive to Sponsor or to any race, creed or national origin.

CBS agrees that it will include a provision in all contracts hereafter entered into with artists, except Benny, for their performance on the Program by which CBS shall have the unconditional right to dismiss any such artist and to terminate his services forthwith in the event CBS shall, in its sole discretion, determine that any performance by such artist wilfully violates CBS' policies and standards with respect to good taste, or in the event such artist at any time shall commit any act or thing which shall be an offense involving moral turpitude under Federal, State or local laws or which brings artists into public disrepute, contempt, scandal or ridicule or which insults or offends the community or any organized group thereof or which

reflects unfavorably upon CBS, the Sponsor or its advertising agency, or injures the success of the Program.

Upon written request from Sponsor, CBS shall exercise its said right to terminate.

(b) CBS represents that its agreement with Benny with respect to the Programs provides as follows:

"Benny agrees that he will not knowingly or wilfully act or conduct himself in such manner that the reasonable consequence thereof will expose COLUMBIA or the sponsor of the programs hereunder to contempt, ridicule or obloquy and thereby cause COLUMBIA or such sponsor to suffer injury or damage. The filing, commencement, maintenance of defense of any action or proceeding of any character, or for any purpose whatsoever, either civil or otherwise, shall not be deemed in and of itself proof or evidence of the breach of the foregoing covenant."

23. If Sponsor elects, at any time during the existence of this agreement, to discontinue the manufacture and/or advertising of Lucky Strike Cigarettes, then in such event, this agreement shall not cease or terminate by reason thereof, but to the contrary, this agreement shall continue in full force and effect, provided that the substitute product to be advertised by Sponsor on the Programs hereunder shall be one of its brands of cigarettes or

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cigars.

24. Sponsor represents and confirms that it has acknowledged to Benny that he has fulfilled all of his obligations to Sponsor under subdivision (b) of paragraph 7 of a certain agreement between Sponsor and Benny dated March 6, 1947, and that Sponsor has agreed with Benny that he has no further obligation to Sponsor whatever under said subdivision (b) of paragraph 7 of said agreement. The parties hereto agree that this agreement does not alter, amend or supersede the agreement of March 6, 1947 between Sponsor and Benny except to the extent set forth in the preceding sentence of this paragraph 24.

25. The CBS-Benny agreement provides "As and when requested by BENNY an announcement shall be made upon the programs hereunder with respect to the title of any motion picture in which BENNY is then appearing, or in which he is scheduled to appear, together with the name of the producer thereof. However, no more than five (5) such announcements may be made with respect to each of said motion pictures." Sponsor agrees to the making of such announcements on the Programs.


26. CBS hereby grants to Sponsor an option to extend the term hereof for a period of two (2) telecast years commencing immediately upon the expiration of the

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original term hereof, upon the terms and conditions applicable to the third year of the original term hereof, except as otherwise provided herein. The said option may be exercised by giving written notice to CBS of election to exercise the same not later than February 15, 1953.

27. It is understood and agreed that the Programs to be furnished by CBS are of a special, unique, unusual, extraordinary and intellectual character which gives them a peculiar value, the loss of which cannot reasonably or adequately be compensated for in damages in an action at law, and that a breach by CBS of the provisions of this agreement will cause Sponsor irreparable injury. CBS hereby agrees that Sponsor shall be entitled to injunctive and other equitable relief to prevent a breach of this agreement by CBS.

It is understood and agreed that the services to be rendered by Benny under this agreement are of a special, unique, unusual, extraordinary and intellectual character which gives them a peculiar value the loss of which cannot reasonably or adequately be compensated for in damages in an action at law and that a violation by CBS to make available the services of Benny under



this agreement will cause Sponsor irreparable injury. CBS represents that the CBS-Benny contract contains the provision attached hereto as Exhibit D with respect to the unique character of Benny's services; and CBS agrees that upon request of Sponsor it will use its best efforts to enforce its rights against Benny under the said provision in the CBS-Benny agreement.

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28. (a) The CBS-Benny agreement does not give CBS any right to Benny's services subsequent to September 14, 1955. However, in the event that CBS contracts prior to April 28, 1955, with Benny for his personal services on television programs following the two years provided in Article 26 above, and provided Sponsor shall have exercised its option with respect to said two years, CBS will give Sponsor notice to such effect on or before April 1, 1955, or such later date as CBS shall so contract with Benny and Sponsor shall have a period of thirty (30) days next following the giving of such notice, or until April 30, 1955, if that shall be later, in which to negotiate the terms and conditions upon which CBS will furnish the Programs to Sponsor for the period following the second option year.

(b) In the event CBS and Sponsor fail to



reach agreement within the time specified in paragraph (a) above, CBS shall be free to offer the Programs to anyother person, firm or corporation on terms and conditions not more favorable than were offered to Sponsor without first reoffering same to Sponsor upon such terms and conditions.

(c) In the event that

(i) CBS and Sponsor fail to reach agreement within the time specified in paragraph (a) above, and CBS shall be willing to contract for the Programs prior to July 1, 1955, with any other person, firm or corporation on terms and conditions more favorable than were first offered to Sponsor, or

(ii) CBS shall have contracted after April 28, 1955, and prior to July 1, 1955, with Benny for his personal services in television programs following the two years provided in Article 26 above,

then CBS shall give Sponsor notice of the terms and conditions on which it is willing to contract with any other

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person, firm or corporation and Sponsor shall have five (5) business days after receipt of notice of such terms and conditions to accept them on its behalf.

29. CBS agrees that all performers and musicians furnished as part of the package will, during their respective engagements upon the Programs, be members in good standing of, or authorized to appear by, any labor union with which CBS may have an agreement legally requiring such membership or authorization and which shall have jurisdiction over such performers and musicians.

30. All notices and demands herein required or permitted shall be in writing. The mailing of a notice or demand by registered mail, postage prepaid, to Sponsor at 111 Fifth Avenue, New York, N. Y. or to CBS at 485 Madison Avenue, New York, N. Y. shall be sufficient service thereof. Either party may change the place of notice by advising the other by registered mail, such change to be effective upon receipt of such advice.

31. This agreement constitutes the entire agreement between the parties hereto with respect to the Programs as such and can only be amended by a

written agreement signed by both parties hereto.

32. No waiver by either of the parties hereto of any breach of any agreement to be performed by the other party hereunder shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other agreement.

33. This agreement has been made in the State of New York and shall be governed by the laws of that state applicable to contracts fully to be performed therein.

IN WITNESS WHEREOF, this agreement has been duly executed by the parties hereto, the day and year first above written.

THE AMERICAN TOBACCO COMPANY

By *Wm. C. Cullen*
Pres.

COLUMBIA BROADCASTING SYSTEM, INC.

[Signature]
By *Norman D. Boardman*
Chairman of the Board

EXHIBIT A

13. COLUMBIA TO SUPPLY ALL PERSONNEL, MATERIAL AND FACILITIES

COLUMBIA shall supply, or cause the sponsor of the programs hereunder to supply, at no expense to BENNY, all personnel, material, facilities, and other elements necessary for the production, presentation, and televising of the programs hereunder, including, but without limiting the generality of the foregoing, all telecasting facilities, television time, telecasting studio or theatre, commercial announcements, the script, musical material, sound effects, the writers, the producer, the director, performers, musicians, actors and technical personnel. Any and all elements of and for the production, presentation and performance of the programs hereunder shall be subject to BENNY's reasonable approval at all times, including but without limiting the generality of the foregoing, the telecasting studio or theatre, the script, the musical and literary materials, format, sound effects, the writers, producers, directors, performers, musicians, choreographers, costumes, scenery, camera technicians, make-up, and wardrobe personnel for BENNY, stand-in for BENNY, if any.

Attached hereto and made part hereof is statement entitled "EXHIBIT B" which is the average budget for the programs for the first four telecasts hereunder

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EXHIBIT A - continued

on the assumption that they will be half-hour programs. It is agreed between the parties hereto that the said budget shall be deemed to be the average as to expenditures for the remaining programs to be telecast under the provisions of this agreement, which budget, however, shall be subject to adjustment to reflect establishment of or changes in the minimum union scales, new employers taxes or changes in existing employers taxes, and adjustments necessary to meet any general change in the customary price for guest stars of comparable stature to those contemplated for the first four (4) telecasts hereunder as reflected in said "EXHIBIT B."

It is the mutual desire and intention of the parties that the programs shall be one of the outstanding television programs. Accordingly, it is agreed that the budget referred to above may be increased during the period of sponsorship of the programs by The American Tobacco Company to the extent that The American Tobacco Company shall agree to reimburse COLUMBIA by the amount of such increase. In the event that the programs are to be sponsored by a sponsor other than The American Tobacco Company, BENNY and COLUMBIA will attempt to arrive at a

EXHIBIT A - continued

mutually agreeable budget for the programs for each telecast year. In the event that they are unable so to agree, with respect to any such telecast year, the budget for such year shall be the average of the expenditures for the programs during the last year of sponsorship of the programs by The American Tobacco Company.

EXHIBIT B

Jack Benny Television Programs
Estimated Budget - First Four Programs

Script	\$ 5,000.00
Production (Director, Asst. Director and similar per- sonnel)	1,500.00
Music (Orchestra Conductor, arrangements and copying)	3,975.00
Guest acts	6,000.00
Other cast	3,700.00
Sets, props, wardrobe and similar costs	4,000.00
Contingency	1,000.00
Social Security	300.00
MCA Commission	2,547.50
	<hr/>
	\$28,022.50

End

EXHIBIT C

11. ROLE: BILLING: USE OF NAME AND LIKENESS

BENNY shall be cast, and shall appear, as the sole star of each program hereunder, and he shall receive sole star billing on the programs hereunder and in any and all advertising and publicity released, or authorized to be released, by COLUMBIA or the sponsor of such programs. No one else shall receive billing on the programs, or in any of said advertising or publicity, either equal or superior to BENNY, without BENNY's prior written approval. BENNY does hereby grant COLUMBIA and/or the sponsor of such television programs the right to use, and to license others to use, his name and likeness in a dignified manner in the advertising and publicity of the product advertised on such programs and in advertising and publicizing the telecasting of such programs; provided that the likeness used shall have been approved by BENNY; but neither COLUMBIA nor such sponsor shall use, or license others to use, BENNY'S name or likeness in connection with any endorsement of any kind. However, the rights granted in the preceding sentence shall apply only to advertising and publicity released during the term hereof and in any event shall expire ninety (90) days after the expiration of the term hereof, or, if this agreement is sooner terminated, ninety (90) days after such termination.

EXHIBIT D

The services to be rendered by Benny, and the rights and privileges granted to CBS hereunder, are of a special, unique, unusual, extraordinary and intellectual character which gives them a peculiar value, the loss of which cannot reasonably or adequately be compensated for in damages in an action at law, and the breach by Benny of any of the provisions contained in this Agreement will cause CBS irreparable injury and damage. CBS shall be entitled, as a matter of right, without further notice, to injunctive and other equitable relief to prevent the violation of any provisions of this Agreement by Benny. Neither this provision nor the exercise by CBS of any of its rights hereunder shall constitute a waiver by CBS of any other rights which it may have to damages or otherwise.