

61

MOTION PICTURE EXHIBITION  
AGREEMENT (MISSIONS)

THIS AGREEMENT, effective this \_\_\_\_ day of \_\_\_\_\_, is hereby executed by and between SCIENTOLOGY MISSIONS INTERNATIONAL (hereinafter referred to as "SMI"), a California non-profit religious corporation having its principal office at 6331 Hollywood Boulevard, Los Angeles, California, Suite 800, and \_\_\_\_\_, with its principal office at \_\_\_\_\_ (hereinafter referred to as "the Mission").

RECITALS

A. The Mission is one of many missions and churches throughout the world organized for the purpose of practicing and disseminating the religion of Scientology. The missions and churches are bound together as one international and hierarchical church by voluntary and self-determined adherence to the Scriptures (as hereinafter defined). The Mission, and other missions, are subject to the ecclesiastical authority of Scientology Missions International, as the Mother Church for Missions.

B. L. Ron Hubbard was the founder of the religion of Scientology, which is based on a body of truths, and the technology for applying them, that was discovered, described, and refined by L. Ron Hubbard through more than forty years of research and study, and is contained in the writings and recorded spoken words of L. Ron Hubbard relating to the religion of Scientology and the organizations formed to disseminate the religion of Scientology. Such writings and recorded spoken words of L. Ron Hubbard constitute the "Scriptures."

C. L. Ron Hubbard authored a body of motion pictures, identified in Exhibit A hereto, that incorporates and embodies a portion of the Scriptures (hereinafter referred to as the "Films"). The films identified in Exhibit A attached hereto, entitled "Public Films," are used to disseminate the religion, to explain it in a fashion which is easily understandable to the man in the street, with the ultimate goal of attracting his interest and participation in the religion.

D. A fundamental tenet of the religion of Scientology is that all of the Scriptures, including the Films, must be used and exhibited in a standard and ethical manner; in strict accordance with Scriptural requirements. SMI has received a license from the L. Ron Hubbard Library

to authorize the standard and ethical exhibition of the Films throughout the world by Scientology missions in good standing with the Mother Church for Missions, and in good standing under the Scriptures.

E. Church of Scientology International (hereinafter referred to as "CSI") has received a license from the L. Ron Hubbard Library to reproduce and distribute the Films throughout the world, to oversee their standard and ethical use and to protect all rights in the Films, including copyright rights. CSI has entered into an agreement with SMI to provide copies of the Films to SMI so that SMI may make them available to Scientology missions under the terms of this agreement.

F. L. Ron Hubbard, CSI and SMI have learned through many years of experience that the Films are a powerful and effective tool for disseminating and teaching the religion of Scientology. For this reason, the parties acknowledge that it is imperative that the Films be used and exhibited in a standard and ethical manner as required by the Scriptures and that the Films must not be altered in any way. Accordingly, L. Ron Hubbard, CSI and SMI have availed themselves of all laws, such as copyright laws, to assure that the integrity and standard and ethical use of the Films is maintained.

NOW, THEREFORE, in consideration of the recitals which are incorporated by this reference and of the mutual covenants and conditions contained herein, SMI and the Mission agree as follows:

1. Definitions.

a. "Equipment" shall mean all projectors, speakers, screens, video tape players, and other devices used by the Mission to exhibit, perform, or display the Films.

b. "Film" and "Films" shall mean one or more of the motion pictures identified in Exhibit A, and associated soundtracks, including copies, prints, stills, leaders, and packaging, and any such newly released films and copies, prints, stills, leaders, and packaging thereof, as may be added to this Agreement from time to time. Such additions shall be made by a writing referring to this agreement signed by the parties.

c. "Format" shall mean the medium in which the Films are reproduced, including but not limited to 8mm cassettes, 16mm reels, 35mm reels, videotape cassettes, video laser discs, and any other medium approved by SMI and CSI, whether now known or later developed, on or from which the Films may be stored, recorded, perceived, reproduced, or otherwise visually communicated, either directly or with the aid of a

machine or device.

d. "Manual" shall mean a document issued or approved by SMI and CSI describing the manner in which Equipment must be operated and maintained.

e. "Operator" shall mean a person designated by the Mission to operate Equipment in exhibiting Films.

f. "Scriptures" shall mean the writings and recorded spoken words of L. Ron Hubbard with respect to Scientology applied religious philosophy and Dianetics spiritual healing technology including Dianetics and Scientology organizations and the Films.

g. "Standard" shall mean the exact level or degree of quality that is proper and adequate for a specific purpose. It is achieved by exact adherence to the Scriptures in an orthodox manner.

2. Grant of Authority. SMI hereby grants to the Mission the nonexclusive authority to:

a. exhibit, perform, and display (hereinafter referred to as the right "to exhibit") the Films only on the physical premises of the Mission subject to the limitations and requirements set forth in this Agreement;

b. exhibit at other locations film trailers or other advertisements for the Films supplied to the Mission by SMI; and

c. promote and publicize the Films.

3. Term and Termination.

a. The term of this Agreement shall be perpetual, subject to paragraphs 4.b. through 4.d below.

b. SMI retains the right to terminate this Agreement at any time that:

i. SMI's rights in the Films are terminated;

or

ii. The Mission is no longer a Mission of Scientology in good standing under the Scriptures.

c. SMI also may terminate this Agreement at any time that SMI determines in its sole and absolute discretion that any use of the Films by the Mission is not standard and ethical.

d. On termination for any reason of the grant of authority set forth in paragraph 3 of this Agreement, the Mission promptly shall account to SMI for each physical copy of the Films and shall dispose of them in accordance with SMI's instructions, at the expense of the Mission, including shipping charges and insurance for shipping, and shall thereupon cease all use of the Films. Films returned after termination shall be in the same condition as when received by the Mission, reasonable wear and tear due to proper use excepted.

4. Consideration.

a. In consideration of the grant of authority set forth in paragraph 3 of this Agreement, and as a way to provide financial support for the dissemination and growth of the religion of Scientology, including supporting the production of those films not yet released, the Mission shall pay to SMI:

i. A weekly amount to support such religious purposes equal to two percent (2%) of the CGI received by the Mission. "CGI" shall mean the income of the Mission from Dianetics and Scientology services, less adjustments, which income is used to compute the Mission's tithe. Such payment shall be accompanied by a statement of the Mission's CGI for the week.

ii. A one-time lease amount to support such religious purposes for any newly released Film denominated "Public" of \$350.00 for the first copy of such Film and \$350.00 for each additional copy in any language. Such lease amounts are subject to change by written notice from SMI given in advance of the release of each new Film. Upon such written notice of any such forthcoming Film, the amount specified shall be paid in full to SMI prior to receipt of such Public Film.

b. The Mission shall keep a log which contains pertinent information regarding the exhibition of each of the Films including the time and place of each exhibition.

c. Any amounts remaining unpaid upon any termination of the grant of authority set forth in paragraph 3 above shall be paid in full immediately after termination.

d. The Mission shall bear the cost of any tariffs, duties, taxes, and other governmental charges applicable in any respect to the use of the Films, the grant of authority contained in this Agreement, or the payment to SMI of any amounts due to be paid to SMI under this Agreement. Where applicable, the Mission shall comply with all currency and exchange controls and shall bear the cost or enjoy the

benefit of exchange rates between foreign and U.S. currency.

5. Delivery of Films. SMI at the expense of Mission shall deliver a copy of each Film to the Mission in the Format requested by the Mission or determined by SMI. SMI shall deliver the copy when it considers the Film ready for exhibition. The physical copies of the Films supplied by SMI to the Mission shall be of suitable audio and visual quality for exhibition. No Films will be shipped by SMI to the Mission until SMI first has in hand the fully executed original of this Agreement, and all fees required by this Agreement to be paid in advance of shipment have in fact been paid.

6. Damage to Films.

a. SMI at its own expense shall repair or replace any Film that is delivered in a damaged condition (except for shipping damage) and that is reshipped by the Mission to SMI, shipping charges prepaid, within seven (7) days after the receipt by the Mission of the damaged Film.

b. The Mission shall make every reasonable effort to protect the Films from loss, theft, destruction, and damage. The Mission assumes and bears all risk of, and agrees to pay to SMI, all damages, costs, and expenses resulting from loss, theft, destruction, or damage to the Films, including such damages, costs, and expenses incurred during or in connection with reshipment of a damaged Film by the Mission to SMI. The Mission shall provide SMI with a declaration or certificate evidencing and describing any loss, theft, or destruction of any Films.

c. In the case of damaged or destroyed copies of Films, the Mission's liability for damages, costs, and expenses under this paragraph shall be limited to SMI's actual cost to replace or repair the copy or copies of any such Film, as SMI determines in its sole and absolute discretion.

d. The parties agree that it would be impractical or extremely difficult to fix actual damages because the loss or theft of Films presents a special risk of unauthorized copying, exhibition, and other nonstandard use of the Films, to the religious detriment and monetary injury of SMI. Therefore the parties agree that the Mission shall pay SMI as liquidated damages, not as a penalty, an amount equal to five (5) times the actual cost to SMI of replacing each Film that has been lost or stolen, or for which the Mission cannot account.

7. Title and Copyrights.

a. The Mission acknowledges that all physical copies of the Films are retained and owned exclusively by CSI and all copyright rights covering the Films are retained and owned exclusively by the L. Ron Hubbard Library. The Mission further acknowledges that this Agreement does not permit the Mission to copy the Films, to distribute the Films to the public, to create derivative works from the Films, or to modify the Films in any way. Furthermore, the Mission may exhibit the Films only as set forth in paragraph 3 of this Agreement.

b. The Mission agrees to maintain the copyright notice on all physical copies of the Films within its possession, custody, or control.

8. Standard and Ethical Exhibition of the Films.

a. The Mission shall exhibit the Films:

- i. to any parishioners or prospective parishioners;
- ii. in accordance with the Scriptures;

b. All Films shall be exhibited only on proper Equipment, which has been authorized by SMI and CSI, in suitable quarters (i.e, quarters that are clean and orderly, which are adequate for the size of the audience, and which are free of distractions such as light sources, improper ventilation, heating or cooling, and walk-through traffic).

c. The Mission shall maintain the Equipment and facilities for the exhibition of the Films in a condition acceptable to SMI in its sole and absolute discretion, including maintaining projection and sound equipment in a fully operational state at all times. The Mission agrees that its misuse of the Films, including the use of Equipment or facilities not acceptable to SMI and CSI, shall subject the Mission to penalties as may be determined through arbitration pursuant to paragraph 11 of this Agreement, and that in the event of repeated or flagrant violations SMI may in its sole and absolute discretion terminate all of the Mission's rights under this Agreement.

d. All Operators shall have read all Manuals and must be star-rated, i.e., the Operators' proficiency in operating the Equipment will have been tested by another Operator and graded 100%, all to the end that errors do not occur in the operation of Equipment utilizing the Films.

e. The Mission shall not authorize, cause, or permit any copying, duplication, alteration, or modification of all or any part of any Film without the prior written consent of SMI and CSI, which may be withheld by SMI and CSI in its sole

and absolute discretion. The Mission acknowledges that any unapproved copying, duplication, alteration, or modifications may subject the Mission and its officers and agents to criminal prosecution to the extent permitted by law.

f. At least once each year, or more frequently if requested by SMI, the Mission shall return all physical copies of the Films to SMI for maintenance and repair, and the Mission shall pay all related shipping and insurance costs. If SMI determines that the usage of any Film has exceeded the useful life of such Film and its replacement is deemed necessary by SMI to maintain the quality of presentation, the Mission shall pay all replacement costs.

g. The Mission shall provide a proper exhibition room for individuals to view the Public Films identified in Exhibit "A" to this Agreement. The exhibition room shall comply with guidelines published by SMI with the approval of CSI, from time to time.

9. Quality Control and Inspections. To assure the standard and ethical use of the Films, SMI and CSI shall have the right to control the quality of the Films, Equipment, Operators, facilities, location, and exhibition of or relating to the Films, and may enter the Mission's premises at any time to review the Mission's compliance with this Agreement.

10. Arbitration. SMI and Mission agree that any controversy or dispute which arises out of or relates to this Agreement, including, without limitation, the adequacy or performance by Mission and of any demands made by SMI, 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, California or at such other location as SMI 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.

11. Indemnification and Hold Harmless. The Mission acknowledges its full responsibility for the ethical and proper use and delivery of the Films and all other elements of the Scientology Scriptures, and it will make no claim that SMI, CSI, the L. Ron Hubbard Library or any other person or entity controls or is responsible for the use and delivery of the Films or the Scientology Scriptures. The Mission hereby indemnifies, defends, and waives any claim against SMI, CSI, the L. Ron Hubbard Library and any of their successors, assigns, affiliates, officers, employees, agents and representatives, and agrees to hold them harmless from all claims, costs, and liabilities of any kind (including, without limitation, attorney's fees) that arise from or relate to any breach of this Agreement by the Mission. All such claims shall be defended at the expense of the Mission through legal counsel acceptable to SMI.

12. Protection and Enforcement of Rights.

a. If during the term of this Agreement the Mission becomes aware of any use by a third party of the Films, or of films, videotapes, or other media similar to the Films, the Mission shall immediately notify SMI in writing of such third party use.

b. SMI may initiate lawsuits against any and all third parties who infringe SMI's copyrights or other rights covering the Films. The conduct of such lawsuits shall be within the sole control of SMI. The Mission shall render all reasonable assistance to SMI in connection with the conduct of any such suit, including joining as a party if requested by SMI, but shall not initiate any such legal action. Unless otherwise agreed in writing, SMI and the Mission shall bear their own legal expenses in any such lawsuits, and any recovery of damages shall be retained by SMI.

13. Notice.

Any notice required to be sent hereunder shall be sent

by first-class mail, postage prepaid, return receipt requested, to SMI or Mission 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.

14. General Provisions.

a. Failure of either party to exercise any right(s) under this Agreement or to insist in any one or more instances upon strict performance of or compliance with any one or more provisions, obligations, or requirements of this Agreement shall not be construed as a waiver thereof, and any and all such provisions, obligations, and requirements shall continue and remain in full force and effect.

b. SMI and the Mission agree that this Agreement and the legal relationship between the parties shall be governed by and interpreted in accordance with the laws of the State of California and the applicable federal laws of the United States.

c. This Agreement shall be considered personal to both SMI and the Mission, and therefore neither SMI nor the Mission may assign any of its rights or duties under this Agreement.

d. 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.

e. The section headings contained in this Agreement are for reference purposes only and shall not be considered in interpreting this Agreement.

f. This Agreement states the entire agreement between the parties concerning the Films and replaces and supersedes any prior verbal or written discussions, communications, understandings, or agreements. It may be modified, amended, terminated, or discharged only by a written instrument signed by both parties.

g. The parties agree to execute and deliver any documents and to perform any acts that may be necessary or convenient to carry out the terms of this Agreement.

h. Neither party shall be deemed to be the employer, agent, joint venturer, or partner of the other, and neither

party shall have the authority to act on behalf of the other in any manner, including acceptance of service of process.

IN WITNESS WHEREOF, and intending to be legally bound, duly authorized representatives of SMI and the Mission have executed this Agreement below.

Scientology Missions  
International

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

By \_\_\_\_\_

Name:

Title:

(for SMI)

\_\_\_\_\_  
(Name of Mission)

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

By \_\_\_\_\_

Name:

Title:

(for the Mission)

EXHIBIT A TO AGREEMENT ENTITLED

MOTION PICTURE

EXHIBITION AGREEMENT (MISSIONS)

1. The Case He Couldn't Crack ("CHCC")
2. The Problems of Life ("POL")
3. Man the Unfathomable ("EM 1")
4. TRs in Life ("TR 1")
5. General Trailer No. 1 ("GT 1")
6. General Trailer No. 2 ("GT 2")
7. The Secret of Flag Results ("SFR")
8. Introduction to Scientology ("HITCHMAN")
9. Afternoon at Saint Hill ("ASH")
10. The Classification, Gradation and Awareness Chart
11. What Happened to These Civilizations?
12. Freedom
13. Dianetics: The Dynamics of Life
14. The Summit
15. Birth
16. Raising the Baby
17. Evolution of a Science
18. The Original Thesis
19. The Story of Book One
20. How the Organizations Came About
21. The Way to Happiness
22. Radiation
23. Brainwashing
24. Drugs and the Mind
25. Clear Defined and Described
26. The Story of Study Technology
27. Dualism
28. Exteriorization
29. Flag and Exteriorization (Flag Service Org only)
30. The Bridge and Orgs
31. The Married Couple
32. The Child
33. Why Finding
34. Work
35. Organizing
36. Where the Information Is
37. Flag Executive Briefing Course
38. Advice to Persons Being Audited
39. The First of Dianetics and Scientology
40. Influencing the Planet
41. The Data Series Course
42. Introductory Auditing
43. Assists
44. Accident Proneness
45. Survival Rundown
46. Scientology Drug Rundown
47. Expanded ARC Straightwire

48. Expanded Lower Grades
49. Resistive Cases
50. Method One Word Clearing
51. PTS Rundown
52. Interiorization Rundown
53. New Era Dianetics Drug Rundown
54. New Era Dianetics
55. Clear Certainty Rundown
56. What is Auditing?
57. Courses
58. Staff Recruitment
59. Operating Thetan
60. Solo Auditor's Course (only for anyone Clear)