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AGREEMENT

This Agreement made and entered into as of this 15<sup>th</sup> day of November, 1963, by and among WED ENTERPRISES, INC., a corporation organized and existing under the laws of the State of California (hereinafter referred to as "WED"); the ILLINOIS COMMISSION ON THE NEW YORK WORLD'S FAIR (hereinafter referred to as "Illinois"); and the NEW YORK WORLD'S FAIR 1964-1965 CORPORATION (hereinafter referred to as the "Fair Corporation");

. WITNESSETH:

WHEREAS, Illinois has undertaken to sponsor an exhibit, containing a show, at the New York World's Fair 1964-1965 (hereinafter referred to as the "Fair"), which would be appropriate for sponsorship by and representative of the State of Illinois;

WHEREAS, WED has a unique Audio-Animatronic show depicting "Great Moments with Mr. Lincoln" (hereinafter referred to as the "Show" and hereinafter defined), which would be appropriate for sponsorship by and representative of the State of Illinois; and .

WHEREAS, the Fair Corporation desires to add the Illinois-WED Exhibit to the 1964-1965 Fair Corporation presentation;

NOW, THEREFORE, in consideration of the foregoing, and upon the following terms, conditions, and covenants, the parties hereto agree as follows:

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1. WED will build, construct, fabricate, install, operate, maintain, and supply necessary material for the Show, consisting of an Audio-Animatronic figure of Abraham Lincoln, and including all necessary Show devices behind the proscenium curtain, such as sets, props, dressings, screens, and curtains, but not including floors, floor coverings (although subject to WED approval), walls, apertures, or other building components. WED will also supply speakers, special Show lights, projectors, and special screens, whether or not located behind the proscenium curtain, except that conduit leading to speakers is to be supplied by Illinois as a part of the building.

2. Illinois shall have the obligation of constructing the building, including an air conditioned auditorium with a minimum of five hundred (500) seats, with adequate apertures, conduits, and piping, acoustical, and other provisions to accommodate special WED Show components; and WED has heretofore advised Illinois and its architect of space and function requirements for the Show. WED shall have no obligation to, and Illinois shall, pay any labor, maintenance, utilities, rents, landscaping, or similar charges in relation to the Exhibit during such period of time as Illinois is sponsoring the Exhibit. Illinois shall use its best efforts to have the building completed or in such stage of completion by March 1, 1964, that WED may commence installation of its Show. WED shall use its best efforts to complete installation of the Show before the opening of the Fair, but shall not be liable for any delay of the Show beyond the opening date of the Fair.

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In the period between the first and second year of the operation of the Fair, i. e., from approximately October 23, 1964, to April 21, 1965, Illinois agrees to maintain the Show area of the Exhibit at not less than 40° Fahrenheit, so that the Show will not be damaged. In addition, Illinois shall maintain adequate security protection against vandalism or intruders on a 24-hour per day basis. Illinois shall further provide protection against wind, rain, snow, dust, or other elements for the Show in the construction of the building to house the Exhibit, with particular reference to the period when the Fair will be closed to the public.

3. As used herein, the word "Exhibit" shall mean the entire presentation made by Illinois at the Fair, including building, grounds, entertainment, and any institutional presentation; and the word "Show" shall mean the Exhibit's entertainment portion supplied by WED and comprised of an Audio-Animatronic figure, sets, projectors, screens, with operating equipment, behind the proscenium; and speakers, special Show lights, projectors, and special screens, in front of the proscenium in the auditorium area.

4. The term of this Agreement shall commence as of the date of execution of the Agreement and shall terminate October 18, 1964, or as of the close of the first period the Fair is open to the public, but in no event later than October 31, 1964. However, Illinois may extend the effective period of this Agreement for an additional period of one (1) year to afford Illinois the opportunity of sponsoring the Show in the Exhibit for the second period the Fair is open to the public, by notifying WED, in

writing, between October 31, 1964, and March 1, 1965, of its election to so sponsor the Show, and by paying to WED the sum of Two Hundred Fifty Thousand Dollars (\$250,000) by September 1, 1965, said sum to be in addition to any sums paid to WED for the first period of operation and to be paid pursuant to Paragraph 5 hereof.

5. For the basic term of this Agreement, Illinois agrees to pay to WED the sum of One Hundred Thousand Dollars (\$100,000) payable Fifty Thousand Dollars (\$50,000) upon execution of this Agreement and Fifty Thousand Dollars (\$50,000) on or before the opening day of the Fair; and the Fair Corporation agrees to pay to WED, for the basic term of this Agreement, the sum of Two Hundred Fifty Thousand Dollars (\$250,000), payable Fifty Thousand Dollars (\$50,000) upon execution of this Agreement and Two Hundred Thousand Dollars (\$200,000) on or before the opening date of the Fair.

In the event Illinois elects to exercise the option to sponsor the Exhibit for the second year, Illinois shall pay to WED Two Hundred Fifty Thousand Dollars (\$250,000) on or before September 1, 1965.

6. In the event Illinois fails to effectively exercise its option rights for the second year, WED shall have the right to negotiate with the Fair Corporation to operate the Exhibit as a paid admission attraction.

7. During the initial term of operation and in the event Illinois operates the Exhibit for the second year of the Fair, Illinois shall have the right to merchandise articles, through a concession or concessions, at the Exhibit with no royalty payment to WED or any affiliated company from

WED  
E. J. ...

the retail price, and shall use its best efforts to do so; however, not less than ten per cent (10%) of the gross merchandising income received at the Illinois Exhibit (except that in income received for books, booklets, or records obtained from regular distribution sources, the amount shall be not less than five per cent (5%)) shall be paid to the Fair Corporation to a maximum amount of Two Hundred Fifty Thousand Dollars (\$250,000), as repayment for the sum advanced by the Fair Corporation, it being the intent that the Fair Corporation and Illinois shall share half and half in the fee from the concessions. However, after the aforesaid Two Hundred Fifty Thousand Dollars (\$250,000) shall have been repaid, the Fair Corporation's percentage shall be reduced on ten per cent (10%) items to five per cent (5%), and on five per cent (5%) items to two and one half per cent (2-1/2%). In no event shall Illinois have any merchandising rights related to WED, Walt Disney, or the Show beyond October 31, 1965.

8. Merchandise offered for sale at the Exhibit or related to the Exhibit which bears the names "WED Enterprises, Inc." or "Walt Disney", or which in any way may be construed as associated with the Show, shall be submitted to WED for approval prior to being offered for sale. If WED disapproves of such merchandise, it shall not be offered for sale at the Fair.

9. It is understood that Illinois will contribute all parts of the

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Exhibit, other than the Show as herein defined, including certain artifacts, mementos, and other memorabilia of Lincoln. Regardless of its election to exercise its option for the second year, Illinois shall be obligated to leave such artifacts, mementos, and other memorabilia intact for the time the Fair and the Exhibit are operated, as may be requested by WED. It is understood that certain of the artifacts, mementos, and memorabilia may be on loan and may not be available for the Exhibit when Illinois is not the sponsor; however, Illinois agrees to use its best efforts to obtain the right to display such items, regardless of its sponsorship of the Exhibit. The Fair Corporation agrees to provide insurance for such items in the event Illinois is not the sponsor, and it further agrees to give appropriate "credit lines" as to source for all items remaining in the Exhibit.

10. WED represents that it has the right to authorize Illinois to utilize the names "Walt Disney" and "WED Enterprises, Inc." during the period commencing on the date hereof and ending on the date on which Illinois no longer sponsors the Exhibit, or December 31, 1965, whichever date first occurs, does hereby authorize Illinois to utilize such names in all advertising, publicizing, and exploiting of the Show, "Great Moments with Mr. Lincoln", in the Illinois Exhibit at the Fair. All usage of said names by Illinois shall be of a calibre to preserve the integrity of the names and the high standards associated with them, and no usage shall be made which will bring discredit to the names.

Illinois agrees to furnish to WED for approval prior to public release, copies of all material utilizing the names "Walt Disney"

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( WED )

and/or "WED Enterprises, Inc.", which is to be used for the purpose of advertising, publicizing, or exploiting the Show, "Great Moments with Mr. Lincoln", in the Exhibit at the Fair. In the event WED disapproves of such material using the names "Walt Disney" and/or "WED Enterprises, Inc.", then the material shall not be used.

Only Illinois shall be the sponsor of the Show portion of the Exhibit. As to the remaining portion of the Exhibit, it is recognized that WED has other clients who are sponsoring exhibits at the Fair and that WED has entered into agreements not to participate in the design of exhibits for competitors of such other clients. Illinois agrees that it will not accept sponsorship or identification with the non-Show portion of the Exhibit by any person, firm, or entity which may be a competitor of Ford Motor Company, General Electric Company, or Pepsi-Cola Company, unless Illinois has first obtained clearance from Ford Motor Company, General Electric Company, or Pepsi-Cola Company as to such sponsorship or identification.

In any event, Illinois will have no right to authorize sponsorship or identification rights for the second year unless it has exercised its option to sponsor the Exhibit for the second year of the Fair operation.

11. It is understood and agreed that all parts of the Show devised by WED and all representations or reproductions devised by WED, whether or not subject to copyright, patent, or similar protection, are the property of WED, and Illinois is being granted, by the terms of this Agree-

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ment, only a right to use the Show at the Fair in the Illinois Exhibit.

12. WED shall be free to develop the entire Show concept; however, it is understood and agreed that WED will consult with a representative of Illinois concerning Show concept, historical content, or development. Illinois designates Mr. Ralph Newman, or in the event of his non-availability, Dr. Clyde C. Walton, Illinois State Historian, as its representative for the purpose of approving or disapproving any Show material to be placed in the Exhibit. Because both parties recognize the relatively short period of time before the Fair opens, any material submitted to Mr. Newman or Dr. Walton, shall be acted upon within ten (10) days after such submission, and if WED does not have a response within said ten (10) days, the material so submitted shall be deemed approved by Illinois.

Regardless of anything else in this Paragraph 12, WED shall have the final authority concerning the content of the Show, and Illinois shall have final authority concerning historical accuracy of the Show.

"Historical accuracy", as used in this Agreement, shall be defined to mean that words uttered by the Lincoln figure are to be attributable to Abraham Lincoln, and no words not so authoritatively attributable shall be used. Final decision as to the accuracy and authenticity of the words shall rest with the Illinois representatives. This shall not preclude minor bridges of thought content or the combination of Lincoln utterances or words between issuance of which there may have been a lapse of

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time. Nor shall this paragraph preclude WED's right to change speech content of the Lincoln figure after the Fair opens, in order to increase entertainment value of the Show. In selecting the words to be spoken by the Lincoln figure, it is anticipated that WED will draw on the approximately one and a quarter million words currently available and authoritatively attributed to Abraham Lincoln. WED anticipates drawing on these words for the audio portion of the Show to be spoken by the figure; however, Illinois shall be the final authority as to whether or not words selected for the Lincoln figure are authoritatively those of Lincoln. WED shall be allowed dramatic license in interpreting these words but agrees to exercise the utmost care and good taste in the final selection of the words.

Introductory and closing narration shall be deemed to be part of the Show.

13. Illinois shall be entitled to preempt the Audio-Animatronic Show for not to exceed one (1) hour each day for the purpose of presenting live attractions. Any other deviation from the regular operation of the Show shall be by mutual consent between WED and Illinois. It is understood and agreed that WED shall have no obligation concerning the presentation of any live attraction, and Illinois further agrees to prepare and present any such live attraction without in any way disturbing the Show of WED, and, at the conclusion of the live presentation, to remove any special equipment used in said live presentation. All such presentations shall be made outside the area of the platform devoted to the presentation of the WED Show.

14. Nothing contained in this Agreement shall obligate WED

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to destroy or raze the Illinois Exhibit building; however, it is understood and agreed that WED shall have a right to retrieve possession of its Show at the conclusion of the Fair and prior to any demolition action in relation to the Illinois Exhibit, but in any event WED shall have not less than thirty (30) days from the end of the Fair in which to remove its Show from the Exhibit. In the event the Exhibit does not operate in the second year of the Fair, WED shall have the right to remove its Show from the Fair when such determination has been made.

15. WED, its employees or agents, shall be allowed access to the Exhibit at all times to accomplish the objectives of this Agreement.

Due to the highly complex nature of the Show and the delicate equipment necessarily used for the Show, WED shall have the right to restrict or forbid unauthorized persons' entrance to the Show area or the area devoted to equipment for the Show.

16. Any notice provided for herein may be given by United States mail, postage prepaid, addressed to Illinois, as follows:

Mr. Ralph Newman, Chairman  
Illinois Commission on the New York World's Fair  
18 East Chestnut Street  
Chicago, Illinois  
60611

with a carbon copy of said notice addressed to the Commission, as follows:

Illinois Commission on the New York World's Fair  
Room 533  
160 North La Salle Street  
Chicago, Illinois  
60601

to the Fair Corporation as follows:

New York World's Fair 1964-1965 Corporation  
Attention: W. E. Potter  
Flushing 52, New York

and to WED Enterprises, Inc., as follows:

President  
WED Enterprises, Inc.  
800 Sonora Avenue  
Glendale 1, California

Each party shall have the right to change such address by giving to the other parties written notice thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date and year first above written.

WED ENTERPRISES, INC.

By William E. Potter  
pres.

ILLINOIS COMMISSION ON THE NEW  
YORK WORLD'S FAIR

By Robert F. Newman

NEW YORK WORLD'S FAIR 1964-1965  
CORPORATION

By Walter

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