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AN INTRODUCTION TO SCIENTOLOGY VIDEO
PUBLISHING LICENSE AGREEMENT (BPI)

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AN INTRODUCTION TO SCIENTOLOGY VIDEO

PUBLISHING LICENSE AGREEMENT (BPI)

THIS AN INTRODUCTION TO SCIENTOLOGY VIDEO PUBLISHING LICENSE AGREEMENT (BPI) ("Agreement") is made as of the 18th day of April, 1991, by and between NORMAN F. STARKEY, Trustee of Author's Family Trust-B, whose address is 6515 Sunset Boulevard, Suite 202, Hollywood, California 90028 ("Trustee"), and BRIDGE PUBLICATIONS, INC., whose address is 4751 Fountain Avenue, Los Angeles, California 90029 ("Publisher"), with reference to the following:

A. L. Ron Hubbard was the owner and copyright proprietor of the film entitled "An Introduction to Scientology" ("Film");

B. L. Ron Hubbard died on January 24, 1986, and an executor of his will was appointed by the San Luis Obispo County Superior Court on February 18, 1986. On January 3, 1989, the Superior Court ordered distribution of the estate of L. Ron Hubbard, including ownership of the Film, to the Trustee; and

C. BPI desires to secure the rights to manufacture distribute, rent and sell videograms of the Film in the United States and Canada through all trade channels and the right to license such rights to A.I.P. Home Video, Inc. ("AIP").

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated by this reference, and of the mutual

covenants and conditions contained herein, the parties agree as follows:

1. Grant of Rights.

(a) Except as hereinafter reserved, Trustee hereby grants Publisher, for the term of this Agreement, the sole and exclusive right in the United States and its territories, including but not limited to Puerto Rico, and Canada ("Territory") to prepare videograms of the Film for home video; to manufacture (or cause to be manufactured), distribute and sell the videograms in the Territory; and to license the foregoing rights and the rights described in Paragraph 10(b), subject to the approval of Trustee. Publisher shall furnish to Trustee signed copies of all sublicenses granted hereunder. For purposes of this Agreement, "videogram(s)" shall mean a videocassette, videodisc, or any other video recording of every nature and kind, now known or hereafter developed, that enable the Film to be perceived visually, with or without sound, through or as a part of a television type playback system primarily intended for home video use. "Home video", as used herein, shall mean the non-public exhibition of the Film solely by means of a videogram in private homes and residences, without an admission or viewing charge or fee of any kind or nature being charged to those viewing the videogram other than that charged for purchase or rental of the videogram paid by the consumer.

(b) Trustee hereby approves the distribution agreement between Publisher and AIP ("Distribution Agreement") relating to a license to manufacture, distribute and sell

videograms of the Film through all trade channels except book stores operated by organizations affiliated with the religion of Scientology ("Scientology Book Stores") or book stores operated by associations affiliated with Dianetics spiritual healing technology ("Dianetic Book Stores"). This approval shall not constitute a waiver of any of Trustee's other rights hereunder.

(c) It is understood and agreed that Publisher will exercise the rights granted herein only through Scientology Book Stores or Dianetic Book Stores during such time as the Distribution Agreement is in full force and effect. Upon termination of the Distribution Agreement, BPI will exercise the rights granted herein through all trade channels.

2. Term. The term of this Agreement shall commence as of the date hereof and shall continue until the 1st day of January, 1995. Thereafter, this Agreement shall be renewed automatically and indefinitely for additional and successive one (1)-year terms; provided that after the 1st day of January, 1992, this Agreement may be terminated at any time by either party upon two (2) months' written notice.

3. The Film; Marketing Videograms; Price.

(a) Church of Scientology International ("CSI") shall, subject to a separate agreement, furnish Publisher and AIP each with a one inch master of the Film suitable for reproducing videograms. Publisher and AIP shall each reproduce and incorporate the Film in its entirety into videograms, in the form delivered by CSI. Neither Publisher nor AIP shall cut, change, alter, omit or

edit in any manner whatsoever the Film, the title of the Film, the credits, or other materials contained therein, without the prior written approval of Trustee.

(b) Trustee grants Publisher the right to use the name and likeness of L. Ron Hubbard, and to excerpt limited portions of the Film, not to exceed a total of five (5) minutes, for purposes of advertising, promotion, publicity or marketing of the videograms by Publisher. Notwithstanding the foregoing, the manner and style of Publisher's use of the name and/or likeness shall be subject to Trustee's prior approval.

(c) Publisher shall determine the price of the videograms based upon the price charged for comparable videos, subject to Trustee's approval.

4. Warranties and Indemnification.

(a) Trustee represents and warrants that:

(i) All rights granted hereunder are free of liens or encumbrances; and Trustee has full power to execute this Agreement;

(ii) The Film does not, to the best of Trustee's knowledge, infringe statutory copyrights or common law literary rights of others, and, to the best of Trustee's knowledge, does not violate the rights of privacy of, or libel, other persons.

(b) (i) Trustee agrees to indemnify and hold harmless the Publisher against any final judgment for damages (after all appeals have been taken) against it in any action

arising out of facts which constitute a breach of the foregoing warranties and against reasonable costs and attorneys' fees incurred by it in defending an action in which such judgment is recovered.

(ii) The aforesaid indemnity shall not apply to any material in the Film which Publisher could have determined, from a viewing of the Film, violated any rights specified in subparagraph (a)(ii) above.

(c) (i) Publisher shall give Trustee prompt notice of any suit brought against Publisher alleging facts which, if proven, would constitute a breach of the warranties in subparagraph (a). Trustee may, if Trustee chooses, defend such suit with counsel of his own choosing, at his own expense, provided that if he does, Publisher may nonetheless participate in the defense with counsel of its choosing and at its own expense. Publisher shall not settle any claim, demand, action or proceeding without Trustee's consent.

(ii) If Trustee shall defend such suit, Trustee shall not be responsible for Publisher's attorneys' fees or costs, subparagraph (b) notwithstanding.

5. Quality Control. Trustee will from time to time promulgate quality control standards for duplication of videograms from the Film, which standards Publisher agrees to follow in connection with the exercise of its rights hereunder. Trustee shall approve the equipment to be used by the laboratory engaged by Publisher to manufacture videograms of the Film. Publisher agrees

to cause the laboratory to permit Trustee access for purposes of inspection and approval. Moreover, upon request, from time to time, Publisher shall furnish videograms to Trustee for inspection and approval.

Trustee is satisfied with the Quality Control provisions under the Distribution Agreement. Publisher agrees to permit Trustee, upon request, to exercise any or all of its Quality Control rights under the Distribution Agreement.

6. Publisher's Responsibilities. Publisher acknowledges and agrees that, in accepting the grant of rights made by this Agreement to manufacture, distribute and sell the videograms produced hereunder, it is undertaking an important responsibility in executing the terms of this Agreement and that it is of the essence of this Agreement that the Publisher shall use its best efforts, due diligence, and the highest quality of business practices in fulfilling this responsibility, including the active and effective advertising and promotion of the sale of videograms of the Film produced hereunder, vigorous exploitation of the market for videograms of the Film, and prompt and careful satisfaction of the demand for such videograms, all in accordance with the highest standards of prevailing business practices. Without limiting the generality of the foregoing, it is expressly agreed as follows:

(a) Publisher shall actively promote and market the videograms produced hereunder. Moreover, Publisher shall promptly deliver all orders for videograms. Trustee or its designated

representative shall have the right, upon ten (10) days' written notice, to terminate the right of Publisher to manufacture and sell videograms, if they are not being actively promoted and marketed or timely delivered, unless during such ten (10)-day period videograms are actively promoted and marketed, or timely delivered, or an acceptable plan for such promotion and marketing or delivery is initiated.

(b) Publisher shall maintain an adequate sales force in the Territory.

(c) Publisher shall not employ any persons hostile to L. Ron Hubbard, Trustee, the Film or religion of Scientology.

(d) Trustee acknowledges that Publisher is sublicensing certain of the rights granted herein to AIP, pursuant to the Distribution Agreement. Trustee is satisfied with the performance criteria stated in the Distribution Agreement, which if not met will cause a reversion of all rights to Publisher. The provisions of this Paragraph 6 shall apply to Publisher's exercise of the rights granted herein with respect to Scientology Book Stores and Dianetic Book Stores and to Publisher's exercise of all rights granted herein in the event of a termination of the Distribution Agreement.

7. Copyright Notice. Publisher shall print, or cause to be printed, on every videogram a proper United States copyright notice, satisfactory to Trustee, sufficient to protect United States copyright and Universal Copyright Convention rights in the Film and videograms for Trustee; and sufficient to obtain and

protect copyright rights in all jurisdictions in which the Film and videograms, or either of them, are published and/or sold.

8. Copyright Administration. Publisher shall, within three (3) months of first publication of videograms cause to be duly registered in the United States Copyright Office a claim for United States copyright in the Program in the name of "L. Ron Hubbard Library". Currently, Publisher furnishes services to others in connection with the registration of copyrights. Should the provision of the aforementioned services be transferred to another entity, Publisher shall engage such entity for copyright services and shall pay its share of expenses arising out of the registration process.

9. Packaging and Advertising.

(a) All packaging, including, without limitation, artwork, containers, cartons, label credits and liner notes, shall be submitted to Trustee for its prior approval. Publisher shall not include any advertising of any other products or services or insert materials in the videograms or packaging therefor without Trustee's prior consent.

(b) Upon request, all advertising relating to the videograms shall be submitted to Trustee for its prior approval.

10. Royalties. For the rights granted herein, Publisher shall pay to Trustee the following:

(a) Publisher shall pay to Trustee fifteen percent (15%) of the suggested retail price for each videogram sold by Publisher or AIP in the Territory, less returns; and

(b) Publisher shall pay to Trustee sixty percent (60%) of the licensing revenue from licenses of video club rights, the rights to make closed circuit video transmissions to hospital rooms, airlines and the like, or any other video-only subscription services; provided, however, that all such licensing arrangements shall be subject to Trustee's prior approval.

11. Royalties in General; Payment.

(a) No reduction in royalties shall be allowed for bad debts or for discounts allowed for payment by Publisher's customers within a specified time limit. For purposes of this Agreement, a "bad debt" is defined as a debt outstanding for more than one hundred fifty (150) days from the date of shipment. This provision shall only apply to Publisher's exercise of rights relating to Scientology Book Stores and Dianetic Book Stores and to Publisher's exercise of all rights granted herein upon termination of the Distribution Agreement.

(b) No royalties shall be paid on copies furnished without charge and not for resale:

(i) To Trustee;

(ii) For purposes of copyright registration;

and

(iii) For review, advertising, public relations or other promotional actions; provided the number of videograms furnished for such purposes shall not exceed one hundred (100); provided, however, that a full royalty shall be paid on each videogram given without charge for resale (for

foregoing warranties and against reasonable costs and attorneys' fees incurred by it in defending an action in which such judgment is recovered.

(ii) The aforesaid indemnity shall not apply to the Program or to any material which Publisher could have determined, from a reading of the Works, violated any rights specified in subparagraph (a)(iii) above.

(c) (i) Publisher shall give Trustee prompt notice of any suit brought against Publisher alleging facts which, if proven, would constitute a breach of the warranties in subparagraph (a). Trustee may, if Trustee chooses, defend such suit with counsel of his own choosing, at his own expense, provided that if he does, Publisher may nonetheless participate in the defense with counsel of its choosing and at its own expense. Publisher shall not settle any claim, demand, action or proceeding without Trustee's consent.

(ii) If Trustee shall defend such suit, Trustee shall not be responsible for Publisher's attorneys' fees or costs, subparagraph (b) notwithstanding.

5. Master Recording.

(a) For purposes of this Agreement, "master recording" means any recording of sound alone, by any method and/or any substance or material, whether now or hereafter known, which may be used in the recording and/or manufacture of sound recordings.

(b) Subject to the other terms and conditions of this Agreement, Trustee hereby grants all rights in such master recordings to Publisher necessary for the purpose of producing sound recordings of each Program.

(c) It is understood that copyright for each respective underlying Work, the text of each Program and the master recording is reserved to Trustee.

6. Publisher's Responsibilities.

(a) Publisher acknowledges and agrees that, in accepting the grant of rights made by this Agreement to manufacture, distribute and sell sound recordings of each Program produced hereunder, it is undertaking an important responsibility in executing the terms of this Agreement and that it is of the essence of this Agreement that the Publisher shall use its best efforts, due diligence, and the highest quality of business practices in fulfilling this responsibility, including the active and effective advertising and promotion of the sale of copies of each Program produced hereunder, vigorous exploitation of the market for copies of each respective Program, and prompt and careful satisfaction of the demand for such sound recordings, all in accordance with the highest standards of prevailing business practices.

Without limiting the generality of the foregoing, it is expressly agreed that:

(i) Publisher shall actively promote and market sound recordings of the Programs. In this regard,

Publisher shall periodically submit to the Trustee, upon his request, detailed plans for promoting and marketing the Program. Included in such plans shall be provisions for pre-release and post release promotion (e.g., sound recordings to reviewers and opinion leaders and in store advertising campaigns). Moreover, Publisher shall solicit all channels for sale of the Programs, including without limitation, record and tape distributors, record store chains, record clubs and libraries.

(ii) Publisher shall promptly deliver all orders for the sound recordings and shall diligently pursue collection of all accounts receivable generated by sales of the sound recordings.

(iii) Trustee or his designated representative shall have the right, upon ten (10) days' written notice, to terminate the right of Publisher to manufacture and sell sound recordings of each respective Program, if it is not being actively promoted and marketed or timely delivered, unless during such ten (10)-day period sound recordings of the particular Program are actively promoted and marketed, or timely delivered, or an acceptable plan for such promotion and marketing or delivery is initiated.

(iv) Publisher shall maintain an adequate sales force in the Territory.

(v) Publisher shall not employ any persons hostile to L. Ron Hubbard, Trustee, the Works or Scientology.

(b) Publisher shall not manufacture and sell sound recordings by other authors that are similar to or competitive with the Programs without the prior written consent of Trustee.

7. Copyright Notice. Publisher shall print on every copy of each Program a proper United States copyright notice, satisfactory to Trustee, sufficient to protect United States copyright and Universal Copyright Convention rights in the respective Work and master recording; for Trustee; and sufficient to obtain and protect copyright rights in all jurisdictions in which the respective Work and Program, or either of them, are published and/or sold by Publisher.

8. Copyright Administration. Publisher shall, within three (3) months of first publication of sound recordings of a Program cause to be duly registered in the United States Copyright Office claims for United States copyright in the Program and master recording in the name of "L. Ron Hubbard Library" (the registered fictitious name of Trustee). Currently, Publisher furnishes services to others in connection with the registration of copyrights. Should the provision of the aforementioned services be transferred to another entity, Publisher shall contract with such entity for copyright services and shall pay its share of expenses arising out of the registration process.

9. Packaging and Advertising.

(a) All packaging, including, without limitation, artwork, label credits and liner notes, shall be submitted to Trustee for his prior approval. Publisher shall not include any

advertising of any other products or services or insert materials in each sound recording of a Program or in packaging of sound recordings of each Program without Trustee's prior consent.

(b) Upon request, all advertising relating to each Program shall be submitted to the Trustee for his prior approval.

10. Rights Payment. Publisher shall pay to Trustee the sum of Two Thousand U.S. Dollars (\$2,000.00), receipt of which is hereby acknowledged, in consideration of the rights granted herein for Battlefield Earth. Trustee acknowledges that Publisher has heretofore paid consideration for the rights granted in Fear, Final Blackout and Buckskin Brigades. The consideration paid for the rights granted in the Works is non-refundable and is not recoupable against royalties.

11. Royalties. For the rights granted herein, Publisher shall pay to Trustee the following:

(a) Publisher shall pay Trustee ten percent (10%) of Publisher's suggested retail price for each sound recording of a Program sold by Publisher, less returns. For purposes of this Agreement, "Publisher's suggested retail price" shall be deemed to be without discount of any kind;

(b) Publisher shall pay to Trustee that percentage of net proceeds received by Publisher from the sale of sound recordings which Trustee is obligated to pay to the reader on each Program. Such percentage is described on Exhibit "A". The parties acknowledge that a portion of the cost to produce a Program arises out of an advance of royalties paid to the reader of the Program.

Publisher shall receive a credit against sums due under this subparagraph (b) to the extent of such advance royalties. For purposes of this Agreement, "net proceeds" shall mean actual cash receipts from sales, less returns and taxes, shipping and handling charges included in the sale price in the case of mail order sales; and

(c) Publisher shall pay Trustee sixty percent (60%) of the licensing revenue from licenses of record club rights, the rights to make closed circuit audio transmissions to hospital rooms, airlines and the like, or any other audio-only subscription services; provided, however, that all such licensing arrangements shall be subject to Trustee's prior approval.

12. Royalties in General; Payment.

(a) The Trustee's prior approval is required for sales of copies of each Program at a discount in excess of sixty percent (60%) of the Publisher's suggested retail price (i.e., without discount). If the Trustee approves such sales, Trustee shall receive ten percent (10%) of the gross received by Publisher.

(b) No reduction in royalties shall be allowed for bad debts or for discounts allowed for payment by Publisher's customers within a specified time limit. For purposes of this Agreement, a "bad debt" is defined as a debt outstanding for more than one hundred fifty (150) days from the date of shipment.

(c) No royalties shall be paid on sound recordings furnished without charge and not for resale:

(i) To Trustee;

(ii) For purposes of copyright registration;
and

(iii) For review, advertising, public relations or other promotional actions; provided the number of sound recordings of each Program furnished for such purposes shall not exceed three hundred fifty (350) per Program; provided, however, that a full royalty shall be paid on each sound recording of each Program given without charge for resale (for advertising or promotional allowances or other purposes) in connection with the sale of each of the Works or the sales of other literary works. For purposes of this subparagraph (c)(iii), Publisher shall pay a royalty based on the suggested retail price of each sound recording given away.

(d) All payments under this Agreement shall be payable in U.S. currency. Publisher shall be responsible for handling all currency and exchange controls. No reduction in royalties shall be allowed on account of such controls.

(e) No royalties shall be paid on sales between Publisher and New Era Publications International ApS.

13. Reservation of Rights.

(a) All rights in each of the Works not specifically granted herein to Publisher are reserved to Trustee and may be exercised or disposed of by Trustee at any time during the term of this Agreement.

(b) Without limiting the generality of the foregoing, Trustee hereby reserves all rights in and to radio broadcast rights.

14. Calculation and Weekly Payments of Royalties.

Royalties due the Trustee hereunder shall be paid weekly. Royalties shall be due to the Trustee when monies from sales are received, or become bad debts as defined hereinabove; provided shipment of sound recordings of the respective Program has occurred. In the event monies are received prior to shipment, royalties shall not be due until shipment. Weekly payments shall be accompanied by an informal statement indicating the basis for the payment. For purposes of currency exchange, Publisher shall use the rate on the day monies are received or become bad debts.

15. Accounting and Quarterly Payments.

(a) Publisher shall maintain accurate books and records pertaining to the sale of sound recordings of each Program, in sufficient detail to permit calculation and verification of royalties payable hereunder. Publisher shall prepare statements, in a form acceptable to Trustee, accounting for all royalties payable Trustee under this Agreement during each of the following periods in every year:

From January 1 to March 31;

From April 1 to June 30;

From July 1 to September 30;

From October 1 to December 31.

Publisher shall mail the statement to Trustee within thirty (30) days after the close of each period. Each quarterly statement shall report the number of sound recordings of each Program sold to date (and total sales for the subject period), the Publisher's suggested retail price, the royalty rate, amount of royalties paid to the Trustee during the quarter, the amount of royalties due to the Trustee, but unpaid, the net proceeds from sales of sound recordings, the gross amount from licensing rights granted hereunder, the number of sound recordings of each Program given away in the period, the number of saleable sound recordings of each Program on hand at the end of the period, and such other information as the Trustee may from time to time request. Any amounts shown to be due on the statement shall be paid with the statement. Should such payment not be made within thirty (30) days following the close of the quarter, the amount due shall bear interest from the first day of the month following the end of the quarter for which it is due until paid at the higher of (1) ten percent (10%), or (2) five percent (5%) plus the Federal Reserve Bank of San Francisco's discount rate on the twenty-fifth (25th) day of the last month of the quarter for which payment is due. Should the quarterly statement show an overpayment to Trustee, such overpayment shall be deducted proportionately from the weekly payments during the quarter following the one in which the overpayment was made.

(b) Upon Trustee's written request, Trustee may examine the books and records of Publisher which relate to sales of

sound recordings or licenses of each respective Program. If such examination discloses an error of five percent (5%) or more with respect to any royalty statement, Publisher shall reimburse Trustee for Trustee's costs of the examination, otherwise such costs shall be borne by Trustee.

(c) Publisher shall be permitted to maintain a reserve for returns equal to twenty percent (20%) of Trustee's quarterly royalties; provided, however, that Publisher shall liquidate such reserves, within two (2) quarters following the quarter in which royalties were withheld.

16. Trustee's Copies. Publisher shall give to Trustee twenty (20) free sound recordings of each Program, and Trustee may purchase additional sound recordings at Publisher's maximum standard distributor discount available at time of transaction.

17. Unavailable Provision, Termination.

(a) For the purposes of this Agreement, a Program shall be deemed "available" only when sound recordings are obtainable and offered for sale, through usual retail channels. Publisher shall notify Trustee at such time as a Program is not available.

(b) If Publisher fails to keep a particular Program available, Trustee may at any time thereafter serve a written request on Publisher that the Program be made available. Within ten (10) days from receipt of such request, Publisher shall notify Trustee in writing whether it intends to comply with said request. If Publisher fails to give such notice or, having done so, fails to

make the Program available as specified in subparagraph (a) within ninety (90) days after receipt of said request from Trustee, then, in either event, Publisher's rights with respect to the Program shall automatically terminate and all rights granted to Publisher shall thereupon automatically revert to Trustee.

(c) Upon the expiration or other termination of this Agreement, except for termination of this Agreement by Trustee by reason of Publisher's breach or default of any of the terms hereof or by reason of Trustee's exercise of its rights under subparagraph (b) above, Publisher shall have the right to sell the inventory of sound recordings of the Program, previously manufactured hereunder; provided that Publisher agrees that during the final three (3) months of the initial term of this Agreement, or subsequent renewal term, it shall not maintain its inventory at levels higher than the number of units sold through normal retail channels for the previous three (3)-month period. Such sales shall be subject to the payment of royalties by Publisher under the terms of this Agreement. After the expiration or other termination of this Agreement, Trustee shall have the right to purchase from Publisher at Publisher's factory cost, devoid of overhead and storage surcharges, all or part of the inventory not theretofore sold by Publisher, it being agreed that Publisher shall not make any sale of its post-term inventory to a third party without first offering said inventory to Trustee upon the same terms and conditions proposed to or by such third party purchaser. Such sale

to Trustee shall not be subject to the payment of royalties under this Agreement.

(d) Upon the expiration of the term of this Agreement or upon any other termination of this Agreement, except as otherwise provided herein, all rights granted to Publisher hereunder shall expire and all manufacturing of sound recordings of each Program shall cease. With respect to each master recording used in manufacturing sound recordings of each Program, Publisher shall deliver same to Trustee, free of charge, but at Trustee's shipping expense, to such address as Trustee shall designate and shall assign the copyright therein to Trustee in accordance with this Agreement.

18. Termination of Rights. If Publisher is adjudicated a bankrupt or makes an assignment for the benefit of creditors or liquidates its business or comes under the control of persons hostile to L. Ron Hubbard, Trustee, the Works, or Scientology, this Agreement shall thereupon terminate and all rights granted to Publisher shall automatically revert to Trustee.

19. Suits and Infringement.

(a) If there is an infringement of any rights granted to Publisher, Trustee and Publisher shall have the right to participate jointly in an action for such infringement; and if both participate, they shall share the expenses of the action equally and shall recoup such expenses from any sums recovered in the action. The balance of the proceeds shall be divided equally between them. Each party will notify the other of infringements

coming to its attention. Notwithstanding the foregoing, Publisher shall have the primary responsibility of prosecuting such infringement action.

(b) If either party declines to participate in such action, the other may proceed. The party maintaining the action shall bear all costs and expenses which shall be recouped from any damages recovered from the infringement; the balance of such damages shall be divided equally between them.

20. Proper Use of Copyrights. Publisher acknowledges its full responsibility for the proper use of the copyrights under this Agreement, and for the sound recordings of each Program it sells pursuant to this Agreement, and covenants that neither it nor any of its officers, directors, employees, agents, representatives, or affiliates ("Affiliates") will make any claim against the Trustee, Trustee's representatives or any person associated with either. Publisher shall indemnify Trustee and his agents, employees, representatives, successors, assigns and affiliates, and hold them harmless from and against all costs, liabilities, claims and actions of any kind, including attorneys' fees, which arise from or relate to any activity of Publisher under this Agreement, including, without limiting the generality of the foregoing, any and all claims and actions based upon or arising out of advertising statements and claims made by Publisher or Publisher's Affiliates, or based upon or arising out of any alleged failure by Publisher or any of its Affiliates to perform any of their obligations with respect to the Works. All such claims and actions shall be

defended at the expense of Publisher through legal counsel acceptable to Trustee.

21. Governing Law. This Agreement shall be interpreted under the internal laws and judicial decisions of the State of California, U.S.A.

22. Binding on Successors. This Agreement shall be binding on the parties and upon their respective heirs, administrators, successors and assigns. This Agreement may not be assigned by either party without written notice sent to the other.

23. No Waiver. This Agreement constitutes the complete understanding of the parties and no waiver or modification of any provisions shall be valid unless in writing, signed by Trustee and Publisher. The waiver of a breach or of a default under any provision hereof shall not be deemed a waiver of any subsequent breach or default.

24. Notice. Any notice required to be sent hereunder shall be sent by first-class mail, postage prepaid, return receipt requested, to the Trustee or Publisher at the addresses given in the Preamble of this Agreement, which addresses may be changed by either of them by written notice to the other. Any such notice deposited in the mail shall be conclusively deemed delivered to and received by the addressee four (4) days after deposit in the mail if all of the foregoing conditions of notice shall have been satisfied.

25. Headings. The headings and captions of the various paragraphs are for convenience only, and they shall not limit,

expand or otherwise affect the construction or interpretation of this Agreement.

26. Future Agreement. The parties contemplate that they may enter into agreements in the future relating to publication of Programs based upon the literary works of L. Ron Hubbard not otherwise described on Exhibit "A". It is agreed that such literary works shall not be the subject of a separate agreement but shall be governed by the terms and conditions of this Agreement at such time as the parties hereto sign a writing referring to the literary work and the Agreement. Such writing shall also state the percentage of net proceeds due the reader of the Program and the amount of any payment required by the Trustee for the grant of rights with respect to said literary works.

27. Trustee's Representatives. Any rights or privileges conferred on Trustee hereunder may be exercised by one or more of Trustee's representatives as Trustee may specify in written notice(s) to Publisher. Such notice shall contain the name and address of any designated representative empowered to act on Trustee's behalf hereunder. Where the Trustee has designated a representative, Publisher shall furnish both Trustee and such representative with a copy of each notice required to be given under this Agreement.

At present, Author Services, Inc., whose address is 7051 Hollywood Boulevard, Suite 400, Hollywood, California 90028, is the designated representative of Trustee pursuant to this paragraph.

28. Entire Agreement. This Agreement supersedes and replaces all previous agreements between the parties hereto regarding the subject matter of this Agreement and may not be amended except in writing and signed by both parties hereto.

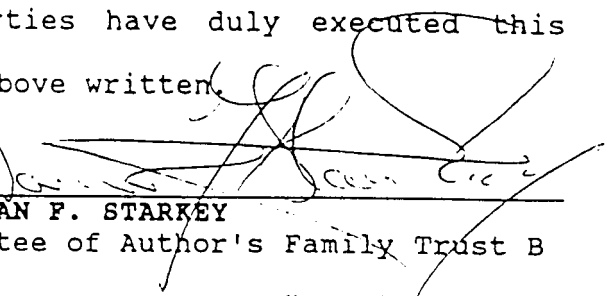
29. Arbitration. Any controversy or dispute which arises out of or relates to this Agreement, including, without limitation, the adequacy of performance by Publisher and of any demands made by Trustee, which cannot be settled by informal means or through the aid of a third party arbitrator mutually acceptable to the parties and through procedures mutually acceptable to the parties, shall be settled through arbitration held in Los Angeles or at such other location as the Trustee may choose. If the parties are unable to settle the matter through informal means, then either party may demand arbitration by serving upon the other party a written demand for arbitration containing the name of an arbitrator to participate in the proceedings. Within ten (10) days after receipt of such notice, the party upon whom demand was served shall select an arbitrator. The two arbitrators shall select a third arbitrator. The decision in writing of the arbitrator or a majority of the arbitrators appointed by the parties shall be final and conclusive as to all parties to the dispute. Should any party fail or refuse to appear or participate in an arbitration proceeding, the arbitrator or arbitrators so appointed may decide the dispute on the evidence presented in the arbitration proceeding by the other party or parties to this dispute. The arbitrator or arbitrators shall have the power to award to any party or parties

to the dispute any sums for costs, expenses, and attorneys' fees that the arbitrator or arbitrators may deem proper. Judgment may be entered on the award in any court of competent jurisdiction. Arbitration shall not be required with respect to any matter in connection with which injunctive relief or specific performance is sought by all or any of the parties hereto.

Each arbitrator shall be a member in good standing under the Scientology Scriptures, a minister of the Religion of Scientology, a member of the Sea Org, and well versed in the Scientology Scriptures, in particular those Scientology Scriptures pertaining to Scientology ethics and justice. As used herein, Scientology Scriptures are defined as the written and recorded spoken words of L. Ron Hubbard regarding Scientology applied religious philosophy and Dianetics spiritual healing technology.

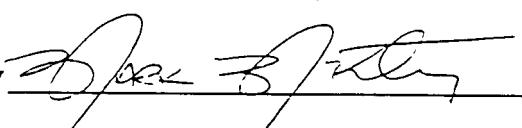
30. Facsimile Transmissions. The parties each agree to accept a signed copy of this Agreement transmitted by facsimile (telecopier) and to rely upon such transmitted copy as if it bore original signatures. If a signed copy of this Agreement is transmitted by facsimile, each party agrees to provide to each other party, within a reasonable time after transmission, the Agreement bearing the original signatures.

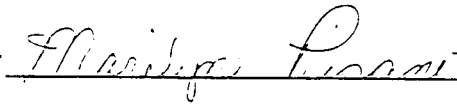
IN WITNESS WHEREOF, the parties have duly executed this Agreement the day and year first above written.



NORMAN P. STARKEY
Trustee of Author's Family Trust B
"Trustee"

BRIDGE PUBLICATIONS, INC.

By 

By 

"Publisher"

STARKSPI.AU2
October 7, 1991

EXHIBIT "A"

Attachment to BPI Audio Agreement

LITERARY WORKS

Literary Works	Percentage of Net Proceeds Due Reader (Reference Paragraph 11)
1. Fear	-
2. Final Blackout	-
3. Battlefield Earth (Foreign, Catalog or "club" sales 1%)	2%
4. Buckskin Brigades (Foreign, Catalog or "club" sales 1%)	2%

FIRST ADDENDUM TO
AUDIO PUBLISHING LICENSE AGREEMENT (BPI)

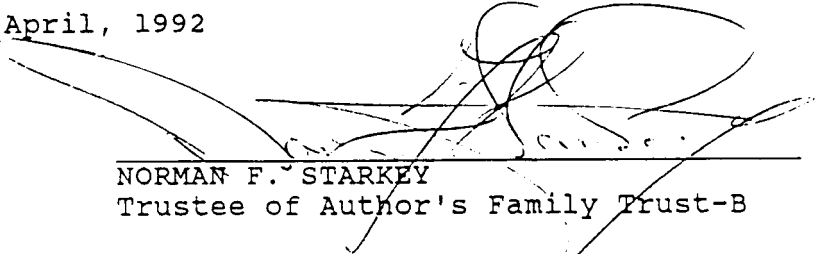
The promises, covenants, agreements and declarations made and set forth herein are intended to and shall have the same force and effect as if set forth at length in the body of the Audio Publishing License Agreement (BPI), by and between NORMAN F. STARKEY, Trustee of Author's Family Trust-B, and BRIDGE PUBLICATIONS, INC., dated the first day of October, 1991 ("Agreement"). To the extent that the provisions of this Addendum are inconsistent with the terms and conditions of the Agreement, the terms of this Addendum shall control. For purposes of this Addendum, the capitalized terms, unless defined herein, shall have the same meanings as the terms defined in the Agreement.

Paragraph 3 (c) of the Agreement is deleted in its entirety and the following new paragraph 3 (c) is substituted in lieu thereof:

"(c) Trustee grants Publisher the right to use the name and likeness of the author of the Works, and to play all or portions of each Program on the radio for purposes of advertising, promotion, publicity or marketing of each Program by Publisher. Notwithstanding the foregoing, the manner and style of Publisher's use of the name and/or likeness shall be subject to Trustee's prior approval."

In all other respects, the Agreement, dated the first day of October, 1991, is hereby ratified, republished and reconfirmed by the parties hereto.

DATED: 26th day of April, 1992



NORMAN F. STARKEY
Trustee of Author's Family Trust-B

BRIDGE PUBLICATIONS, INC.

By 

By 

FUTURE AGREEMENTS ADDENDUM

Paragraph 26 of the Audio Publishing License Agreement (BPI) by and between NORMAN F. STARKEY, Trustee of Author's Family Trust-B, and BRIDGE PUBLICATIONS, INC., dated October 1, 1991 ("Agreement"), provides that literary works of L. Ron Hubbard not otherwise governed by the terms and conditions of the Agreement may be made subject to the terms and conditions at such time as the parties sign a writing referring to the literary works and the Agreement.

Accordingly, it is agreed that the following titles shall be added to Exhibit "A" of the Agreement, entitled Attachment to BPI Audio Agreement:

	Percentage of Net Proceeds Due Reader (Para 11)	Rights Payment (Para 10)
5. Ole Doc Methuselah (Foreign, Catalog or "club" sales - 1%)	- 2%	\$2,000

DATED: 12th day of March, 1992.



NORMAN F. STARKEY, Trustee of
Author's Family Trust

BRIDGE PUBLICATIONS, INC.

BY 

BY Marilyn Leami

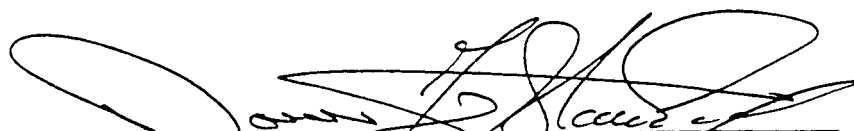
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Accordingly, it is agreed that the following titles shall be added to Exhibit "A" of the Agreement, entitled Attachment to BPI Audio Agreement:

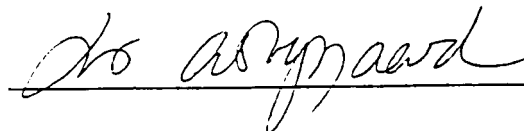
	Percentage of Net Proceeds Due Reader (Para 11)	Rights Payment (Para 10)
6. Empty Saddles	- 0%	\$500
7. Guns of Mark Jardine	- 0%	\$500

DATED: 15th day of February, 1993.



NORMAN F. STARKEY, Trustee of
Author's Family Trust

BRIDGE PUBLICATIONS, INC.

BY 

BY 