

EXHIBIT B-1  
FORM OF CLUB AGREEMENT

OK for  
local  
Club/Venue

<Date>

<Club Manager>  
<Club Name>  
<Club Address>  
<City, State, Zip>

MARLBORO Noches de Baile Dance Program

Dear <Name>:

In confirmation of previous discussions, this letter constitutes the agreement (the "Agreement") between Henry Cárdenas and Associates, Inc. ("Producer"), an Illinois corporation, and <Club Name> (the "Club"), a \_\_\_\_\_ corporation, pursuant to which the **MARLBORO Noches de Baile Dance Program** (the "Competition") [and a musical performance (the "Concert")] will be conducted at the Club on.

Dates

Times

<Event Dates>

<Event Times>

Will attach Club  
list next week

1. Responsibilities

A. In connection with the Competition [~~and Concert~~], and where permissible, the Club will:

[(i) Ensure that no person younger than 18 years of age is permitted to enter the Club at any time.]

or

[(i) Ensure that no person younger than 18 years of age is permitted to enter the Club on the night of each Program event.]

(ii) Allow Producer to identify patrons who are smokers over the age of 21.

(iii) Allot no less than one hour for the Competition [~~prior to the Concert~~].

(iv) Cooperate with Producer to provide a major label hispanic recording artist with a full band to perform one seventy-five minute set following the conclusion of the Competition at the Club.

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no concert at  
local level

- (v) Provide primary signage and lighting opportunities within the Club, which will include:
- (a) An area at the entrance to the Club at which **MARLBORO** banners and lighting technologies will be placed.
  - (b) Premium areas throughout the Club while the Competition ~~and Concert~~ <sup>is</sup> ~~being~~ being conducted.
  - (c) Exclusive Competition ~~and Concert~~ stage signage.
  - (d) A follow spot and operator.
  - (e) A secure, lighted autograph area.
  - (f) If requested, additional lighting for the dance floor.
- (vi) Allow Producer access to the Club to conduct a two hour sound check on the afternoon of the Competition ~~and Concert~~. NO  
Concert  
at  
12:00  
1:00
- [(vii) Cooperate with Producer and its designees to ensure the highest quality production for the Concert including permitting use of the Club's equipment and allowing Producer, at its sole expense, to provide additional equipment for the Concert.]
- (viii) Provide adequate security personnel, ~~a table for the artists' merchandise~~ and a holding area for participants in the Competition adjacent to the dance floor.
- (ix) Designate the above mentioned date[s] as [an] exclusive **MARLBORO Noches de Baile** promotional night[s]. No other similar promotions will be conducted during the stated hours, without the express, written consent of Producer.
- (x) Immediately notify Producer of any changes in Club hours or days of operation that may affect dates on which the Program will be conducted.
- (xi) Instruct the DJ or emcee to work with Producer's on-site Competition Supervisor to ensure appropriate promotional announcements.
- (xii) Allow third parties designated by Producer to conduct surveys and distribute promotional merchandise including, but not limited to, ~~t-shirts, caps, lighters, etc.~~ <sup>items,</sup>
- (xiii) [Distribute all bar materials that Producer provides, specifically drink cups, beverage napkins, ashtrays, table cards and bar organizers as directed by Producer and cooperate with Producer's personnel in the distribution of all promotional and Competition materials];

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- (ixv) Provide safe and secure storage facilities for all Competition promotional materials;
- (xv) Ensure that all staff, including bartenders, bar backs, waiters and waitresses, are [21] years of age or older;
- (xvi) Ensure that all appropriate consents or licenses from ASCAP, BMI or other similar licensing organizations have been obtained. *← (Watson is this for recording Artists?)*
- (xvii) Designate a contact person with authority to act for the Club. Such contact person will be available at all reasonable times to assist Producer. *if so remove for local venue*
- (xviii) Allow access to all persons displaying proper **MARLBORO** credentials.
- [(ixx) Provide prime seating and [fifty] complimentary VIP tickets for Producer's use at the Competition [and Concert]].
- (xx) Provide a table in a high volume area for the distribution of promotional items and name generation activities.
- (xxi) Provide no less than two rooms for tabulation of scores ~~[and for artists' use]~~. *\$15.00*

The Club may impose a cover charge of no more than ~~\$10.00~~ *\$15.00* on each night of the Competition ~~[and Concert]~~. Producer's personnel and other persons directly involved with the production of the Competition ~~[and Concert]~~ will not be charged a cover charge.

B. In connection with the Competition, Producer or its designee will:

- (i) Identify customers who are smokers and 21 years of age or older with wristbands. Those customers will become eligible for special promotional considerations at the Club.
- (ii) Provide the Club with bar items including drinking cups, ashtrays, [table cards], napkins and [bar organizers] [matches].
- (iii) Provide Competition ~~[and Concert]~~ personnel to manage on-site promotional activities.

## 2. Term and Termination

The term of the Agreement will commence as of the date of Producer's signature and will continue through the later of \_\_\_\_\_, \_\_\_\_\_ or the complete performance of all services to the satisfaction of Producer. Producer may terminate the Agreement, with or without cause, on seven days' advance written notice to the Club. If Producer terminates the Agreement without cause, Producer will have no liability or payment obligation to the Club after the termination date

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specified in Producer's notice of termination, with the exception of payment of fees for services satisfactorily performed and documented prior to the notice of termination.

### 3. Competition Materials

(a) Producer will supply or have the right to approve or reject, in advance, all Competition ~~[and Concert]~~ materials, including advertising, press releases, tickets, flyers, signs and other promotional materials used at or in connection with ~~Competition [and Concert]~~ and the manner of their use. Producer will provide all **MARLBORO Noches de Baile** artwork, banners, signs and promotional materials. No materials furnished by Producer will be changed without the prior written approval of ~~Producer~~. The Club will not sell or allow to be sold any Competition ~~[or Concert]~~ materials.

(b) No promotional advertising materials for any other tobacco product will be permitted by the Club for the duration of the Competition ~~[and Concert]~~ without the prior written approval of Producer.

### 4. Confidentiality

The Club, its employees and agents will hold strictly confidential the existence and terms of the Agreement and all information and materials provided by Producer to the Club or created or acquired by the Club in performing services pursuant to the Agreement. The Club will not use or disclose the information or materials, or any other confidential information, to third parties without the prior, written consent of an authorized representative of Producer. Upon termination or expiration of the Agreement, or within thirty days thereafter, the Club will return all materials to Producer. The Club 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 Producer. The Club's obligation to maintain confidentiality will survive the termination or expiration of the Agreement.

### 5. Exclusivity

For the duration of the Competition ~~[and Concert]~~ as well as during the period sixty days prior thereto and sixty days thereafter, the Club will not engage in the activities contemplated in the Agreement or similar activities in connection with cigarettes or other tobacco products of any person, company or other entity without the prior, written consent of Producer, which consent will not be unreasonably withheld.

### 6. Indemnity

The Club agrees to indemnify and hold harmless Producer and Philip Morris Incorporated ("Philip Morris"), their respective affiliates, agents and subcontractors and each of their respective officers, employees, directors and agents from all claims, liabilities, costs and expenses, including reasonable attorneys' fees, that arise from or may be attributable to any error,

omission or fault of the Club. The Club's obligation to indemnify and hold harmless will survive the termination or expiration of the Agreement.

#### **7. Insurance**

Not less than five days prior to the beginning of the Competition, the Club will provide Producer with certificates of insurance and if requested by Producer, copies of the underlying policies relating to the certificates, issued by insurers acceptable to Producer and Philip Morris and evidencing comprehensive general liability and liquor liability in an amount suitable to Producer and Philip Morris. The certificates of insurance must name Producer and Philip Morris as additional insureds. The insurance will be maintained by the Club throughout the term of the Agreement.

#### **8. Media Release**

The Club irrevocably consents to the use of its name by Producer, Philip Morris and any of their affiliated companies and licensees for the purpose of advertising and trade in the United States and throughout the world.

The Club waives any inspection or approval of any finished advertisement and releases Producer and Philip Morris and any of their subsidiary and affiliated companies and licensees from any liability for claim of alteration, optical illusion, or faulty mechanical reproduction.

Producer and the Club agree for advertisements and publicity purposes, that the Club should be referred to as \_\_\_\_\_.

The Club understands that this consent does not obligate Producer to use its name and/or likeness in any advertising, promotion or trade materials.

#### **9. Independent Contractor**

The Club is and will remain an independent contractor and nothing in the Agreement will be construed to create a relation of principal and agent or employer and employee between Producer and the Club or any of its employees or agents within the meaning of any federal, state or local law.

#### **10. The MARLBORO Noches de Baile and MARLBORO Names**

The Club recognizes and acknowledges that the **MARLBORO Noches de Baile** and **MARLBORO** names and the names of other Philip Morris brands, the designs, emblems, slogans and insignia of the respective brands, and the goodwill associated therewith, have great value and are the sole property of Philip Morris. The Club agrees that it has and will claim no right, title or interest in or to the same or the use thereof except any limited right to use granted pursuant to the Agreement.

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### 11. Third Party Contacts

If at any time the Club is contacted by a third party, including the media, other than as contemplated by the terms of the Agreement, concerning the Club's activities on behalf of Producer, the Club will make no comment, immediately notify Producer of the third party contact, and refer the third party to \_\_\_\_\_.

12. Any notice given under the terms of the Agreement must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to the Club, to \_\_\_\_\_, Attention: \_\_\_\_\_, and if to Producer, to Henry Cárdenas and Associates, Inc., Attention: \_\_\_\_\_.

### 13. Miscellaneous

(a) The Agreement and all matters collateral hereto will be governed by the laws of the State of New York applicable to contracts made and to performed entirely within the State of New York.

(b) Force Majeure, acts of God, or other causes beyond the reasonable control of any party delaying or causing the cancellation or delay of the performance of the Agreement will not subject the Club or Producer to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

(c) The Agreement may not be modified or amended except by a writing signed by both parties. No waiver or breach of any term or condition of the Agreement will be deemed a waiver of any subsequent breach of the term or condition or any other term or condition of the Agreement or a general waiver.

(d) The Agreement may not be assigned by either party without the written consent of the other party. The Agreement sets forth the entire agreement between the parties and supersedes all previous oral or written agreements between the parties on the subject matter of the Agreement.

(e) If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

(f) Each party hereto will comply with all applicable local laws, regulations and ordinances affecting its activities hereunder, including the provisions of 15 U.S.C. §§ 1331 et seq. and of the Master Settlement Agreement executed as of November 23, 1998, by certain tobacco manufacturers and the Settling States (as defined in the Master Settlement Agreement).

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If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by signing below and returning both signed copies to the undersigned. We will forward to you one countersigned copy for your files.

Sincerely,

**HENRY CÁRDENAS AND ASSOCIATES, INC.**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**ACCEPTED AND AGREED AS OF  
THE DATE OF THIS LETTER:**

**<CLUB NAME>**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Filing Status: \_\_\_\_\_

Taxpayer ID Number: \_\_\_\_\_

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