

General Jack's, Inc.

Executive Offices

**11350 McCormick Road, Executive Plaza III, Suite 800
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Honorable Terry Goddard
Attorney General of Arizona
Honorable Rob McKenna
Attorney General of Washington
Co-chairs, Tobacco Committee
c/o National Association of Attorneys General
Tobacco Project
2030 M Street, NW, 8th Floor
Washington, DC 200036

Dear Generals Goddard and McKenna:

General Jack's, Inc. ("General Jack's"), a Subsequent Participating Manufacturer under the November 23, 1998 Master Settlement Agreement ("MSA") submits this letter in response to your request to provide certain written assurances to the Tobacco Project regarding the proposed Model Complementary Legislation dated January 21, 2003.

General Jack's agrees that the Settling States shall have no duty or obligation to enact the proposed Complementary Legislation or any similar bill, and failure to enact such legislation shall not be used against any State in any proceeding to determine whether that State has diligently enforced its escrow statute for purposes of Section IX(d)(2)(B) of the MSA. Additionally, General Jack's agrees that enactment of the proposed Model Complementary Legislation (or similar bill containing no deviation of substance from the Model Complementary Legislation) shall not be construed as an amendment to the Model Statute or to the MSA and shall not constitute any breach of the MSA, without prejudice

To any right to argue that any other legislation (i.e., any legislation other than the proposed Model Complementary Legislation or similar bill containing no deviation of substance from it) should be construed to be or does constitute such an amendment or breach.

Finally General Jack's agrees that the diligent enforcement obligation set forth in Section IX(d)(2)(B) of the MSA shall not apply to the proposed Model Complementary Legislation (or similar bill containing no deviation of substance from the Model Complementary Legislation).

Sincerely,



Robert Mansfield Douglas
President and CEO

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Dear Generals Goddard and McKenna:

General Jack's, Inc. ("General Jack's"), a Participating Manufacturer under the November 23, 1998 Master Settlement Agreement ("MSA"), submits this letter in response to your request for written assurances to the Settling States regarding the proposed amendment to the Model Statute pertaining to the early release of escrow deposits due from Non-Participating Manufacturers (the "Allocable Share Amendment"), which is set forth as Attachment 1 to proposed MSA Amendment No. 21.

General Jack's hereby agrees that, regardless of whether proposed MSA Amendment No. 21 is approved pursuant to the requirements of MSA Section XVIII(j), in the event a Settling State enacts legislation substantially in the form of the Allocable Share Amendment, its previously enacted Model Statute or Qualifying Statute: (1) shall continue to constitute a Qualifying Statute pursuant to MSA Section IX(d)(2)(E); and (2) shall be treated as a Model Statute for the purposes of MSA Section IX(d)(2)(F). Accordingly, General Jack's hereby waives any rights it might have under the MSA to assert that the adoption of legislation substantially in the form of the Allocable Share Amendment prevents such a statute from constituting a Model Statute or a Qualifying Statute.

Sincerely,



Robert Mansfield Douglas
President and CEO