

TRADEMARK LICENCE AGREEMENT/NEW ERA

PUBLICATIONS INTERNATIONAL ADS

THIS TRADEMARK LICENSE AGREEMENT/NEW ERA PUBLICATIONS INTERNATIONAL Aps ("Agreement"), dated this 27/4 day of December, 1990, by and between NORMAN F. STARKEY, Trustee of Author's Family Trust-B ("Trustee"), whose address is 6515 Sunset Boulevard, Suite 202, Hollywood, California 90028. and NEW ERA PUBLICATIONS INTERNATIONAL Aps ("NEPI"), whose address is Store Kongensgade 55, 1284 Copenhagen K. Denmark, with reference to the following:

- A. The parties intend to enter into an agreement entitled and herein referred to as "Literary Agreement", wherein NEPI is granted the rights to print, publish and sell certain literary works written by L. Ron Hubbard ("IRH"), in all countries and territories except the United States and English-speaking Canada. The rights granted under the Literary Agreement do not include the right to use any of the trademarks that appear on such literary works.
- B. Concurrently herewith, NEPI and the Trustee have entered into an agreement entitled "Mutual Termination and Settlement Agreement - Trademarks", wherein they have agreed, among other things, to terminate that certain License Agreement -NEPI, dated May 28, 1982, pursuant to which NEPI was granted the rights to use service marks and trademarks originated, used and registered by LRH in connection with the publication of literary works and materials written by LRH.

- C. IRH, the founder of the Religion of Scientology, originated and used, both personally and through licensees operating under his supervision, the service marks and trademarks for goods and services relating to the Diametics, Scientology, and the organizations and operations of the Religion of Scientology, including the marks that are described on Exhibit "A" attached hereto and by this reference made a part hersof ("Marks").
- D. LRH assigned the Marks and all registrations and applications for registration thereof to Religious Technology Center, a California nonprofit religious corporation ("RTC"), for use and licensing by RTC in connection with goods and services relating to the Religion of Scientology, Scientology applied religious philosophy, Diametics spiritual healing technology, and the organizations and operations relating thereto, but reserved and retained for himself and his heirs, successors and assigns, the non-exclusive right to sell products and to license and contract with others to sell products, relating to the religion and organizations of Scientology, and bearing or embodying the Marks. Without limiting the generality of the foregoing reservation of rights, categories of products that are expressly included within this reservation of rights include jewelry, emblems, insignia, recordings, including films, tapes and phonograph records, electrometers, books and other publications.
- E. RTC new is the owner of all of the Marks, subject only to the rights reserved and retained by LRH, and has all of the rights and responsibilities of ownership with respect to the

supervision and control of the nature and quality of services rendered and goods sold under the Marks.

- F. LRH died on January 24, 1986, and an executor of his Will was appointed by the San Luis Obispo County Superior Court on February 13, 1986. On January 3, 1989, the Superior Court ordered distribution of the Estate of LRH, including the reservation of rights in the Marks, to the Trustee.
- G. NEPI desires to obtain, through the Trustee, a license to use the Marks in connection with its rights to print, publish and sell certain books and other publications by LPH.

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein by this reference, and of the mutual covenants and conditions contained herein, the parties agree as follows:

1. Grant of Rights.

a. Marks. Trustee hereby grants to NEPI the nonexclusive right and license to manufacture, have manufactured, distribute and sell products and materials bearing or embodying each and all of the Marks in all countries and territories except the United States and English-speaking Canada. This grant does not include the right to use the Marks in rendering religious services in the field of Dianetics spiritual healing technology or the field of Scientology applied religious philosophy. Without limiting the generality of the foregoing grant, categories of products and

materials that are expressly included with the grant are jewelry. emblems, insignia, recordings, including films, tapes and phonograph records, electrometers, books and other publications.

b. <u>LRH Name</u>. LRH used his name, initials and parts thereof as Marks, and reserved all rights of an individual to continue using his name, initials and parts thereof in reference to himself and his literary works. This grant includes the right to embody his name, initials and parts thereof in emblems, insignia and jewelry, and to use his name in an authorized manner in reference to LRH and his literary works, but does not include the right to apply his name, initials or parts thereof to any product or material as an indication of source, authorship or sponsorship without Trustee's express authorization, in writing.

2. Control and Supervision.

- a. Quality Control. Trustee and RTC reserve the right to control the nature and quality of all products and materials for which NEPI uses any of the Marks and the manner of use and display of the Marks. Without limiting the generality of the foregoing sentence, this right of control includes:
 - (1) The right of RTC and Trustee to inspect and approve, before publication, the nature, content and quality of all products and materials to be associated in any way with any of the Marks, or with the nature or initials of LRH, or parts thereof, and to reject any materials deemed to be unsuitable or inappropriate; and
 - (2) The right of RTC and the Trustee to inspect and approve, before publication, all advertising and

promotional materials relating to any products or materials to be associated in any way with any of the Marks, or with the name or initials of LRH, or parts thereof, and to reject or rewrite any advertising or promotional materials deemed to be unsuitable or inappropriate.

- b. RTC Standards. RTC shall have the right to prescribe standards and specifications for all products and materials bearing or embodying any of the Marks and guidelines for the manner of use and display of the Marks. Until such time as RTC issues new standards and guidelines, those presently in existence under the authority of the Trustee and RTC shall remain in full force and effect.
- c. Right to Inspect. Trustee and RTC shall have the right, at all reasonable times, to inspect all premises where NEPI produces or sells products or materials bearing or embodying any of the Marks. Upon request (but not more than once during any three-month period), NEPI shall furnish to RTC or the Trustee at least two (2) samples of all products and materials upon which any of the Marks is used.
- d. Approval of New Products. Before introducing a new product or material bearing or embodying any of the Marks, NEPI shall submit two (2) specimens of such product or material to the Trustee and RTC, showing the Marks as they are to be used, for approval.
- 3. Consideration. NEPI shall pay no consideration for the use of the Marks, so long as the Marks are used in connection

with the products or materials on which a royalty is paid pursuant to the Literary Agreement or any other agreement pursuant to which MEPI publishes literary works and materials written by LRH. The parties shall mutually agree upon a royalty rate for any use not arising out of the Literary Agreement or any other agreement.

4. Reports and Records. NEPI shall keep and maintain accurate books and records pertaining to the manufacture, distribution and sales of products and materials bearing or embodying each and all of the Marks. All such books and records shall be available for inspection by the Trustee during regular business hours, but not more frequently than once during any threemonth period. Any payments due the Trustee hereunder shall be baid weekly and accompanied by an informal statement indicating the basis of the payment. Within thirty (30) days after the end of a calendar quarter during which payments are made hereunder, NEPI shall prepare a formal royalty statement, including in such report identification of all products and materials sold, numbers of such products, the undiscounted list prices thereof, and such other data as may be requested by the Trustee. Royalties shall be payable in United States funds. NEPI shall be responsible for resolving all currency exchange and control problems, and for all taxes and other amounts required to be withheld from royalty payments.

5. Enforcement of Trademarks.

a. <u>Unauthorized or Improper Use</u>. NEPI shall inform the Trustee and RTC promptly with respect to any unauthorized or improper use of the Marks that comes to the attention of NEPI. NEPI shall not take any legal action to enforce any rights in any of the Marks without the express written permission of the Trustee and RTC.

- b. Action by RTC. In the event that RTC decides to take any enforcement action with respect to unauthorized or improper use of the Marks, NEPI shall cooperate fully with RTC in all such matters. The division of proceeds thereof, after reimbursement of RTC for the costs of enforcement, shall be negotiated by the Trustee, RTC and NEPI based upon the circumstances of each occurrence requiring enforcement.
- 6. Proper Use of Trademarks. NEPI acknowledges its full responsibility for the proper use of the Marks under this Agreement and covenants that neither it nor any of its agents, employees, or affiliates will make any claim against the Trustee, RTC or any person employed by or affiliated with any of the foregoing. NEPI shall indemnify the Trustee and RTC, and their respective 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 and court costs, which arise from or relate to any activity of NEPI under this Agreement. All such claims and actions shall be defended at the expense of NEPI through legal counsel acceptable to the Trustee and RTC.
- Ownership. NEPI acknowledges and agrees that all of the Marks are owned by RTC, and that all uses of the Marks by NEPI

shall support the ownership of the Marks by RTC as if those uses were made directly by RTC.

- 8. Best Efforts. NEPI acknowledges and agrees that, in accepting the grant of rights made hereunder, it is undertaking an important responsibility and will use its best efforts, due diligence, and the highest standards of practices in fulfilling this responsibility. Without limiting the generality of the foregoing, it is expressly agreed that NEPI shall not employ any person who is hostile to LRH, the Scientology Scriptures, or the Religion of Scientology. For purposes of this Agreement, the term "Scientology Scriptures" shall mean the written and recorded spoken words of LRH pertaining to Scientology applied religious philosophy and Dianetics spiritual healing technology.
- 9. Term. The term of this Agreement shall commence as of the date hereof and shall continue until the $\frac{27 \, d}{2}$ day of Dittimble , 1995. Thereafter, this Agreement shall be renewed automatically and indefinitely for additional and successive one-year terms; provided that after the ATH day of $\frac{Occupher}{Occupher}$, 1991, this Agreement may be terminated at any time by either party upon two (2) months' written notice.

10. Default and Termination.

- a. <u>Automatic Termination</u>. This Agreement shall automatically terminate upon the following:
 - (1) If NEPI becomes insolvent or makes ar assignment for the benefit of creditors;

- (2) If NEPI files a petition under any foreign, state, or United States bankruptcy act, receivership statute, or the like, as they now exist or as they may be amended;
- (3) If a petition described in subparagraph (2) is filed by any third party, or an application for a receiver is made by anyone and such petition or application is not resolved favorably to NEPI within sixty (60) days;
- (4) If NEPI becomes controlled, directly or indirectly, by any entity or entities that are hostile to the religion or organizations of Scientology, to LPH or to the Scientology Scriptures; and
- (5) If the agreement pursuant to which NIPI publishes literary works and materials by LRH is terminated without replacement of another publishing agreement between the parties.
- b. Optional Termination. The Trustee may terminate this Agreement upon the occurrence of any of the following:
 - (1) If NEPI attempts to terminate this Agreement, or subsequently abandons its use of the Marks pursuant to this Agreement; and
 - (2) If NEPI materially breaches any obligation under this Agreement, including failure to make timely payments of royalties and failure to satisfy its best efforts

chligations under Paragraph 8 above. The Trustee may exercise his rights hereunder by giving NEPI thirty (30) days' written notice of such breach, specifying in the notice the nature of the breach, and stating the Trustee's intent to terminate at the end of the thirty-day period, unless the breach has been corrected in the interim. In the event that the breach has not been substantially corrected at the end of the thirty-day period, the Trustee may declare the license to have been terminated, in whole or in specified part.

- c. RTC's Right to Terminate. In the event of any misuse of any of the Marks deemed by RTC to be so serious as to place the validity or ownership of any of the Marks in jeopardy, RTC may terminate the license immediately as to the Marks misused, subject to reinstatement after correction of the misuse.
- license herein granted for any reason, NEPI shall immediately discontinue use of the Marks, and thereafter shall refrain from all future use of the Marks, and from all use of colorable imitations and confusingly similar marks, except that NEPI may dispose of all previously manufactured and approved products and materials bearing or embodying the Marks, and all previously printed approved publications, for a period of three (3) months after termination, and subject to payment of royalties as may be required by this Agreement or any other agreement.
- 12. <u>Prohibition and Control of Sublicensing</u>. The right to grant sublicenses without the express written approval of the

Trustee is expressly excluded from the rights granted to NEPI by this Agreement.

- 13. Registrations and Recordings. Upon the request of RTC, NEPI shall execute and deliver to RTC any license agreements, registered user agreements, and any other documents that RTC deems necessary or desirable for the purpose of registering or recording the right of NEPI to sell products bearing or embodying the Marks. NEPI shall assign to RTC, or cancel (at RTC's option), any registrations or agreements of NEPI that are in conflict with RTC's ownership of the Marks.
- 14. <u>Lack of Agency</u>. Neither party shall be deemed the agent, joint venturer, or partner of the other, or of the others' representatives, successors, heirs or assigns, or of RTC, and neither shall have the authority to act on behalf of the other, or for RTC, in any manner, including acceptance of service of process.
- 15. <u>Governing Law</u>. This Agreement shall be governed in all respects according to the internal laws and judicial decisions of the State of California.
- 16. Assignability and Binding Effect. This Agreement may be assigned or otherwise transferred by Trustee at any time. This Agreement is personal to NEPI and shall not be assignable or otherwise transferable by NEPI without the prior written approval of the Trustee and RTC. In the event of any attempted assignment or transfer by NEPI of its rights under this Agreement, whether voluntarily or involuntarily, all the rights of NEPI with respect to the Marks shall immediately terminate. This Agreement shall be

binding on the parties and upon their respective heirs, administrators, successors and assigns.

17. Arbitration. Any controversy or dispute which arises out of or relates to this Agreement, including, without limitation, the adequacy of performance by NEPI and of any demands made by Trustee or RTC, 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.

- 18. Consequences of Breach. The parties acknowledge and agree that the rights involved hereunder cannot be replaced or the loss thereof adequately compensated for in money damages, and that any breach by one party of the Agreement may cause irreparable injury to the other party. Therefore, it is agreed that the parties shall have the right to obtain from any court or arbitrator having jurisdiction such equitable relief as may be appropriate, including injunctive relief or a decree of specific performance.
- 19. 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 the Trustee and NEPI and, if appropriate, approved by RTC. 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.
- 20. Notice. Any notice required to be sent hereunder shall be sent by first-class mail, postage prepaid, return receipt requested, to the Trustee or NEPI 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.

- 21. <u>Headings</u>. 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.
- 22. <u>Trustee's Representatives</u>. Any rights or privileges conferred on the Trustee or RTC hereunder may be exercised by one or more representatives, as either Trustee or RTC may specify in written notice(s) to NEPI. Such notice shall contain the name and address of any designated representative empowered to act on behalf of the Trustee or RTC. Where the Trustee or RTC has designated a representative, NEPI shall furnish the Trustee or RTC and such representative with a copy of each notice required to be given.
- 23. <u>Entire Agreement</u>. 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 signed by both parties hereto.
- 24. <u>Severability</u>. Each and every provision of this Agreement is severable from any and all other provisions of this Agreement. Should any provision or provisions of this Agreement

be, for any reason, unenforceable, the balance shall nonetheless be of full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written. NORMAN F. STARKEY, Trus-Author's Family Trust-B "Trustee NEW ERA PUBLICATIONS INTERNATIONAL Aps "NEPI"

RTC, as owner of all of the Marks, does hereby agree to and approve the Agreement.

RELIGIOUS TECHNOLOGY CENTER

Its President

Its Secretary

NESHEP.TLA

EXHIBIT A

ADVANCE! ARC STRAIGHTWIRE BOOK ONE

CLEAR CERTAINTY RUNDOWN DIANETICS FALSE PURPOSE RUNDOWN

FLAG FLAG OT EXECUTIVE RUNDOWN FREEWINDS

HAPPINESS RUNDOWN

HCO

KEY TO LIFE

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L. RON HUBBARD LIFE ORIENTATION

MARK VI METHOD ONE

NEW ERA DIAMETICS NEW VITALITY RUNDOWN

OCA

CT

OXFORD CAPACITY ANALYSIS

PURIFICATION

RON

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STANDARD DIANETICS STUDENT HAT

NEW OT VIII TRUTH REVEALED THE AUDITOR

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STANDARD TECH SUNSHINE RUNDOWN

This includes all approved translations and transliterations of the above word marks.



SCIENTOLOGY SICH SYNBOL



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CLR BADES



CIASS I AUDITOR PADGE



CIASS O AUDITOR BADGE



CLASS II AUDITOR PADSE



CLASS III AUDITOR FADGE



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CLASS IV AUDITOR BADER



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CLASS Y AUDITOR BADGE



CLASS I AUDITOR BADGE



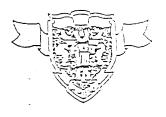
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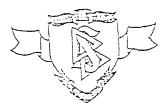
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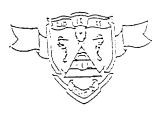
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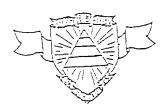
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CLASS IF C/S BADGE



CLASS II C/S EADER



CLASS 7 C/S PADGE



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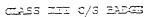


CLASS V GRADUATE C/S PADGE



CLASS II C/S PAINTE







FAST FICH STUDENT STEEOL



DIAMETICS STANDL



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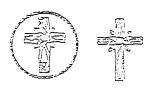
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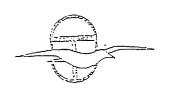
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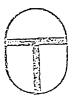
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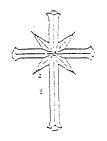
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SCIENTOLOGY CECSS



SCIENTOLOGI SYMBOL



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SEA ORG SYMBOL



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STANDARD ADMIT PADES (NON S.C



TEALS FOR LIFE SENEOL



FLAG SHIP SERVICE ORG SYMBOL



HCO STATOL



NEW MORID CORPS SYMBOL



SEA ORG COAT OF ARMS



UNIVERSE CORPS SYMBOL



MARK V SYMBOL



MARK VI SYMBOL



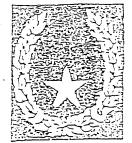
SESEC SYMECL



AUDITOR O - IV EADGE



AUDITOR VI BADGE



STAR & WREATE SYMBOL



ECO/EASI STATEOL



MARK SUPER VII SYMBOL

SCHEDULE 1

Royalties Payable Pursuant to Trademark License Agreement

Insignia, emblems, patches, badges: 1.

11% of all sales

2. Jewelry:

11% of all sales

Tee shirts, novelty items:

11% of all sales

Cards, calendars and posters:

6% of all sales

NOTE:

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- (a) The above royalties shall be calculated on the suggested retail price, which price shall not include taxes and shall be without discount of any kind.
- (b) Where the Marks are used in conjunction with other rights, for which a royalty is paid, the licensee shall pay only the higher of the two (2) royalties. For example, if the licensee uses a Mark and a quotation on a tee shirt, the sole royalty would be 11%.