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LANDLORD AND TENANT LEASE

This agreement, made and executed this 13th day of January 1993, by and between CAJ Associates hereinafter called Landlord and Church of Scientology International

hereinafter called the Tenant;

The Landlord leases unto Tenant space known as
400 C Street, N.E., Washington, DC 20002
First and Second Floors
(hereinafter called "demised premises"), located at 400 C Street, N.E.

in the District of Columbia for the term of *Two
year(s) commencing on the First day of February, 1993, and
ending on the 31st day of January, 1995, at the monthly
rental of \$5,000.00 (Five Thousand)

Dollars, payable in equal monthly installments and received by
Landlord on the 1st of each month.

* After 6 months the tenant Church of Scientology International can
terminate this lease by giving a 2 month-written notice to vacate.

A deposit of \$5,300.00 received by Landlord from Tenant shall
be in the control of the landlord until the expiration of this
lease and the complete and satisfactory settlement of all charges
due from Tenant to Landlord. (Paid 12-1-87).

Tenant will have liability for payment of Utility
charges for the first and second floors located at 400 C Street, N.E.
Washington, D.C. 20002.

Landlord will have complete liability for furnishing at no
cost to Tenant heating of common hallways and water.

Tenant will have the responsibility for keeping premises clean.
In addition, Tenant will provide adequate receptacles for trash in
an appropriate place.

Tenant agrees to carry public liability and property damage
insurance and furnish Landlord with a copy of said policies.

AND IT IS MUTUALLY AGREED as follows:

1. Tenant will, and does hereby, take and hold demised premises
as a tenant for said term of () year(s).
2. Tenant will pay said rent, at the time specified, without
deduction or demand.

3. Tenant will use and occupy said demised premises for offices only

, and for no other purpose.

4. Tenant will not use nor allow said demised premises or any part thereof to be used for any unlawful purpose, nor in any noisy, boisterous, or other manner offensive to any other occupant of the building of which the demised premises form a part.

5. Tenant will not transfer nor assign this agreement, nor let nor sublet the whole or any part of said demised premises, nor permit the demised premises to be used by others.

6. Tenant will keep said demised premises in good order and condition, and surrender same at the expiration or other termination of the term hereof in the same order in which they are received, usual wear and tear and damage resulting from acts not caused by Tenant's negligence excepted. Tenant shall be liable to deliver premises upon expiration of lease in a condition substantially similar to condition premises were received upon the initiation of this Agreement. Tenant shall have full and complete responsibility for returning premises in the same condition as when Tenant initially occupied premises.

7. Tenant will allow Landlord or its agent to have access to said demised premises at any time for the purpose of inspection, or in the event of fire or other property damage, or for the purpose of making any repairs Landlord considers necessary or desirable, or for any other purpose for the reasonable protection of said demised premises or of the building of which they are a part.

8. Tenant will give Landlord prompt notice of any defects or breakage in the structure, equipment or fixtures of said demised premises.

9. Tenant shall make no alterations, decorations, additions or improvements in or to demised premises without the written consent of Landlord first had and obtained. All alterations, additions or improvements upon demised premises, made by either party, shall become the property of Landlord, and shall remain upon, and be surrendered with said demised premises, as a part thereof, at the end or other termination of the term hereof.

10. Tenant will keep, observe and conform with the Rules and Regulations set out as part of the body of this lease, which are hereby made a part hereof, and such further and other reasonable Rules and Regulations as Landlord may adopt for the management of the building, and for the delivery of goods, merchandise and other things by tradespeople and other persons.

11. Tenant will not allow any gasoline or other combustible materials to be kept in or about said demised premises, or permit or do anything which would increase the rate of fire insurance upon the building of which they form a part or of the contents of said building.

12. Landlord shall be under no liability to Tenant due to any discontinuance of heat or any other service, caused by accidents, breakage or strikes, or any other cause whatsoever; all personal property in the demised premises shall be and remain at Tenant's sole risk, and Landlord shall not be liable for any damage to or loss of such personal property arising from any acts of negligence of any other persons, nor from the leaking of the roof, or from the bursting, leaking or overflowing of water, sewer or steam pipes, or from heating or plumbing fixtures, or from the handling of electric wires or fixtures, or from any other cause whatsoever.

13. Tenant shall, in the event of fire or other casualty to said demised premises, give immediate notice thereof to Landlord. If said demised premises shall be partially damaged by fire or other casualty, the same shall be repaired by Landlord as speedily as practicable, due allowance being made for the time for settlement of fire insurance claims and otherwise, but the rental reserved herein shall not cease. If, however, the damage shall be so extensive as to render the demised premises entirely untenable, the rental thereafter shall cease until such time as said demised premises shall be made tenable, but in the event that it requires or will require more than sixty (60) days from the date of the occurrence causing the damage for restoration of the demised premises, or for the restoration of the building of which the demised premises form a part, Landlord shall have the right at its option to terminate and cancel this lease by serving written notice to that effect upon Tenant, whereupon this lease shall terminate and be at an end; provided, however, that Tenant shall pay rental up to the date of the occurrence causing the damage; provided, further, that in case the fire or other casualty shall be caused by carelessness, negligence or improper conduct of Tenant, his agents or servants, then and in that event Tenant shall be liable for the full amount of rental reserved herein.

14. This lease is subject and subordinate to the lien of any mortgage, or deed of trust encumbrance or encumbrances now or at any time hereafter placed upon the building of which the demised premises form a part, and the Tenant does hereby agree to execute any and all instruments to effect such subordination which the Landlord may request or require.

15. In the event Landlord shall be unable to give possession of the demised premises on the date of the commencement of the term hereof due to the fact that construction of the building in which the demised premises are located is not sufficiently completed to make the demised premises ready for occupancy, or for any other reason whatsoever, Landlord shall not be subject to any liability for the failure to give possession on said date. Under such circumstances the rent reserved and covenanted to be paid shall not commence until possession of the demised premises is given or the demised premises are available for occupancy by Tenant, and no such failure to give possession on the date of commencement of the term herein shall in any wise affect the validity of this lease or the obligations of Tenant, nor shall same be construed to extend the term of this lease.

16. If Tenant shall fail to pay said rental as stated, although there shall have been no legal or formal demands made, or shall break or violate any of the conditions or agreements or any of the accompanying Rules and Regulations referred to and made a part of this agreement, then, and in any of such events, this agreement and all things herein contained shall at the option of Landlord cease and determine and such failure or violation shall operate as a notice to quit, all and any other notice to quit being hereby expressly waived, and Landlord may proceed to recover possession of said demised premises under and by virtue of the provisions of the Code of Law for the District of Columbia, or by such process as may be in operation and force in like cases relating to proceedings between Landlords and Tenants. In any event, Tenant shall remain responsible for the payment of rental for the remaining term of this lease and for such expenses as Landlord may incur for attorney's fees, brokerage fees and placing said demised premises in good rentable condition.

17. If proceedings shall at any time be commenced for recovery of possession as mentioned above, and a compromise or settlement shall be effected either before or after judgment whereby Tenant

shall be permitted to retain possession of said demised premises, then such proceedings or such compromise or settlement shall not constitute a waiver of any condition or agreement contained herein or of any subsequent breach of this agreement.

18. IT IS FURTHER UNDERSTOOD AND AGREED, that in the event Tenant is adjudicated a bankrupt or makes an assignment for the benefit of creditors, or takes advantage of any insolvency act, this agreement shall at the option of Landlord, cease and determine and said demised premises shall be surrendered to Landlord who hereby reserves the right, in any of said events, to forthwith re-enter and repossess said demised premises, using such force as may be necessary to evict Tenant.

19. IT IS FURTHER UNDERSTOOD AND AGREED, that the conditions and agreements contained herein are binding on and may be legally enforced by, the parties hereto, their heirs, executors, administrators, successors and assigns, respectively, and that no waiver of any breach of any condition or agreement contained herein shall be construed to be a waiver of that condition or agreement or of any subsequent breach thereof, or of this agreement.

20. IT IS FURTHER UNDERSTOOD AND AGREED, that all obligations of tenant herein contained are personally guaranteed by each of the undersigned officers of tenant.

21. IT IS FURTHER UNDERSTOOD AND AGREED, that should Tenant continue in possession after the end of the term herein with permission of Landlord, the tenancy thus created can be terminated by either party giving to the other party not less than thirty (30) days' written notice to expire on the day of the month from which the tenancy commenced to run. In so continuing, Tenant agrees to pay the same monthly rental and to keep and fulfill all the other conditions and agreements, herein, and in case of default in the payment of rent or breach of any of said conditions and agreements, hereby waives his right to any notice to quit.

22. RULES AND REGULATIONS

(a) The sidewalks, entrances, passages, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the demised premises.

(b) No awnings or other projections shall be attached to the outside walls of the building. There shall be no marking, painting, drilling into or in any way defacing any part of the demised premises or the building of which they form a part. No boring, cutting or strapping of wires shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

(c) No sign, decoration, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any tenant on any part of the outside or inside of the demised premises or building without the prior written consent of the Landlord. In the event of the violation of the foregoing by any tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to the tenant or tenants violating this rule.

(d) The water and wash closets and other plumbing fixtures shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the tenant who, or whose servants, employees, agents, visitors or licensees, shall have caused the same.

(e) No bicycles, vehicles or animals of any kind shall be brought into or kept in or about the demised premises or the building of which they form a part. No tenant shall cause or permit any unusual or objectionable odors to be produced upon or permeate from the demised premises.

(f) No space in the building shall be used for manufacturing, for the storage of merchandise, or for the sale of merchandise, goods or property of any kind.

(g) No tenant, nor any of tenant's servants, employees, agents, visitors or licensees, shall at any time bring or keep upon the demised premises any inflammable, combustible or explosive fluid, chemical or substance.

(h) No additional locks or bolts of any kind shall be placed upon any of the doors, or windows by any tenant, nor shall any changes be made in existing locks or the mechanism thereof. Each tenant must, upon the termination of his tenancy, restore to the Landlord all keys of stores, offices and toilet rooms, either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys, so furnished, such tenant shall pay to the Landlord the cost thereof.

(i) All removals, or the carrying in or out of any safes, freight, furniture or bulky matter of any description must take place during the hours which the Landlord or its Agent may determine from time to time. The Landlord reserves the right to prescribe the weight and position of all safes, which must be placed upon two-inch thick plank strips to distribute the weight. The moving of safes or other fixtures or bulky matter of any kind must be made upon previous notice to the Landlord and under his supervision, and the persons employed by any tenant for such work must be acceptable to the Landlord. The Landlord reserves the right to inspect all freight to be brought into the building and to exclude from the building all freight which violates any of these Rules and Regulations or the lease of which these Rules and Regulations are a part.

(j) Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's opinion, tends to impair the reputation of the building or its desirability as a building for offices, and upon written notice from Landlord, tenant shall refrain from or discontinue such advertising.

(k) Each tenant, before closing and leaving the demised premises at any time, shall see that all windows are closed and locked.

(l) The demised premises shall not be used for lodging or sleeping or for any immoral or illegal purpose.

(m) Canvassing, soliciting and peddling in the building is prohibited and each tenant shall cooperate to prevent the same.

(n) All office equipment of any electrical or mechanical nature shall be placed by tenants in demised premises in approved settings to absorb or prevent any vibration, noise or annoyance.

(o) No water cooler, plumbing or electrical fixtures shall be installed by any tenant without the written consent of Landlord.

(p) Violation of these rules, or any amendments thereof or additions thereto, shall be sufficient cause for termination of this lease at the option of the Landlord.

(q) Tenant must also comply with any subsequent rules that may be promulgated or issued by Landlord for the general benefit of all tenants as a whole in said building.

IN WITNESS WHEREOF, the parties hereto have executed these presents as of the month, day and year first hereinbefore written. 4

Signed in the presence of:

CAJ ASSOCIATES

Jerry Melendez

By

Janet H.

Signed in the presence of:

Jerry Haulon

By

Glin Stenard

By

By

BUILDING MANAGEMENT SERVICES
6331 Hollywood Boulevard
Los Angeles, Calif. 90028

April 17, 1989

CHURCH OF SCIENTOLOGY INTERNATIONAL
6331 Hollywood Boulevard, Suite 1200
Los Angeles, California 90028

Gentlemen:

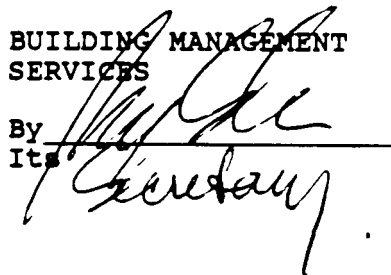
The purpose of this letter is to correct an error in our lease agreement of 1 January 1989 concerning the building at 6331 Hollywood Boulevard. It was intended by the parties that the parking lot on the other side of Ivar Street be included in the leased premises. It is intended that this amendment shall correct the error which consisted of the omission of the parking lot. It is further intended that this amendment shall also be effective as of January 1st.

The agreement is amended with respect to Exhibit A of the lease. The amended Exhibit A is attached hereto.

Sincerely,

BUILDING MANAGEMENT
SERVICES

By
Its



Agreed:

CHURCH OF SCIENTOLOGY
INTERNATIONAL

By
Its

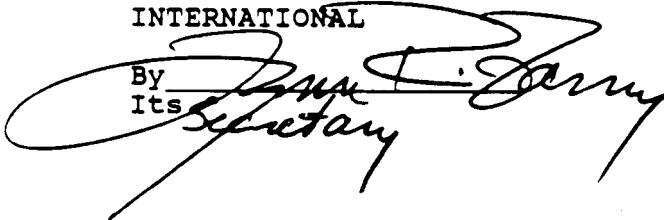


EXHIBIT A

All of the land and buildings on the property described on Attachment 1 hereto, with the exception of the 7th floor and Suites 800 and 802 of the building located at 6331 Hollywood Boulevard.

Attachment 1

PARCEL 1

Those portions of Lots 9, 10, 15 and 16, in Block 20 of Hollywood in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 28 Pages 59 and 60 of Miscellaneous Records, in the office of the County Recorder of said County, described as follows:

Beginning at a point in the East line of said Lot 15, distant 140 feet North from the Southeast corner of said block; thence North along the East line of said Lots 15 and 16, 84.75 feet; thence Westerly in a direct line, 181.50 feet, more or less, to a point in the West line of said lot 16, distant 224.85 feet North from the Southwest corner of Lot 13 in said Block 20; thence South along the West line of said Lot 16, 9.81 feet to a point distant 20 feet North from the Southeast corner of said Lot 9 in Block 20; thence West parallel with the South line of said lot 9, 5.50 feet to a point distant 187 feet from the East line of said lot 16; thence South parallel with the East line of said Block 30.50 feet; thence West parallel with the South line of said Lot 9 in said Block 0.50 of a foot; thence South parallel with the East line of said block 44.50 feet; thence East 187.50 feet to the point of beginning.

EXCEPT that portion of said land included within the lines of the Northerly 45 feet of said lot 16.

PARCEL 2:

The West 75 feet of the South 20 feet of Lot 10 and the West 75 feet of Lots 11 and 12 in Block 21 of Hollywood, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 28 Pages 59 and 60 of Miscellaneous Records, in the office of the County Recorder of said County.

PARCEL 3:

An easement for the purpose of providing and maintaining a transformer station for the benefit of Parcel 2 described above, over the West seventy-five (75) feet of the South twelve (12) feet of the North forty-five (45) feet of Lot 10, Block 21 of Hollywood, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 28 Pages 59 and 60 of Miscellaneous Records, records of Los Angeles County, more particularly described as follows:

Beginning at a point on the West line of said Lot 10 distant thereon 20.00 feet measured along said West line from the Southwest corner thereof, said point being the Northwest corner of the land described as Parcel 2 in the Grant Deed recorded November 28, 1984 as Instrument No. 84-1401436 of Official Records of Los Angeles County, said point also being on the East line of Ivar Avenue; thence along said West line of Lot 10, and said East line of Ivar Avenue 12.00 feet; thence parallel with the South line of said Lot 10 75.07 feet; thence parallel with said West line of Lot 10, Block 12.00 feet to the North line of the land described in said aforementioned grant deed, said line being parallel with and distant North 20.00 feet from said South line of Lot 10; thence along said parallel line 75.07 feet to said West line of Lot 10 and point of beginning.

Said easement was granted to Hollywood Bank of America Building, Ltd. by easement and covenant recorded October 25, 1985 as Instrument No. 85-1267657.

LEASE

THIS LEASE made this 1st day of January, 1989, by and between BUILDING MANAGEMENT SERVICES, a California non-profit religious corporation ("the Owner") and CHURCH OF SCIENTOLOGY International, a California non-profit religious corporation ("the Tenant"),

WITNESSETH:

A. The Owner is the Owner of the premises described in Exhibit A attached hereto ("the Premises").

B. The Tenant occupies and uses the Premises for religious purposes, and desires to continue to do so.

NOW, THEREFORE, the Owner leases the Premises to the Tenant and the Tenant rents the Premises, upon and subject to the following terms and conditions:

Section 1. The Tenant shall occupy and use the Premises exclusively for religious purposes and activities which accomplish or are substantially related to the accomplishment and furtherance of Scientology religious purposes.

Section 2. The Tenant shall pay rent to the Owner for the Premises in the amount of \$ 14,885 per week, weekly in advance, net of and in addition to all other amounts payable by the Tenant pursuant to any other provision

of this lease.

The weekly rental amount set forth above shall apply during the first calendar year of the term of this lease. No later than 30 days prior to the end of said calendar year, and prior to the end of each subsequent calendar year, the parties shall determine the weekly rental to be paid by the Tenant during the next calendar year. Such rental for each such year shall equal the fair rental value of the Premises; and if the parties are unable to agree upon the rental for any such year, then the same shall be determined by arbitration as hereinafter provided.

Section 3. The Tenant shall pay as additional rent all costs attributable to the ownership, operation, maintenance and improvement of the Premises (including land and fixtures), whether incurred by the Owner or by the Tenant, and including but not limited to (a) real and personal property taxes and assessments, (b) insurance premiums, including but not limited to premiums for casualty, public liability and property damage insurance, (c) any taxes measured by and incident to the Owner's receipt of rent and other amounts pursuant to this lease, (d) costs of the maintenance, operation and improvement of the Premises, and of additions thereto, (e) costs of the occupancy of the Premises and the enforcement and administration of this lease, and (f) utility costs.

It is the intention of the parties that the foregoing

shall be construed to the end and with the result that the rental paid by the Tenant to the Owner pursuant to section 2 above shall be received by the Owner net of all costs relating to the Premises, excepting only (a) the Owner's costs of acquisition of the Premises (including debt service with respect to debts incurred by the Owner and secured by the Premises), (b) the Owner's depreciation and amortization expenses, (c) any taxes imposed on the Owner with respect to and measured by the Owner's net income (if any), and (c) the Owner's overhead and operating expenses other than those which are attributable to the Premises, the Tenant's occupancy thereof or the administration of this lease.

Section 4. If any cost payable by the Tenant pursuant to section 3 shall have been incurred with respect to Premises occupied by the Tenant and also with respect to other premises, then the amount payable by the Tenant shall be the portion of such cost which is fairly attributable to the Premises occupied by the Tenant, as determined by agreement of the parties, or, failing such agreement, by arbitration as hereinafter provided.

Section 5. The Tenant shall comply with all laws concerning the Premises and the Tenant's use thereof, and shall maintain and keep the Premises in good order and repair and in clean, healthy and safe condition and shall make all repairs, additions, improvements, alterations and replacements as shall be required by law (including but not

limited to all applicable zoning, health, sanitation, building and fire codes), all at the Tenant's sole cost and expense.

The Tenant shall not (a) do, bring or keep anything in or about the Premises that will cause a cancellation or increase in premiums for any insurance covering the Premises, (b) use the Premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

The Tenant shall not make any alterations to the Premises without the Owner's consent and approval. All alterations made by either the Tenant or the Owner shall remain on and be surrendered with the Premises on expiration or termination of this lease, except that the Owner may elect within 30 days before expiration or within 10 days after termination to require the Tenant to remove any alterations made by the Tenant. If the Owner so elects, the Tenant shall at its sole cost and expense restore the Premises to the condition designated by the Owner within 30 days after the Owner's notice of election is given.

The Tenant shall not make any alterations to the Premises until 10 days after the Tenant has received the Owner's consent and approval pursuant to the foregoing provision, so that the Owner may post and record an appropriate notice of non-responsibility.

Section 6. The Tenant shall not permit any lien to attach to any interest in the Premises for labor, service or

materials furnished thereto pursuant to any contract, express or implied, with the Tenant; and in the event any such lien does attach, the Tenant agrees to pay and discharge the same forthwith.

Section 7. The Owner reserves the right and option at the Owner's sole discretion (a) to undertake and perform any obligation of the Tenant hereunder which the Tenant has not performed, (b) to incur and pay any costs for which the Tenant is responsible pursuant to any provision of this lease and which the Tenant has not paid, (c) to make such repairs, improvements, alterations, replacements and additions to the Premises as the Owner shall deem necessary or appropriate. In any such event, the Owner may bill the Tenant for all of the related costs incurred or paid by the Owner, subject only to the provisions of section 4 above with respect to the allocation of costs relating in part to the Premises occupied by the Tenant and in part to other premises; and the Tenant hereby agrees to pay all such bills within 15 days after receipt thereof, as additional rent.

Section 8. The Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of the Tenant's interest in this lease or in the Premises without the Owner's prior written consent, which consent may be granted or withheld in the Owner's sole discretion.

Section 9. The Tenant shall at the Tenant's sole cost

and expense obtain and keep in force a policy of public liability and property damage insurance indemnifying the Owner against all claims of all persons for personal injuries or property damage, or both, arising out of or incident to the Tenant's use or occupancy of the Premises. The Owner shall be named as an insured under said policy, and the Tenant shall at the request of the Owner at any time deliver to the Owner a certificate evidencing coverage in amounts of not less than \$100,000 for property damage, \$1,000,000 for personal injuries, and \$500,000 for injuries to any one person, from any one incident of loss. All such insurance shall be issued by companies authorized to do business in California, with financial ratings in the most recent edition of Best's Insurance Reports of not less than A+3A. All such insurance shall be issued as primary policies and shall include endorsements requiring 30 days' written notice from the insurer to the Owner of cancellation or change in coverage, scope or face amount.

Section 10. The Owner shall maintain such policy or policies of fire, theft and extended coverage insurance, which may include vandalism and malicious mischief endorsements, as the Owner shall in its discretion deem advisable and prudent, up to the full replacement value of the insured property. Such insurance may at the election of the Owner include fixtures and personal property on the premises. The Owner shall notify the Tenant in writing of

the insurance so carried, and in the absence of objection by the Tenant within ten days thereafter it shall be considered for all purposes that the Owner has caused the Premises to be insured for its full insurable value. The Tenant shall notify the Owner in writing of all property to be covered by insurance hereunder, not covered by insurance obtained by the Owner. The Owner will advance and make payment of the premiums on policies maintained by the Owner, when due. All such premiums and other costs of all insurance shall be paid by the Tenant pursuant to section 3 and, if applicable, section 4 of this lease.

Section 11. If the Premises are totally or partially destroyed by casualty, whether or not insured, so as to be substantially unusable, the Owner shall have the right and option in its discretion to terminate this lease or to continue this lease in effect and restore the Premises. The Owner shall give written notice of its election to the Tenant within 15 days after any such loss. If the Owner elects to terminate this lease then this lease shall terminate effective as of the date of such notice. If the Owner elects to restore the Premises and continue this lease in effect, then rental shall be equitably reduced until such time as the Premises shall have been restored.

Section 12. The Tenant hereby waives the provisions of sections 1932 and 1933, subdivision (4) of the California Civil Code, any amendments thereto and any other laws which

may hereafter become in force which authorize the termination of this lease by the Tenant upon the partial or complete destruction of the Premises.

The Tenant hereby waives the provisions of sections 1941 and 1942 of the California Civil Code permitting the Tenant to make repairs at the Owner's expense.

Section 13. The Tenant shall defend, indemnify and hold the Owner harmless from and against any and all losses, damages, claims, demands and expenses, including reasonable attorneys' fees and whether or not covered by or within the limits of liability under any policy or policies of insurance, arising out of any claim asserted against the Owner' for any loss, damage or injury of or to any person or property caused by any act, fault, omission or neglect of the Tenant or any person on or about the Premises with the Tenant's consent, actual or implied, including but not limited to any officer, employee, agent, contractor or invitee of the Tenant. The Owner shall not be liable to the Tenant, or any such person, for any property damage or personal injury unless the Owner's active negligence is the exclusive cause of the loss or injury and, with respect to injury or damage caused by any defect in the Premises, unless the Owner shall have received written notice thereof and shall have had a reasonable time in which to correct the defect.

Section 14. The Tenant shall permit the Owner and the

Owner's agents to enter the Premises at any time for the purposes of inspecting the Premises, preventing waste thereto, performing maintenance, making repairs, and taking such other actions as the Owner shall deem necessary or desirable for the protection or betterment of the Premises and to assure compliance by the Tenant with the provisions of this lease.

Section 15. If the Premises constitute a portion of a property which is also occupied by other Tenants, then the Tenant shall have the nonexclusive right to use the common areas of the property, subject to such restrictions and limitations as may be established by the Owner from time to time by written notice to the Tenant. Such common areas may include, but need not be limited to, halls, lobbies, elevators, lavatories and parking facilities. All such common areas shall be subject to the Owner's exclusive control, and shall be operated and maintained in such manner and by such means as the Owner shall in its sole discretion determine. The provisions of sections 3 and 4 above shall apply to all costs and expenses incurred in respect of any such common areas.

Section 16. The Tenant agrees to comply with and observe all reasonable rules and regulations not inconsistent with any express provision of this lease which the Owner may from time to time adopt with respect to the use and occupancy of the Premises and the common areas referred to in the

preceding section.

Section 17. The Tenant shall be deemed in default of its obligations under this lease upon the occurrence of any of the following:

(a) Failure of the Tenant to pay any rental or other amount due hereunder within 5 days of the date the payment was due;

(b) Continued failure of the Tenant to perform any other agreement, promise or obligation of the Tenant under this lease for a period of more than 10 days after written notice of such failure;

(c) The commencement with respect to the Tenant of voluntary or involuntary proceedings pursuant to any bankruptcy, reorganization or insolvency law, or the making by the Tenant of any general assignment for the benefit of creditors;

(d) The sale of the Tenant's interest under this lease by execution or other legal process;

(e) Abandonment or vacation of the Premises by the Tenant, including but not limited to non-occupation of the Premises for a period of 15 days or more;

(f) The seizure, sequestration or impounding by virtue or under authority of any legal proceeding of any of the personal property or fixtures of the Tenant which are used in or incident to occupancy of the Premises.

(g) The receipt by the Owner of written notice

issued by Church of Scientology International (the California non-profit religious corporation which is the Mother Church of the religion of Scienology) to the effect that the Tenant is not in good standing.

Section 18. The Owner shall have the following remedies in the event of a default described in the preceding section. These remedies are not exclusive -- they are cumulative in addition to any remedies now or hereafter allowed by law.

(a) The Owner may continue this lease in full force and effect, and this lease will continue in full force and effect as long as the Owner does not terminate the Tenant's right to possession, and the Owner shall have the right to collect rent when due. During the period the Tenant is in default, the Owner may enter the Premises and relet them, or any part of them, to third parties for the Tenant's account. The Tenant shall be liable immediately to the Owner for all costs the Owner incurs in reletting the Premises, including, without limitation, broker's commissions, expenses of remodelling the Premises required by the reletting, and like costs. Reletting may be for a period longer or shorter than, or equal to, the remaining term of this lease. The Tenant shall pay to the Owner the rent due, less the rent the Owner receives from any reletting. No act by the Owner allowed by this paragraph shall terminate this lease unless the Owner notifies the

Tenant in writing that the Owner elects to terminate this lease.

(b) The Owner may terminate the Tenant's right to possession of the Premises. No act by the Owner other than giving written notice to the Tenant shall terminate this lease. Without limitation, acts of maintenance and efforts to relet the Premises shall not constitute a termination of the Tenant's right to possession unless the Owner so elects in writing. On termination, the Owner shall have the right to recover from the Tenant:

(1) The worth at the time of the award of the unpaid rent earned at the time of termination;

(2) The worth at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination until the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided;

(3) The worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided; and

(4) Any other amount necessary to

compensate the Owner for all detriment
proximately caused by the Tenant's default.

"The time of the award" as used in this section shall mean the date upon which an award is made by a court of competent jurisdiction or by arbitration as hereinafter provided. "The worth at the time of the award", as used in (1) and (2) above, shall be computed by allowing interest at the rate of 10% per annum; and, as used in (3) shall be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent.

Section 19. Any controversy, dispute or claim arising out of or relating to this lease shall be settled by arbitration in Los Angeles County in accordance with the following; provided, however, that nothing herein shall be construed as precluding the Owner from commencing an action for unlawful detainer in any court of competent jurisdiction:

(a) Either party may initiate arbitration by delivering a written demand for arbitration to the other party, stating the matter in dispute and naming an arbitrator.

(b) The party receiving the demand for arbitration shall either accept the arbitrator named by the other party as the sole arbitrator or shall designate a second arbitrator by written notice to the other party. Failure to so designate a second arbitrator within 15

days of receiving the demand shall constitute an irrevocable waiver of the right to name a second arbitrator.

(c) The arbitrator or arbitrators shall determine the matter in dispute. If there are two arbitrators and they are unable to agree, then they shall select a third arbitrator, and if they are unable to agree upon a third arbitrator then either party may request any court of competent jurisdiction to designate a third arbitrator. If there shall be three arbitrators, their decisions shall be by majority vote.

(d) All determinations of the arbitrator or arbitrators shall be binding upon the parties, and may be enforced by either party by application to any court of competent jurisdiction.

(e) Neither party shall bring any action or other proceeding in any court arising out of any dispute under this lease, excepting only with respect to injunctive relief, specific performance or an action for unlawful detainer, unless such party shall have given written notice to the other party of intent to bring such action or proceeding and such other party shall not have demanded arbitration in accordance with the foregoing within 15 days thereafter.

Section 20. The term of this lease shall commence on 1 January 1989 and shall end on 31 December 2003 unless sooner

terminated in accordance with any of the foregoing provisions.

If the Tenant shall remain in possession of the Premises or any part thereof after the expiration of the term hereof with the consent of the Owner, express or implied, such holding over shall be construed to be only a tenancy from month to month at the rental specified above and upon and subject to all of the terms, conditions and obligations of this lease.

Section 21. If the Tenant shall fail to pay any amount due to the Owner pursuant to this lease within five days after such amount shall be due, the Tenant shall pay to the Owner a late charge equal to 1% of the amount overdue multiplied by the number of weeks (including any fractional week as a full week) that the delinquency continues, to a maximum of 4% thereof. In addition to such late charge, the Tenant shall pay the Owner interest at a rate equal to 4% in excess of Bank of America's prime rate from time to time, on the unpaid balance of any such amount which shall not have been paid within 28 days after it became due.

Section 22. Any notice or demand by the Owner to the Tenant shall be effective as of the date of mailing thereof by first class mail, postage prepaid, addressed to the Tenant at the Premises or at such other address as the Tenant may specify by written notice to the Owner. Any notice or demand by the Tenant to the Owner shall be effective as of the date

of mailing thereof by first class mail. postage prepaid,
addressed to the Owner at the following address or at such
other address as the Owner may specify by written notice to
the Tenant:

6331 Hollywood Boulevard
Los Angeles, California 90028

Section 23. This lease contains all agreements of the
parties with respect to the Premises and all matters
mentioned herein during the term of this lease, without
prejudice, however, to any rights, obligations, duties and
debts arising or accruing prior to the date of commencement
of the term hereof.

IN WITNESS WHEREOF, the Owner and the Tenant have executed
this lease the day and year first above written.

BUILDING MANAGEMENT SERVICES

By Michael J. McHugh
Its Secretary
31 December 1988

CHURCH OF SCIENTOLOGY
INTERNATIONAL

By John Brown
Its Secretary

EXHIBIT A

The Basement through the 6th floors and the 8th through the 12th floors of the building located at 6331 Hollywood Boulevard, LA, Calif. 90028

LEASE

THIS LEASE made this 1st day of January, 1989, by and between BUILDING MANAGEMENT SERVICES, a California non-profit religious corporation ("the Owner") and CHURCH OF SCIENTOLOGY International, a California non-profit religious corporation ("the Tenant"),

WITNESSETH:

A. The Owner is the Owner of the premises described in Exhibit A attached hereto ("the Premises").

B. The Tenant occupies and uses the Premises for religious purposes, and desires to continue to do so.

NOW, THEREFORE, the Owner leases the Premises to the Tenant and the Tenant rents the Premises, upon and subject to the following terms and conditions:

Section 1. The Tenant shall occupy and use the Premises exclusively for religious purposes and activities which accomplish or are substantially related to the accomplishment and furtherance of Scientology religious purposes.

Section 2. The Tenant shall pay rent to the Owner for the Premises in the amount of \$ 14,885 per week, weekly in advance, net of and in addition to all other amounts payable by the Tenant pursuant to any other provision

of this lease.

The weekly rental amount set forth above shall apply during the first calendar year of the term of this lease. No later than 30 days prior to the end of said calendar year, and prior to the end of each subsequent calendar year, the parties shall determine the weekly rental to be paid by the Tenant during the next calendar year. Such rental for each such year shall equal the fair rental value of the Premises; and if the parties are unable to agree upon the rental for any such year, then the same shall be determined by arbitration as hereinafter provided.

Section 3. The Tenant shall pay as additional rent all costs attributable to the ownership, operation, maintenance and improvement of the Premises (including land and fixtures), whether incurred by the Owner or by the Tenant, and including but not limited to (a) real and personal property taxes and assessments, (b) insurance premiums, including but not limited to premiums for casualty, public liability and property damage insurance, (c) any taxes measured by and incident to the Owner's receipt of rent and other amounts pursuant to this lease, (d) costs of the maintenance, operation and improvement of the Premises, and of additions thereto, (e) costs of the occupancy of the Premises and the enforcement and administration of this lease, and (f) utility costs.

It is the intention of the parties that the foregoing

shall be construed to the end and with the result that the rental paid by the Tenant to the Owner pursuant to section 2 above shall be received by the Owner net of all costs relating to the Premises, excepting only (a) the Owner's costs of acquisition of the Premises (including debt service with respect to debts incurred by the Owner and secured by the Premises), (b) the Owner's depreciation and amortization expenses, (c) any taxes imposed on the Owner with respect to and measured by the Owner's net income (if any), and (c) the Owner's overhead and operating expenses other than those which are attributable to the Premises, the Tenant's occupancy thereof or the administration of this lease.

Section 4. If any cost payable by the Tenant pursuant to section 3 shall have been incurred with respect to Premises occupied by the Tenant and also with respect to other premises, then the amount payable by the Tenant shall be the portion of such cost which is fairly attributable to the Premises occupied by the Tenant, as determined by agreement of the parties, or, failing such agreement, by arbitration as hereinafter provided.

Section 5. The Tenant shall comply with all laws concerning the Premises and the Tenant's use thereof, and shall maintain and keep the Premises in good order and repair and in clean, healthy and safe condition and shall make all repairs, additions, improvements, alterations and replacements as shall be required by law (including but not

limited to all applicable zoning, health, sanitation, building and fire codes), all at the Tenant's sole cost and expense.

The Tenant shall not (a) do, bring or keep anything in or about the Premises that will cause a cancellation or increase in premiums for any insurance covering the Premises, (b) use the Premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

The Tenant shall not make any alterations to the Premises without the Owner's consent and approval. All alterations made by either the Tenant or the Owner shall remain on and be surrendered with the Premises on expiration or termination of this lease, except that the Owner may elect within 30 days before expiration or within 10 days after termination to require the Tenant to remove any alterations made by the Tenant. If the Owner so elects, the Tenant shall at its sole cost and expense restore the Premises to the condition designated by the Owner within 30 days after the Owner's notice of election is given.

The Tenant shall not make any alterations to the Premises until 10 days after the Tenant has received the Owner's consent and approval pursuant to the foregoing provision, so that the Owner may post and record an appropriate notice of non-responsibility.

Section 6. The Tenant shall not permit any lien to attach to any interest in the Premises for labor, service or

materials furnished thereto pursuant to any contract, express or implied, with the Tenant; and in the event any such lien does attach, the Tenant agrees to pay and discharge the same forthwith.

Section 7. The Owner reserves the right and option at the Owner's sole discretion (a) to undertake and perform any obligation of the Tenant hereunder which the Tenant has not performed, (b) to incur and pay any costs for which the Tenant is responsible pursuant to any provision of this lease and which the Tenant has not paid, (c) to make such repairs, improvements, alterations, replacements and additions to the Premises as the Owner shall deem necessary or appropriate. In any such event, the Owner may bill the Tenant for all of the related costs incurred or paid by the Owner, subject only to the provisions of section 4 above with respect to the allocation of costs relating in part to the Premises occupied by the Tenant and in part to other premises; and the Tenant hereby agrees to pay all such bills within 15 days after receipt thereof, as additional rent.

Section 8. The Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of the Tenant's interest in this lease or in the Premises without the Owner's prior written consent, which consent may be granted or withheld in the Owner's sole discretion.

Section 9. The Tenant shall at the Tenant's sole cost

and expense obtain and keep in force a policy of public liability and property damage insurance indemnifying the Owner against all claims of all persons for personal injuries or property damage, or both, arising out of or incident to the Tenant's use or occupancy of the Premises. The Owner shall be named as an insured under said policy, and the Tenant shall at the request of the Owner at any time deliver to the Owner a certificate evidencing coverage in amounts of not less than \$100,000 for property damage, \$1,000,000 for personal injuries, and \$500,000 for injuries to any one person, from any one incident of loss. All such insurance shall be issued by companies authorized to do business in California, with financial ratings in the most recent edition of Best's Insurance Reports of not less than A+3A. All such insurance shall be issued as primary policies and shall include endorsements requiring 30 days' written notice from the insurer to the Owner of cancellation or change in coverage, scope or face amount.

Section 10. The Owner shall maintain such policy or policies of fire, theft and extended coverage insurance, which may include vandalism and malicious mischief endorsements, as the Owner shall in its discretion deem advisable and prudent, up to the full replacement value of the insured property. Such insurance may at the election of the Owner include fixtures and personal property on the premises. The Owner shall notify the Tenant in writing of

the insurance so carried, and in the absence of objection by the Tenant within ten days thereafter it shall be considered for all purposes that the Owner has caused the Premises to be insured for its full insurable value. The Tenant shall notify the Owner in writing of all property to be covered by insurance hereunder, not covered by insurance obtained by the Owner. The Owner will advance and make payment of the premiums on policies maintained by the Owner, when due. All such premiums and other costs of all insurance shall be paid by the Tenant pursuant to section 3 and, if applicable, section 4 of this lease.

Section 11. If the Premises are totally or partially destroyed by casualty, whether or not insured, so as to be substantially unusable, the Owner shall have the right and option in its discretion to terminate this lease or to continue this lease in effect and restore the Premises. The Owner shall give written notice of its election to the Tenant within 15 days after any such loss. If the Owner elects to terminate this lease then this lease shall terminate effective as of the date of such notice. if the Owner elects to restore the Premises and continue this lease in effect, then rental shall be equitably reduced until such time as the Premises shall have been restored.

Section 12. The Tenant hereby waives the provisions of sections 1932 and 1933, subdivision (4) of the California Civil Code, any amendments thereto and any other laws which

may hereafter become in force which authorize the termination of this lease by the Tenant upon the partial or complete destruction of the Premises.

The Tenant hereby waives the provisions of sections 1941 and 1942 of the California Civil Code permitting the Tenant to make repairs at the Owner's expense.

Section 13. The Tenant shall defend, indemnify and hold the Owner harmless from and against any and all losses, damages, claims, demands and expenses, including reasonable attorneys' fees and whether or not covered by or within the limits of liability under any policy or policies of insurance, arising out of any claim asserted against the Owner for any loss, damage or injury of or to any person or property caused by any act, fault, omission or neglect of the Tenant or any person on or about the Premises with the Tenant's consent, actual or implied, including but not limited to any officer, employee, agent, contractor or invitee of the Tenant. The Owner shall not be liable to the Tenant, or any such person, for any property damage or personal injury unless the Owner's active negligence is the exclusive cause of the loss or injury and, with respect to injury or damage caused by any defect in the Premises, unless the Owner shall have received written notice thereof and shall have had a reasonable time in which to correct the defect.

Section 14. The Tenant shall permit the Owner and the

Owner's agents to enter the Premises at any time for the purposes of inspecting the Premises, preventing waste thereto, performing maintenance, making repairs, and taking such other actions as the Owner shall deem necessary or desirable for the protection or betterment of the Premises and to assure compliance by the Tenant with the provisions of this lease.

Section 15. If the Premises constitute a portion of a property which is also occupied by other Tenants, then the Tenant shall have the nonexclusive right to use the common areas of the property, subject to such restrictions and limitations as may be established by the Owner from time to time by written notice to the Tenant. Such common areas may include, but need not be limited to, halls, lobbies, elevators, lavatories and parking facilities. All such common areas shall be subject to the Owner's exclusive control, and shall be operated and maintained in such manner and by such means as the Owner shall in its sole discretion determine. The provisions of sections 3 and 4 above shall apply to all costs and expenses incurred in respect of any such common areas.

Section 16. The Tenant agrees to comply with and observe all reasonable rules and regulations not inconsistent with any express provision of this lease which the Owner may from time to time adopt with respect to the use and occupancy of the Premises and the common areas referred to in the

preceding section.

Section 17. The Tenant shall be deemed in default of its obligations under this lease upon the occurrence of any of the following:

(a) Failure of the Tenant to pay any rental or other amount due hereunder within 5 days of the date the payment was due;

(b) Continued failure of the Tenant to perform any other agreement, promise or obligation of the Tenant under this lease for a period of more than 10 days after written notice of such failure;

(c) The commencement with respect to the Tenant of voluntary or involuntary proceedings pursuant to any bankruptcy, reorganization or insolvency law, or the making by the Tenant of any general assignment for the benefit of creditors;

(d) The sale of the Tenant's interest under this lease by execution or other legal process;

(e) Abandonment or vacation of the Premises by the Tenant, including but not limited to non-occupation of the Premises for a period of 15 days or more;

(f) The seizure, sequestration or impounding by virtue or under authority of any legal proceeding of any of the personal property or fixtures of the Tenant which are used in or incident to occupancy of the Premises.

(g) The receipt by the Owner of written notice

issued by Church of Scientology International (the California non-profit religious corporation which is the Mother Church of the religion of Scienology) to the effect that the Tenant is not in good standing.

Section 18. The Owner shall have the following remedies in the event of a default described in the preceding section. These remedies are not exclusive -- they are cumulative in addition to any remedies now or hereafter allowed by law.

(a) The Owner may continue this lease in full force and effect, and this lease will continue in full force and effect as long as the Owner does not terminate the Tenant's right to possession, and the Owner shall have the right to collect rent when due. During the period the Tenant is in default, the Owner may enter the Premises and relet them, or any part of them, to third parties for the Tenant's account. The Tenant shall be liable immediately to the Owner for all costs the Owner incurs in reletting the Premises, including, without limitation, broker's commissions, expenses of remodelling the Premises required by the reletting, and like costs. Reletting may be for a period longer or shorter than, or equal to, the remaining term of this lease. The Tenant shall pay to the Owner the rent due, less the rent the Owner receives from any reletting. No act by the Owner allowed by this paragraph shall terminate this lease unless the Owner notifies the

Tenant in writing that the Owner elects to terminate this lease.

(b) The Owner may terminate the Tenant's right to possession of the Premises. No act by the Owner other than giving written notice to the Tenant shall terminate this lease. Without limitation, acts of maintenance and efforts to relet the Premises shall not constitute a termination of the Tenant's right to possession unless the Owner so elects in writing. On termination, the Owner shall have the right to recover from the Tenant:

(1) The worth at the time of the award of the unpaid rent earned at the time of termination;

(2) The worth at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination until the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided;

(3) The worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided; and

(4) Any other amount necessary to

compensate the Owner for all detriment

proximately caused by the Tenant's default.

"The time of the award" as used in this section shall mean the date upon which an award is made by a court of competent jurisdiction or by arbitration as hereinafter provided. "The worth at the time of the award", as used in (1) and (2) above, shall be computed by allowing interest at the rate of 10% per annum; and, as used in (3) shall be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent.

Section 19. Any controversy, dispute or claim arising out of or relating to this lease shall be settled by arbitration in Los Angeles County in accordance with the following; provided, however, that nothing herein shall be construed as precluding the Owner from commencing an action for unlawful detainer in any court of competent jurisdiction:

(a) Either party may initiate arbitration by delivering a written demand for arbitration to the other party, stating the matter in dispute and naming an arbitrator.

(b) The party receiving the demand for arbitration shall either accept the arbitrator named by the other party as the sole arbitrator or shall designate a second arbitrator by written notice to the other party.

Failure to so designate a second arbitrator within 15

days of receiving the demand shall constitute an irrevocable waiver of the right to name a second arbitrator.

(c) The arbitrator or arbitrators shall determine the matter in dispute. If there are two arbitrators and they are unable to agree, then they shall select a third arbitrator, and if they are unable to agree upon a third arbitrator then either party may request any court of competent jurisdiction to designate a third arbitrator. If there shall be three arbitrators, their decisions shall be by majority vote.

(d) All determinations of the arbitrator or arbitrators shall be binding upon the parties, and may be enforced by either party by application to any court of competent jurisdiction.

(e) Neither party shall bring any action or other proceeding in any court arising out of any dispute under this lease, excepting only with respect to injunctive relief, specific performance or an action for unlawful detainer, unless such party shall have given written notice to the other party of intent to bring such action or proceeding and such other party shall not have demanded arbitration in accordance with the foregoing within 15 days thereafter.

Section 20. The term of this lease shall commence on 1 January 1989 and shall end on 31 December 2003 unless sooner

terminated in accordance with any of the foregoing provisions.

If the Tenant shall remain in possession of the Premises or any part thereof after the expiration of the term hereof with the consent of the Owner, express or implied, such holding over shall be construed to be only a tenancy from month to month at the rental specified above and upon and subject to all of the terms, conditions and obligations of this lease.

Section 21. If the Tenant shall fail to pay any amount due to the Owner pursuant to this lease within five days after such amount shall be due, the Tenant shall pay to the Owner a late charge equal to 1% of the amount overdue multiplied by the number of weeks (including any fractional week as a full week) that the delinquency continues, to a maximum of 4% thereof. In addition to such late charge, the Tenant shall pay the Owner interest at a rate equal to 4% in excess of Bank of America's prime rate from time to time, on the unpaid balance of any such amount which shall not have been paid within 28 days after it became due.

Section 22. Any notice or demand by the Owner to the Tenant shall be effective as of the date of mailing thereof by first class mail, postage prepaid, addressed to the Tenant at the Premises or at such other address as the Tenant may specify by written notice to the Owner. Any notice or demand by the Tenant to the Owner shall be effective as of the date

of mailing thereof by first class mail, postage prepaid,
addressed to the Owner at the following address or at such
other address as the Owner may specify by written notice to
the Tenant:

6331 Hollywood Boulevard
Los Angeles, California 90028

Section 23. This lease contains all agreements of the
parties with respect to the Premises and all matters
mentioned herein during the term of this lease, without
prejudice, however, to any rights, obligations, duties and
debts arising or accruing prior to the date of commencement
of the term hereof.

IN WITNESS WHEREOF, the Owner and the Tenant have executed
this lease the day and year first above written.

BUILDING MANAGEMENT SERVICES

By Nicholas M. J. [Signature]
Its Secretary
31 December 88

CHURCH OF SCIENTOLOGY
INTERNATIONAL

By [Signature]
Its Secretary

EXHIBIT A

The Basement through the 6th floors and the 8th through the
12th floors of the building located at 6331 Hollywood
Boulevard, LA, Calif. 90028

LEASE

THIS LEASE made this 1st day of January, 1989, by and between BUILDING MANAGEMENT SERVICES, a California non-profit religious corporation ("the Owner") and CHURCH OF SCIENTOLOGY International, a California non-profit religious corporation ("the Tenant"),

WITNESSETH:

A. The Owner is the Owner of the premises described in Exhibit A attached hereto ("the Premises").

B. The Tenant occupies and uses the Premises for religious purposes, and desires to continue to do so.

NOW, THEREFORE, the Owner leases the Premises to the Tenant and the Tenant rents the Premises, upon and subject to the following terms and conditions:

Section 1. The Tenant shall occupy and use the Premises exclusively for religious purposes and activities which accomplish or are substantially related to the accomplishment and furtherance of Scientology religious purposes.

Section 2. The Tenant shall pay rent to the Owner for the Premises in the amount of \$1.750 per week, weekly in advance, net of and in addition to all other amounts payable by the Tenant pursuant to any other provision

of this lease.

The weekly rental amount set forth above shall apply during the first calendar year of the term of this lease. No later than 30 days prior to the end of said calendar year, and prior to the end of each subsequent calendar year, the parties shall determine the weekly rental to be paid by the Tenant during the next calendar year. Such rental for each such year shall equal the fair rental value of the Premises; and if the parties are unable to agree upon the rental for any such year, then the same shall be determined by arbitration as hereinafter provided.

Section 3. The Tenant shall pay as additional rent all costs attributable to the ownership, operation, maintenance and improvement of the Premises (including land and fixtures), whether incurred by the Owner or by the Tenant, and including but not limited to (a) real and personal property taxes and assessments, (b) insurance premiums, including but not limited to premiums for casualty, public liability and property damage insurance, (c) any taxes measured by and incident to the Owner's receipt of rent and other amounts pursuant to this lease, (d) costs of the maintenance, operation and improvement of the Premises, and of additions thereto, (e) costs of the occupancy of the Premises and the enforcement and administration of this lease, and (f) utility costs.

It is the intention of the parties that the foregoing

shall be construed to the end and with the result that the rental paid by the Tenant to the Owner pursuant to section 2 above shall be received by the Owner net of all costs relating to the Premises, excepting only (a) the Owner's costs of acquisition of the Premises (including debt service with respect to debts incurred by the Owner and secured by the Premises), (b) the Owner's depreciation and amortization expenses, (c) any taxes imposed on the Owner with respect to and measured by the Owner's net income (if any), and (c) the Owner's overhead and operating expenses other than those which are attributable to the Premises, the Tenant's occupancy thereof or the administration of this lease.

Section 4. If any cost payable by the Tenant pursuant to section 3 shall have been incurred with respect to Premises occupied by the Tenant and also with respect to other premises, then the amount payable by the Tenant shall be the portion of such cost which is fairly attributable to the Premises occupied by the Tenant, as determined by agreement of the parties, or, failing such agreement, by arbitration as hereinafter provided.

Section 5. The Tenant shall comply with all laws concerning the Premises and the Tenant's use thereof, and shall maintain and keep the Premises in good order and repair and in clean, healthy and safe condition and shall make all repairs, additions, improvements, alterations and replacements as shall be required by law (including but not

building and fire codes), all at the Tenant's sole cost and expense.

The Tenant shall not (a) do, bring or keep anything in or about the Premises that will cause a cancellation or increase in premiums for any insurance covering the Premises, (b) use the Premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

The Tenant shall not make any alterations to the Premises without the Owner's consent and approval. All alterations made by either the Tenant or the Owner shall remain on and be surrendered with the Premises on expiration or termination of this lease, except that the Owner may elect within 30 days before expiration or within 10 days after termination to require the Tenant to remove any alterations made by the Tenant. If the Owner so elects, the Tenant shall at its sole cost and expense restore the Premises to the condition designated by the Owner within 30 days after the Owner's notice of election is given.

The Tenant shall not make any alterations to the Premises until 10 days after the Tenant has received the Owner's consent and approval pursuant to the foregoing provision, so that the Owner may post and record an appropriate notice of non-responsibility.

Section 6. The Tenant shall not permit any lien to attach to any interest in the Premises for labor, service or

materials furnished thereto pursuant to any contract, express or implied, with the Tenant; and in the event any such lien does attach, the Tenant agrees to pay and discharge the same forthwith.

Section 7. The Owner reserves the right and option at the Owner's sole discretion (a) to undertake and perform any obligation of the Tenant hereunder which the Tenant has not performed, (b) to incur and pay any costs for which the Tenant is responsible pursuant to any provision of this lease and which the Tenant has not paid, (c) to make such repairs, improvements, alterations, replacements and additions to the Premises as the Owner shall deem necessary or appropriate. In any such event, the Owner may bill the Tenant for all of the related costs incurred or paid by the Owner, subject only to the provisions of section 4 above with respect to the allocation of costs relating in part to the Premises occupied by the Tenant and in part to other premises; and the Tenant hereby agrees to pay all such bills within 15 days after receipt thereof, as additional rent.

Section 8. The Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of the Tenant's interest in this lease or in the Premises without the Owner's prior written consent, which consent may be granted or withheld in the Owner's sole discretion.

Section 9. The Tenant shall at the Tenant's sole cost

and expense obtain and keep in force a policy of public liability and property damage insurance indemnifying the Owner against all claims of all persons for personal injuries or property damage, or both, arising out of or incident to the Tenant's use or occupancy of the Premises. The Owner shall be named as an insured under said policy, and the Tenant shall at the request of the Owner at any time deliver to the Owner a certificate evidencing coverage in amounts of not less than \$100,000 for property damage, \$1,000,000 for personal injuries, and \$500,000 for injuries to any one person, from any one incident of loss. All such insurance shall be issued by companies authorized to do business in California, with financial ratings in the most recent edition of Best's Insurance Reports of not less than A+3A. All such insurance shall be issued as primary policies and shall include endorsements requiring 30 days' written notice from the insurer to the Owner of cancellation or change in coverage, scope or face amount.

Section 10. The Owner shall maintain such policy or policies of fire, theft and extended coverage insurance, which may include vandalism and malicious mischief endorsements, as the Owner shall in its discretion deem advisable and prudent, up to the full replacement value of the insured property. Such insurance may at the election of the Owner include fixtures and personal property on the premises. The Owner shall notify the Tenant in writing of

the insurance so carried, and in the absence of objection by the Tenant within ten days thereafter it shall be considered for all purposes that the Owner has caused the Premises to be insured for its full insurable value. The Tenant shall notify the Owner in writing of all property to be covered by insurance hereunder, not covered by insurance obtained by the Owner. The Owner will advance and make payment of the premiums on policies maintained by the Owner, when due. All such premiums and other costs of all insurance shall be paid by the Tenant pursuant to section 3 and, if applicable, section 4 of this lease.

Section 11. If the Premises are totally or partially destroyed by casualty, whether or not insured, so as to be substantially unusable, the Owner shall have the right and option in its discretion to terminate this lease or to continue this lease in effect and restore the Premises. The Owner shall give written notice of its election to the Tenant within 15 days after any such loss. If the Owner elects to terminate this lease then this lease shall terminate effective as of the date of such notice. If the Owner elects to restore the Premises and continue this lease in effect, then rental shall be equitably reduced until such time as the Premises shall have been restored.

Section 12. The Tenant hereby waives the provisions of sections 1932 and 1933, subdivision (4) of the California Civil Code, any amendments thereto and any other laws which

may hereafter become in force which authorize the termination of this lease by the Tenant upon the partial or complete destruction of the Premises.

The Tenant hereby waives the provisions of sections 1941 and 1942 of the California Civil Code permitting the Tenant to make repairs at the Owner's expense.

Section 13. The Tenant shall defend, indemnify and hold the Owner harmless from and against any and all losses, damages, claims, demands and expenses, including reasonable attorneys' fees and whether or not covered by or within the limits of liability under any policy or policies of insurance, arising out of any claim asserted against the Owner, for any loss, damage or injury of or to any person or property caused by any act, fault, omission or neglect of the Tenant or any person on or about the Premises with the Tenant's consent, actual or implied, including but not limited to any officer, employee, agent, contractor or invitee of the Tenant. The Owner shall not be liable to the Tenant, or any such person, for any property damage or personal injury unless the Owner's active negligence is the exclusive cause of the loss or injury and, with respect to injury or damage caused by any defect in the Premises, unless the Owner shall have received written notice thereof and shall have had a reasonable time in which to correct the defect.

Section 14. The Tenant shall permit the Owner and the

Owner's agents to enter the Premises at any time for the purposes of inspecting the Premises, preventing waste thereto, performing maintenance, making repairs, and taking such other actions as the Owner shall deem necessary or desirable for the protection or betterment of the Premises and to assure compliance by the Tenant with the provisions of this lease.

Section 15. If the Premises constitute a portion of a property which is also occupied by other Tenants, then the Tenant shall have the nonexclusive right to use the common areas of the property, subject to such restrictions and limitations as may be established by the Owner from time to time by written notice to the Tenant. Such common areas may include, but need not be limited to, halls, lobbies, elevators, lavatories and parking facilities. All such common areas shall be subject to the Owner's exclusive control, and shall be operated and maintained in such manner and by such means as the Owner shall in its sole discretion determine. The provisions of sections 3 and 4 above shall apply to all costs and expenses incurred in respect of any such common areas.

Section 16. The Tenant agrees to comply with and observe all reasonable rules and regulations not inconsistent with any express provision of this lease which the Owner may from time to time adopt with respect to the use and occupancy of the Premises and the common areas referred to in the

preceding section.

Section 17. The Tenant shall be deemed in default of its obligations under this lease upon the occurrence of any of the following:

(a) Failure of the Tenant to pay any rental or other amount due hereunder within 5 days of the date the payment was due;

(b) Continued failure of the Tenant to perform any other agreement, promise or obligation of the Tenant under this lease for a period of more than 10 days after written notice of such failure;

(c) The commencement with respect to the Tenant of voluntary or involuntary proceedings pursuant to any bankruptcy, reorganization or insolvency law, or the making by the Tenant of any general assignment for the benefit of creditors;

(d) The sale of the Tenant's interest under this lease by execution or other legal process;

(e) Abandonment or vacation of the Premises by the Tenant, including but not limited to non-occupation of the Premises for a period of 15 days or more;

(f) The seizure, sequestration or impounding by virtue or under authority of any legal proceeding of any of the personal property or fixtures of the Tenant which are used in or incident to occupancy of the Premises.

(g) The receipt by the Owner of written notice

issued by Church of Scientology International (the California non-profit religious corporation which is the Mother Church of the religion of Scienology) to the effect that the Tenant is not in good standing.

Section 18. The Owner shall have the following remedies in the event of a default described in the preceding section. These remedies are not exclusive -- they are cumulative in addition to any remedies now or hereafter allowed by law.

(a) The Owner may continue this lease in full force and effect, and this lease will continue in full force and effect as long as the Owner does not terminate the Tenant's right to possession, and the Owner shall have the right to collect rent when due. During the period the Tenant is in default, the Owner may enter the Premises and relet them, or any part of them, to third parties for the Tenant's account. The Tenant shall be liable immediately to the Owner for all costs the Owner incurs in reletting the Premises, including, without limitation, broker's commissions, expenses of remodelling the Premises required by the reletting, and like costs. Reletting may be for a period longer or shorter than, or equal to, the remaining term of this lease. The Tenant shall pay to the Owner the rent due, less the rent the Owner receives from any reletting. No act by the Owner allowed by this paragraph shall terminate this lease unless the Owner notifies the

Tenant in writing that the Owner elects to terminate this lease.

(b) The Owner may terminate the Tenant's right to possession of the Premises. No act by the Owner other than giving written notice to the Tenant shall terminate this lease. Without limitation, acts of maintenance and efforts to relet the Premises shall not constitute a termination of the Tenant's right to possession unless the Owner so elects in writing. On termination, the Owner shall have the right to recover from the Tenant:

(1) The worth at the time of the award of the unpaid rent earned at the time of termination;

(2) The worth at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination until the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided;

(3) The worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided; and

(4) Any other amount necessary to

compensate the Owner for all detriment
proximately caused by the Tenant's default.

"The time of the award" as used in this section shall mean the date upon which an award is made by a court of competent jurisdiction or by arbitration as hereinafter provided. "The worth at the time of the award", as used in (1) and (2) above, shall be computed by allowing interest at the rate of 10% per annum; and, as used in (3) shall be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent.

Section 19. Any controversy, dispute or claim arising out of or relating to this lease shall be settled by arbitration in Los Angeles County in accordance with the following; provided, however, that nothing herein shall be construed as precluding the Owner from commencing an action for unlawful detainer in any court of competent jurisdiction:

(a) Either party may initiate arbitration by delivering a written demand for arbitration to the other party, stating the matter in dispute and naming an arbitrator.

(b) The party receiving the demand for arbitration shall either accept the arbitrator named by the other party as the sole arbitrator or shall designate a second arbitrator by written notice to the other party. Failure to so designate a second arbitrator within 15

days of receiving the demand shall constitute an irrevocable waiver of the right to name a second arbitrator.

(c) The arbitrator or arbitrators shall determine the matter in dispute. If there are two arbitrators and they are unable to agree, then they shall select a third arbitrator, and if they are unable to agree upon a third arbitrator then either party may request any court of competent jurisdiction to designate a third arbitrator. If there shall be three arbitrators, their decisions shall be by majority vote.

(d) All determinations of the arbitrator or arbitrators shall be binding upon the parties, and may be enforced by either party by application to any court of competent jurisdiction.

(e) Neither party shall bring any action or other proceeding in any court arising out of any dispute under this lease, excepting only with respect to injunctive relief, specific performance or an action for unlawful detainer, unless such party shall have given written notice to the other party of intent to bring such action or proceeding and such other party shall not have demanded arbitration in accordance with the foregoing within 15 days thereafter.

Section 20. The term of this lease shall commence on 1 January 1989 and shall end on 31 December 2003 unless sooner

terminated in accordance with any of the foregoing provisions.

If the Tenant shall remain in possession of the Premises or any part thereof after the expiration of the term hereof with the consent of the Owner, express or implied, such holding over shall be construed to be only a tenancy from month to month at the rental specified above and upon and subject to all of the terms, conditions and obligations of this lease.

Section 21. If the Tenant shall fail to pay any amount due to the Owner pursuant to this lease within five days after such amount shall be due, the Tenant shall pay to the Owner a late charge equal to 1% of the amount overdue multiplied by the number of weeks (including any fractional week as a full week) that the delinquency continues, to a maximum of 4% thereof. In addition to such late charge, the Tenant shall pay the Owner interest at a rate equal to 4% in excess of Bank of America's prime rate from time to time, on the unpaid balance of any such amount which shall not have been paid within 28 days after it became due.

Section 22. Any notice or demand by the Owner to the Tenant shall be effective as of the date of mailing thereof by first class mail, postage prepaid, addressed to the Tenant at the Premises or at such other address as the Tenant may specify by written notice to the Owner. Any notice or demand by the Tenant to the Owner shall be effective as of the date

of mailing thereof by first class mail, postage prepaid,
addressed to the Owner at the following address or at such
other address as the Owner may specify by written notice to
the Tenant:

6331 Hollywood Boulevard
Los Angeles, California 90028

Section 23. This lease contains all agreements of the
parties with respect to the Premises and all matters
mentioned herein during the term of this lease, without
prejudice, however, to any rights, obligations, duties and
debts arising or accruing prior to the date of commencement
of the term hereof.

IN WITNESS WHEREOF, the Owner and the Tenant have executed
this lease the day and year first above written.

BUILDING MANAGEMENT SERVICES

By Michael M. [Signature]
Its Secretary
31 December 1988

CHURCH OF SCIENTOLOGY
INTERNATIONAL

By [Signature]
Its Assistant Secretary

EXHIBIT A

That portion of the ground floor of the building facing Fountain Avenue between Catalina and Berendo Streets (known as the Main Building) shown on the shaded portion of attachment 1 of this exhibit.

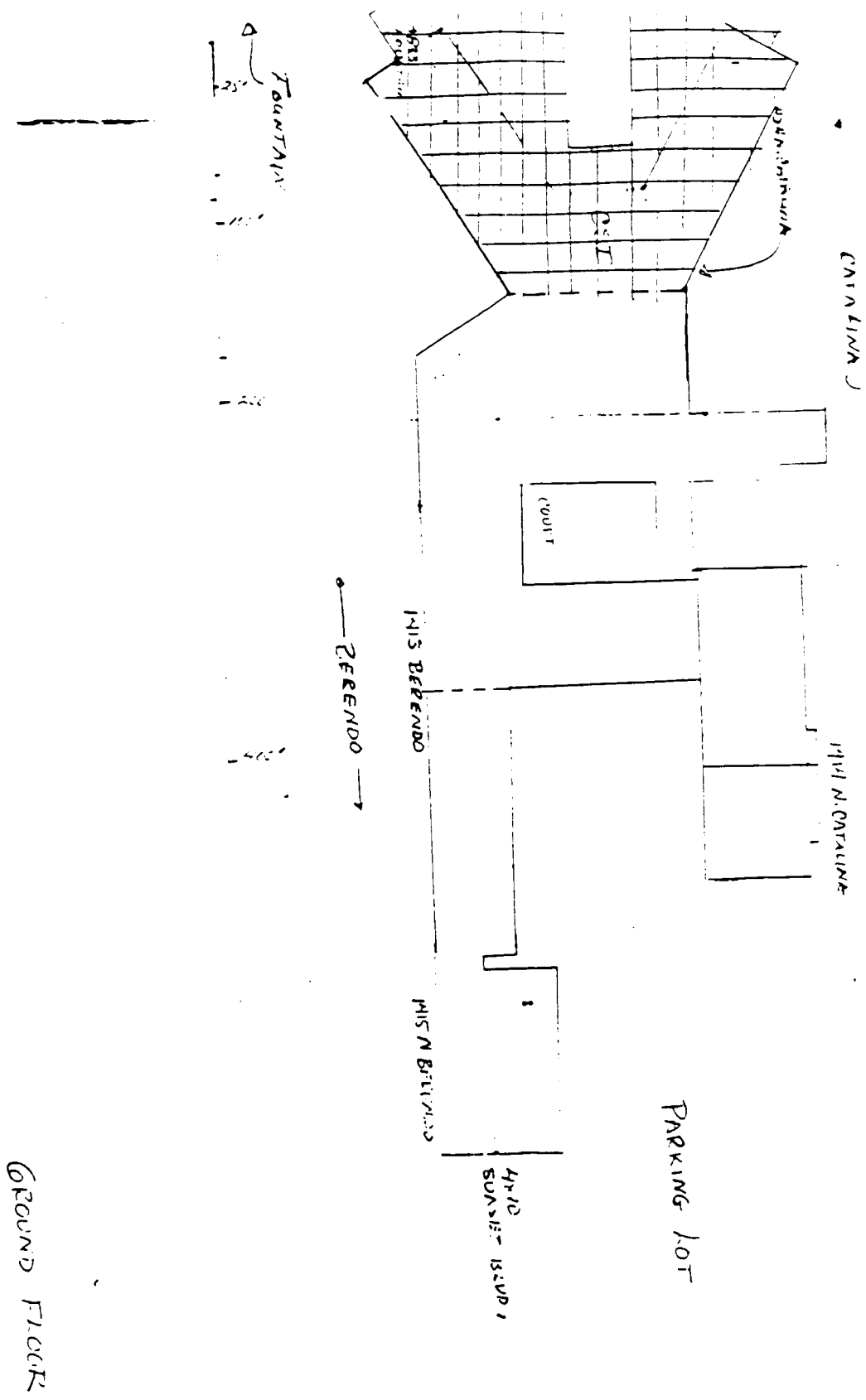


Exhibit A
Attachment 1

LEASE

THIS LEASE made this 1st day of January, 1989, by and between BUILDING MANAGEMENT SERVICES, a California non-profit religious corporation ("the Owner") and CHURCH OF SCIENTOLOGY INTERNATIONAL, a California non-profit religious corporation ("the Tenant"),

WITNESSETH:

A. The Owner is the Owner of the premises described in Exhibit A attached hereto ("the Premises").

B. The Tenant occupies and uses the Premises for religious purposes, and desires to continue to do so.

NOW, THEREFORE, the Owner leases the Premises to the Tenant and the Tenant rents the Premises, upon and subject to the following terms and conditions:

Section 1. The Tenant shall occupy and use the Premises exclusively for religious purposes and activities which accomplish or are substantially related to the accomplishment and furtherance of Scientology religious purposes.

Section 2. The Tenant shall pay rent to the Owner for the Premises in the amount of \$ 2,492 per week, weekly in advance, net of and in addition to all other amounts payable by the Tenant pursuant to any other provision

of this lease.

The weekly rental amount set forth above shall apply during the first calendar year of the term of this lease. No later than 30 days prior to the end of said calendar year, and prior to the end of each subsequent calendar year, the parties shall determine the weekly rental to be paid by the Tenant during the next calendar year. Such rental for each such year shall equal the fair rental value of the Premises; and if the parties are unable to agree upon the rental for any such year, then the same shall be determined by arbitration as hereinafter provided.

Section 3. The Tenant shall pay as additional rent all costs attributable to the ownership, operation, maintenance and improvement of the Premises (including land and fixtures), whether incurred by the Owner or by the Tenant, and including but not limited to (a) real and personal property taxes and assessments, (b) insurance premiums, including but not limited to premiums for casualty, public liability and property damage insurance, (c) any taxes measured by and incident to the Owner's receipt of rent and other amounts pursuant to this lease, (d) costs of the maintenance, operation and improvement of the Premises, and of additions thereto, (e) costs of the occupancy of the Premises and the enforcement and administration of this lease, and (f) utility costs.

It is the intention of the parties that the foregoing

shall be construed to the end and with the result that the rental paid by the Tenant to the Owner pursuant to section 2 above shall be received by the Owner net of all costs relating to the Premises, excepting only (a) the Owner's costs of acquisition of the Premises (including debt service with respect to debts incurred by the Owner and secured by the Premises), (b) the Owner's depreciation and amortization expenses, (c) any taxes imposed on the Owner with respect to and measured by the Owner's net income (if any), and (d) the Owner's overhead and operating expenses other than those which are attributable to the Premises, the Tenant's occupancy thereof or the administration of this lease.

Section 4. If any cost payable by the Tenant pursuant to section 3 shall have been incurred with respect to Premises occupied by the Tenant and also with respect to other premises, then the amount payable by the Tenant shall be the portion of such cost which is fairly attributable to the Premises occupied by the Tenant, as determined by agreement of the parties, or, failing such agreement, by arbitration as hereinafter provided.

Section 5. The Tenant shall comply with all laws concerning the Premises and the Tenant's use thereof, and shall maintain and keep the Premises in good order and repair and in clean, healthy and safe condition and shall make all repairs, additions, improvements, alterations and replacements as shall be required by law (including but not

limited to all applicable zoning, health, sanitation, building and fire codes), all at the Tenant's sole cost and expense.

The Tenant shall not (a) do, bring or keep anything in or about the Premises that will cause a cancellation or increase in premiums for any insurance covering the Premises, (b) use the Premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

The Tenant shall not make any alterations to the Premises without the Owner's consent and approval. All alterations made by either the Tenant or the Owner shall remain on and be surrendered with the Premises on expiration or termination of this lease, except that the Owner may elect within 30 days before expiration or within 10 days after termination to require the Tenant to remove any alterations made by the Tenant. If the Owner so elects, the Tenant shall at its sole cost and expense restore the Premises to the condition designated by the Owner within 30 days after the Owner's notice of election is given.

The Tenant shall not make any alterations to the Premises until 10 days after the Tenant has received the Owner's consent and approval pursuant to the foregoing provision, so that the Owner may post and record an appropriate notice of non-responsibility.

Section 6. The Tenant shall not permit any lien to attach to any interest in the Premises for labor, service or

materials furnished thereto pursuant to any contract, express or implied, with the Tenant; and in the event any such lien does attach, the Tenant agrees to pay and discharge the same forthwith.

Section 7. The Owner reserves the right and option at the Owner's sole discretion (a) to undertake and perform any obligation of the Tenant hereunder which the Tenant has not performed, (b) to incur and pay any costs for which the Tenant is responsible pursuant to any provision of this lease and which the Tenant has not paid, (c) to make such repairs, improvements, alterations, replacements and additions to the Premises as the Owner shall deem necessary or appropriate. In any such event, the Owner may bill the Tenant for all of the related costs incurred or paid by the Owner, subject only to the provisions of section 4 above with respect to the allocation of costs relating in part to the Premises occupied by the Tenant and in part to other premises; and the Tenant hereby agrees to pay all such bills within 15 days after receipt thereof, as additional rent.

Section 8. The Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of the Tenant's interest in this lease or in the Premises without the Owner's prior written consent, which consent may be granted or withheld in the Owner's sole discretion.

Section 9. The Tenant shall at the Tenant's sole cost

and expense obtain and keep in force a policy of public liability and property damage insurance indemnifying the Owner against all claims of all persons for personal injuries or property damage, or both, arising out of or incident to the Tenant's use or occupancy of the Premises. The Owner shall be named as an insured under said policy, and the Tenant shall at the request of the Owner at any time deliver to the Owner a certificate evidencing coverage in amounts of not less than \$100,000 for property damage, \$1,000,000 for personal injuries, and \$500,000 for injuries to any one person, from any one incident of loss. All such insurance shall be issued by companies authorized to do business in California, with financial ratings in the most recent edition of Best's Insurance Reports of not less than A+3A. All such insurance shall be issued as primary policies and shall include endorsements requiring 30 days' written notice from the insurer to the Owner of cancellation or change in coverage, scope or face amount.

Section 10. The Owner shall maintain such policy or policies of fire, theft and extended coverage insurance, which may include vandalism and malicious mischief endorsements, as the Owner shall in its discretion deem advisable and prudent, up to the full replacement value of the insured property. Such insurance may at the election of the Owner include fixtures and personal property on the premises. The Owner shall notify the Tenant in writing of

the insurance so carried, and in the absence of objection by the Tenant within ten days thereafter, it shall be considered for all purposes that the Owner has caused the Premises to be insured for its full insurable value. The Tenant shall notify the Owner in writing of all property to be covered by insurance hereunder, not covered by insurance obtained by the Owner. The Owner will advance and make payment of the premiums on policies maintained by the Owner, when due. All such premiums and other costs of all insurance shall be paid by the Tenant pursuant to section 3 and, if applicable, section 4 of this lease.

Section 11. If the Premises are totally or partially destroyed by casualty, whether or not insured, so as to be substantially unusable, the Owner shall have the right and option in its discretion to terminate this lease or to continue this lease in effect and restore the Premises. The Owner shall give written notice of its election to the Tenant within 15 days after any such loss. If the Owner elects to terminate this lease then this lease shall terminate effective as of the date of such notice. If the Owner elects to restore the Premises and continue this lease in effect, then rental shall be equitably reduced until such time as the Premises shall have been restored.

Section 12. The Tenant hereby waives the provisions of sections 1932 and 1933, subdivision (4) of the California Civil Code, any amendments thereto and any other laws which

may hereafter become in force which authorize the termination of this lease by the Tenant upon the partial or complete destruction of the Premises.

The Tenant hereby waives the provisions of sections 1941 and 1942 of the California Civil Code permitting the Tenant to make repairs at the Owner's expense.

Section 13. The Tenant shall defend, indemnify and hold the Owner harmless from and against any and all losses, damages, claims, demands and expenses, including reasonable attorneys' fees and whether or not covered by or within the limits of liability under any policy or policies of insurance, arising out of any claim asserted against the Owner for any loss, damage or injury of or to any person or property caused by any act, fault, omission or neglect of the Tenant or any person on or about the Premises with the Tenant's consent, actual or implied, including but not limited to any officer, employee, agent, contractor or invitee of the Tenant. The Owner shall not be liable to the Tenant, or any such person, for any property damage or personal injury unless the Owner's active negligence is the exclusive cause of the loss or injury and, with respect to injury or damage caused by any defect in the Premises, unless the Owner shall have received written notice thereof and shall have had a reasonable time in which to correct the defect.

Section 14. The Tenant shall permit the Owner and the

Owner's agents to enter the Premises at any time for the purposes of inspecting the Premises, preventing waste thereto, performing maintenance, making repairs, and taking such other actions as the Owner shall deem necessary or desirable for the protection or betterment of the Premises and to assure compliance by the Tenant with the provisions of this lease.

Section 15. If the Premises constitute a portion of a property which is also occupied by other Tenants, then the Tenant shall have the nonexclusive right to use the common areas of the property, subject to such restrictions and limitations as may be established by the Owner from time to time by written notice to the Tenant. Such common areas may include, but need not be limited to, halls, lobbies, elevators, lavatories and parking facilities. All such common areas shall be subject to the Owner's exclusive control, and shall be operated and maintained in such manner and by such means as the Owner shall in its sole discretion determine. The provisions of sections 3 and 4 above shall apply to all costs and expenses incurred in respect of any such common areas.

Section 16. The Tenant agrees to comply with and observe all reasonable rules and regulations not inconsistent with any express provision of this lease which the Owner may from time to time adopt with respect to the use and occupancy of the Premises and the common areas referred to in the

preceding section.

Section 17. The Tenant shall be deemed in default of its obligations under this lease upon the occurrence of any of the following:

(a) Failure of the Tenant to pay any rental or other amount due hereunder within 5 days of the date the payment was due;

(b) Continued failure of the Tenant to perform any other agreement, promise or obligation of the Tenant under this lease for a period of more than 10 days after written notice of such failure;

(c) The commencement with respect to the Tenant of voluntary or involuntary proceedings pursuant to any bankruptcy, reorganization or insolvency law, or the making by the Tenant of any general assignment for the benefit of creditors;

(d) The sale of the Tenant's interest under this lease by execution or other legal process;

(e) Abandonment or vacation of the Premises by the Tenant, including but not limited to non-occupation of the Premises for a period of 15 days or more;

(f) The seizure, sequestration or impounding by virtue or under authority of any legal proceeding of any of the personal property or fixtures of the Tenant which are used in or incident to occupancy of the Premises.

(g) The receipt by the Owner of written notice

issued by Church of Scientology International (the California non-profit religious corporation which is the Mother Church of the religion of Scienology) to the effect that the Tenant is not in good standing.

Section 18. The Owner shall have the following remedies in the event of a default described in the preceding section. These remedies are not exclusive -- they are cumulative in addition to any remedies now or hereafter allowed by law.

(a) The Owner may continue this lease in full force and effect, and this lease will continue in full force and effect as long as the Owner does not terminate the Tenant's right to possession, and the Owner shall have the right to collect rent when due. During the period the Tenant is in default, the Owner may enter the Premises and relet them, or any part of them, to third parties for the Tenant's account. The Tenant shall be liable immediately to the Owner for all costs the Owner incurs in reletting the Premises, including, without limitation, broker's commissions, expenses of remodelling the Premises required by the reletting, and like costs. Reletting may be for a period longer or shorter than, or equal to, the remaining term of this lease. The Tenant shall pay to the Owner the rent due, less the rent the Owner receives from any reletting. No act by the Owner allowed by this paragraph shall terminate this lease unless the Owner notifies the

Tenant in writing that the Owner elects to terminate this lease.

(b) The Owner may terminate the Tenant's right to possession of the Premises. No act by the Owner other than giving written notice to the Tenant shall terminate this lease. Without limitation, acts of maintenance and efforts to relet the Premises shall not constitute a termination of the Tenant's right to possession unless the Owner so elects in writing. On termination, the Owner shall have the right to recover from the Tenant:

(1) The worth at the time of the award of the unpaid rent earned at the time of termination;

(2) The worth at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination until the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided;

(3) The worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided; and

(4) Any other amount necessary to

compensate the Owner for all detriment
proximately caused by the Tenant's default.

"The time of the award" as used in this section shall mean the date upon which an award is made by a court of competent jurisdiction or by arbitration as hereinafter provided. "The worth at the time of the award", as used in (1) and (2) above, shall be computed by allowing interest at the rate of 10% per annum; and, as used in (3) shall be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent.

Section 19. Any controversy, dispute or claim arising out of or relating to this lease shall be settled by arbitration in Los Angeles County in accordance with the following; provided, however, that nothing herein shall be construed as precluding the Owner from commencing an action for unlawful detainer in any court of competent jurisdiction:

(a) Either party may initiate arbitration by delivering a written demand for arbitration to the other party, stating the matter in dispute and naming an arbitrator.

(b) The party receiving the demand for arbitration shall either accept the arbitrator named by the other party as the sole arbitrator or shall designate a second arbitrator by written notice to the other party. Failure to so designate a second arbitrator within 15

days of receiving the demand shall constitute an irrevocable waiver of the right to name a second arbitrator.

(c) The arbitrator or arbitrators shall determine the matter in dispute. If there are two arbitrators and they are unable to agree, then they shall select a third arbitrator, and if they are unable to agree upon a third arbitrator then either party may request any court of competent jurisdiction to designate a third arbitrator. If there shall be three arbitrators, their decisions shall be by majority vote.

(d) All determinations of the arbitrator or arbitrators shall be binding upon the parties, and may be enforced by either party by application to any court of competent jurisdiction.

(e) Neither party shall bring any action or other proceeding in any court arising out of any dispute under this lease, excepting only with respect to injunctive relief, specific performance or an action for unlawful detainer, unless such party shall have given written notice to the other party of intent to bring such action or proceeding and such other party shall not have demanded arbitration in accordance with the foregoing within 15 days thereafter.

Section 20. The term of this lease shall commence on 1 January 1989 and shall end on 31 December 2003 unless sooner

terminated in accordance with any of the foregoing provisions.

If the Tenant shall remain in possession of the Premises or any part thereof after the expiration of the term hereof with the consent of the Owner, express or implied, such holding over shall be construed to be only a tenancy from month to month at the rental specified above and upon and subject to all of the terms, conditions and obligations of this lease.

Section 21. If the Tenant shall fail to pay any amount due to the Owner pursuant to this lease within five days after such amount shall be due, the Tenant shall pay to the Owner a late charge equal to 1% of the amount overdue multiplied by the number of weeks (including any fractional week as a full week) that the delinquency continues, to a maximum of 4% thereof. In addition to such late charge, the Tenant shall pay the Owner interest at a rate equal to 4% in excess of Bank of America's prime rate from time to time, on the unpaid balance of any such amount which shall not have been paid within 28 days after it became due.

Section 22. Any notice or demand by the Owner to the Tenant shall be effective as of the date of mailing thereof by first class mail, postage prepaid, addressed to the Tenant at the Premises or at such other address as the Tenant may specify by written notice to the Owner. Any notice or demand by the Tenant to the Owner shall be effective as of the date

of mailing thereof by first class mail, postage prepaid,
addressed to the Owner at the following address or at such
other address as the Owner may specify by written notice to
the Tenant:

6331 Hollywood Boulevard
Los Angeles, California 90028

Section 23. This lease contains all agreements of the
parties with respect to the Premises and all matters
mentioned herein during the term of this lease, without
prejudice, however, to any rights, obligations, duties and
debts arising or accruing prior to the date of commencement
of the term hereof.

IN WITNESS WHEREOF, the Owner and the Tenant have executed
this lease the day and year first above written.

BUILDING MANAGEMENT SERVICES

By Michael McNeely

Its Secretary

31 December 88

CHURCH OF SCIENTOLOGY
INTERNATIONAL

By John Brown

Its Assistant Secretary

EXHIBIT A

The property, known as Happy Valley, and also including the property known as the Ranch described in the below legal description and all buildings thereon.

Legal Description
Happy Valley

PARCEL 1:

The Southeast quarter of Section 21, Township 4 South, Range 1 east, San Bernardino Base and Meridian.

PARCEL 2:

The North half of the Northeast quarter and that portion of the Southwest quarter of the Northeast quarter of Section 28, Township 4 South, Range 1 East, San Bernardino Base and Meridian, lying Northerly of a line 400 feet Northerly of and parallel with the South boundary line of the Northeast quarter of said Section 28;

Excepting therefrom an undivided one-half interest in the high line constructed across said property from the North to the South line thereof, as conveyed to Platt M. Corbaley by deed recorded in Book 433 page 315 of Deeds, records of Riverside County, California.

Ranch

PARCEL 1:

The Southeast quarter of the Northeast quarter and the South 400.00 feet of the Southwest quarter of the Northeast quarter of Section 28, Township 4 South, Range 1 East, San Bernardino Base and Meridian, as shown by United States Government Survey.

EXCEPTING therefrom an undivided one-half interest in the high line constructed across said property as conveyed to Platt M. Corbaley, by deed recorded in Book 433, page 315, of Deeds.

PARCEL 2:

The East half of the Southwest quarter and the North half of the Southeast quarter, Section 28, Township 4 South, Range 1 East, San Bernardino Base and Meridian, as shown by United States Government Survey.

LEASE

THIS LEASE made this 1st day of January, 1989, by and between BUILDING MANAGEMENT SERVICES, a California non-profit religious corporation ("the Owner") and CHURCH OF SCIENTOLOGY International, a California non-profit religious corporation ("the Tenant"),

WITNESSETH:

A. The Owner is the Owner of the premises described in Exhibit A attached hereto ("the Premises").

B., The Tenant occupies and uses the Premises for religious purposes, and desires to continue to do so.

NOW, THEREFORE, the Owner leases the Premises to the Tenant and the Tenant rents the Premises, upon and subject to the following terms and conditions:

Section 1. The Tenant shall occupy and use the Premises exclusively for religious purposes and activities which accomplish or are substantially related to the accomplishment and furtherance of Scientology religious purposes.

Section 2. The Tenant shall pay rent to the Owner for the Premises in the amount of \$ 9,206 per week, weekly in advance, net of and in addition to all other amounts payable by the Tenant pursuant to any other provision

of this lease.

The weekly rental amount set forth above shall apply during the first calendar year of the term of this lease. No later than 30 days prior to the end of said calendar year, and prior to the end of each subsequent calendar year, the parties shall determine the weekly rental to be paid by the Tenant during the next calendar year. Such rental for each such year shall equal the fair rental value of the Premises; and if the parties are unable to agree upon the rental for any such year, then the same shall be determined by arbitration as hereinafter provided.

Section 3. The Tenant shall pay as additional rent all costs attributable to the ownership, operation, maintenance and improvement of the Premises (including land and fixtures), whether incurred by the Owner or by the Tenant, and including but not limited to (a) real and personal property taxes and assessments, (b) insurance premiums, including but not limited to premiums for casualty, public liability and property damage insurance, (c) any taxes measured by and incident to the Owner's receipt of rent and other amounts pursuant to this lease, (d) costs of the maintenance, operation and improvement of the Premises, and of additions thereto, (e) costs of the occupancy of the Premises and the enforcement and administration of this lease, and (f) utility costs.

It is the intention of the parties that the foregoing

shall be construed to the end and with the result that the rental paid by the Tenant to the Owner pursuant to section 2 above shall be received by the Owner net of all costs relating to the Premises, excepting only (a) the Owner's costs of acquisition of the Premises (including debt service with respect to debts incurred by the Owner and secured by the Premises), (b) the Owner's depreciation and amortization expenses, (c) any taxes imposed on the Owner with respect to and measured by the Owner's net income (if any), and (c) the Owner's overhead and operating expenses other than those which are attributable to the Premises, the Tenant's occupancy thereof or the administration of this lease.

Section 4. If any cost payable by the Tenant pursuant to section 3 shall have been incurred with respect to Premises occupied by the Tenant and also with respect to other premises, then the amount payable by the Tenant shall be the portion of such cost which is fairly attributable to the Premises occupied by the Tenant, as determined by agreement of the parties, or, failing such agreement, by arbitration as hereinafter provided.

Section 5. The Tenant shall comply with all laws concerning the Premises and the Tenant's use thereof, and shall maintain and keep the Premises in good order and repair and in clean, healthy and safe condition and shall make all repairs, additions, improvements, alterations and replacements as shall be required by law (including but not

limited to all applicable zoning, health, sanitation, building and fire codes), all at the Tenant's sole cost and expense.

The Tenant shall not (a) do, bring or keep anything in or about the Premises that will cause a cancellation or increase in premiums for any insurance covering the Premises, (b) use the Premises in any manner that will constitute waste, nuisance or unreasonable annoyance.

The Tenant shall not make any alterations to the Premises without the Owner's consent and approval. All alterations made by either the Tenant or the Owner shall remain on and be surrendered with the Premises on expiration or termination of this lease, except that the Owner may elect within 30 days before expiration or within 10 days after termination to require the Tenant to remove any alterations made by the Tenant. If the Owner so elects, the Tenant shall at its sole cost and expense restore the Premises to the condition designated by the Owner within 30 days after the Owner's notice of election is given.

The Tenant shall not make any alterations to the Premises until 10 days after the Tenant has received the Owner's consent and approval pursuant to the foregoing provision, so that the Owner may post and record an appropriate notice of non-responsibility.

Section 6. The Tenant shall not permit any lien to attach to any interest in the Premises for labor, service or

materials furnished thereto pursuant to any contract, express or implied, with the Tenant; and in the event any such lien does attach, the Tenant agrees to pay and discharge the same forthwith.

Section 7. The Owner reserves the right and option at the Owner's sole discretion (a) to undertake and perform any obligation of the Tenant hereunder which the Tenant has not performed, (b) to incur and pay any costs for which the Tenant is responsible pursuant to any provision of this lease and which the Tenant has not paid, (c) to make such repairs, improvements, alterations, replacements and additions to the Premises as the Owner shall deem necessary or appropriate. In any such event, the Owner may bill the Tenant for all of the related costs incurred or paid by the Owner, subject only to the provisions of section 4 above with respect to the allocation of costs relating in part to the Premises occupied by the Tenant and in part to other premises; and the Tenant hereby agrees to pay all such bills within 15 days after receipt thereof, as additional rent.

Section 8. The Tenant shall not voluntarily or by operation of law assign, transfer, mortgage, sublet or otherwise transfer or encumber all or any part of the Tenant's interest in this lease or in the Premises without the Owner's prior written consent, which consent may be granted or withheld in the Owner's sole discretion.

Section 9. The Tenant shall at the Tenant's sole cost

and expense obtain and keep in force a policy of public liability and property damage insurance indemnifying the Owner against all claims of all persons for personal injuries or property damage, or both, arising out of or incident to the Tenant's use or occupancy of the Premises. The Owner shall be named as an insured under said policy, and the Tenant shall at the request of the Owner at any time deliver to the Owner a certificate evidencing coverage in amounts of not less than \$100,000 for property damage, \$1,000,000 for personal injuries, and \$500,000 for injuries to any one person, from any one incident of loss. All such insurance shall be issued by companies authorized to do business in California, with financial ratings in the most recent edition of Best's Insurance Reports of not less than A+3A. All such insurance shall be issued as primary policies and shall include endorsements requiring 30 days' written notice from the insurer to the Owner of cancellation or change in coverage, scope or face amount.

Section 10. The Owner shall maintain such policy or policies of fire, theft and extended coverage insurance, which may include vandalism and malicious mischief endorsements, as the Owner shall in its discretion deem advisable and prudent, up to the full replacement value of the insured property. Such insurance may at the election of the Owner include fixtures and personal property on the premises. The Owner shall notify the Tenant in writing of

the insurance so carried, and in the absence of objection by the Tenant within ten days thereafter it shall be considered for all purposes that the Owner has caused the Premises to be insured for its full insurable value. The Tenant shall notify the Owner in writing of all property to be covered by insurance hereunder, not covered by insurance obtained by the Owner. The Owner will advance and make payment of the premiums on policies maintained by the Owner, when due. All such premiums and other costs of all insurance shall be paid by the Tenant pursuant to section 3 and, if applicable, section 4 of this lease.

Section 11. If the Premises are totally or partially destroyed by casualty, whether or not insured, so as to be substantially unusable, the Owner shall have the right and option in its discretion to terminate this lease or to continue this lease in effect and restore the Premises. The Owner shall give written notice of its election to the Tenant within 15 days after any such loss. If the Owner elects to terminate this lease then this lease shall terminate effective as of the date of such notice. If the Owner elects to restore the Premises and continue this lease in effect, then rental shall be equitably reduced until such time as the Premises shall have been restored.

Section 12. The Tenant hereby waives the provisions of sections 1932 and 1933, subdivision (4) of the California Civil Code, any amendments thereto and any other laws which

may hereafter become in force which authorize the termination of this lease by the Tenant upon the partial or complete destruction of the Premises.

The Tenant hereby waives the provisions of sections 1941 and 1942 of the California Civil Code permitting the Tenant to make repairs at the Owner's expense.

Section 13. The Tenant shall defend, indemnify and hold the Owner harmless from and against any and all losses, damages, claims, demands and expenses, including reasonable attorneys' fees and whether or not covered by or within the limits of liability under any policy or policies of insurance, arising out of any claim asserted against the Owner for any loss, damage or injury of or to any person or property caused by any act, fault, omission or neglect of the Tenant or any person on or about the Premises with the Tenant's consent, actual or implied, including but not limited to any officer, employee, agent, contractor or invitee of the Tenant. The Owner shall not be liable to the Tenant, or any such person, for any property damage or personal injury unless the Owner's active negligence is the exclusive cause of the loss or injury and, with respect to injury or damage caused by any defect in the Premises, unless the Owner shall have received written notice thereof and shall have had a reasonable time in which to correct the defect.

Section 14. The Tenant shall permit the Owner and the

Owner's agents to enter the Premises at any time for the purposes of inspecting the Premises, preventing waste thereto, performing maintenance, making repairs, and taking such other actions as the Owner shall deem necessary or desirable for the protection or betterment of the Premises and to assure compliance by the Tenant with the provisions of this lease.

Section 15. If the Premises constitute a portion of a property which is also occupied by other Tenants, then the Tenant shall have the nonexclusive right to use the common areas of the property, subject to such restrictions and limitations as may be established by the Owner from time to time by written notice to the Tenant. Such common areas may include, but need not be limited to, halls, lobbies, elevators, lavatories and parking facilities. All such common areas shall be subject to the Owner's exclusive control, and shall be operated and maintained in such manner and by such means as the Owner shall in its sole discretion determine. The provisions of sections 3 and 4 above shall apply to all costs and expenses incurred in respect of any such common areas.

Section 16. The Tenant agrees to comply with and observe all reasonable rules and regulations not inconsistent with any express provision of this lease which the Owner may from time to time adopt with respect to the use and occupancy of the Premises and the common areas referred to in the

preceding section.

Section 17. The Tenant shall be deemed in default of its obligations under this lease upon the occurrence of any of the following:

(a) Failure of the Tenant to pay any rental or other amount due hereunder within 5 days of the date the payment was due;

(b) Continued failure of the Tenant to perform any other agreement, promise or obligation of the Tenant under this lease for a period of more than 10 days after written notice of such failure;

(c) The commencement with respect to the Tenant of voluntary or involuntary proceedings pursuant to any bankruptcy, reorganization or insolvency law, or the making by the Tenant of any general assignment for the benefit of creditors;

(d) The sale of the Tenant's interest under this lease by execution or other legal process;

(e) Abandonment or vacation of the Premises by the Tenant, including but not limited to non-occupation of the Premises for a period of 15 days or more;

(f) The seizure, sequestration or impounding by virtue or under authority of any legal proceeding of any of the personal property or fixtures of the Tenant which are used in or incident to occupancy of the Premises.

(g) The receipt by the Owner of written notice

issued by Church of Scientology International (the California non-profit religious corporation which is the Mother Church of the religion of Sciencology) to the effect that the Tenant is not in good standing.

Section 18. The Owner shall have the following remedies in the event of a default described in the preceding section. These remedies are not exclusive -- they are cumulative in addition to any remedies now or hereafter allowed by law.

(a) The Owner may continue this lease in full force and effect, and this lease will continue in full force and effect as long as the Owner does not terminate the Tenant's right to possession, and the Owner shall have the right to collect rent when due. During the period the Tenant is in default, the Owner may enter the Premises and relet them, or any part of them, to third parties for the Tenant's account. The Tenant shall be liable immediately to the Owner for all costs the Owner incurs in reletting the Premises, including, without limitation, broker's commissions, expenses of remodelling the Premises required by the reletting, and like costs. Reletting may be for a period longer or shorter than, or equal to, the remaining term of this lease. The Tenant shall pay to the Owner the rent due, less the rent the Owner receives from any reletting. No act by the Owner allowed by this paragraph shall terminate this lease unless the Owner notifies the

Tenant in writing that the Owner elects to terminate this lease.

(b) The Owner may terminate the Tenant's right to possession of the Premises. No act by the Owner other than giving written notice to the Tenant shall terminate this lease. Without limitation, acts of maintenance and efforts to relet the Premises shall not constitute a termination of the Tenant's right to possession unless the Owner so elects in writing. On termination, the Owner shall have the right to recover from the Tenant:

(1) The worth at the time of the award of the unpaid rent earned at the time of termination;

(2) The worth at the time of the award of the amount by which the unpaid rent that would have been earned after the date of termination until the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided;

(3) The worth at the time of the award of the amount by which the unpaid rent for the balance of the term after the time of the award exceeds the amount of the loss of rent that the Tenant proves could have been reasonably avoided; and

(4) Any other amount necessary to

compensate the Owner for all detriment

proximately caused by the Tenant's default.

"The time of the award" as used in this section shall mean the date upon which an award is made by a court of competent jurisdiction or by arbitration as hereinafter provided. "The worth at the time of the award", as used in (1) and (2) above, shall be computed by allowing interest at the rate of 10% per annum; and, as used in (3) shall be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus one percent.

Section 19. Any controversy, dispute or claim arising out of or relating to this lease shall be settled by arbitration in Los Angeles County in accordance with the following; provided, however, that nothing herein shall be construed as precluding the Owner from commencing an action for unlawful detainer in any court of competent jurisdiction:

(a) Either party may initiate arbitration by delivering a written demand for arbitration to the other party, stating the matter in dispute and naming an arbitrator.

(b) The party receiving the demand for arbitration shall either accept the arbitrator named by the other party as the sole arbitrator or shall designate a second arbitrator by written notice to the other party. Failure to so designate a second arbitrator within 15

days of receiving the demand shall constitute an irrevocable waiver of the right to name a second arbitrator.

(c) The arbitrator or arbitrators shall determine the matter in dispute. If there are two arbitrators and they are unable to agree, then they shall select a third arbitrator, and if they are unable to agree upon a third arbitrator then either party may request any court of competent jurisdiction to designate a third arbitrator. If there shall be three arbitrators, their decisions shall be by majority vote.

(d) All determinations of the arbitrator or arbitrators shall be binding upon the parties, and may be enforced by either party by application to any court of competent jurisdiction.

(e) Neither party shall bring any action or other proceeding in any court arising out of any dispute under this lease, excepting only with respect to injunctive relief, specific performance or an action for unlawful detainer, unless such party shall have given written notice to the other party of intent to bring such action or proceeding and such other party shall not have demanded arbitration in accordance with the foregoing within 15 days thereafter.

Section 20. The term of this lease shall commence on 1 January 1989 and shall end on 31 December 2003 unless sooner

terminated in accordance with any of the foregoing provisions.

If the Tenant shall remain in possession of the Premises or any part thereof after the expiration of the term hereof with the consent of the Owner, express or implied, such holding over shall be construed to be only a tenancy from month to month at the rental specified above and upon and subject to all of the terms, conditions and obligations of this lease.

Section 21. If the Tenant shall fail to pay any amount due to the Owner pursuant to this lease within five days after such amount shall be due, the Tenant shall pay to the Owner a late charge equal to 1% of the amount overdue multiplied by the number of weeks (including any fractional week as a full week) that the delinquency continues, to a maximum of 4% thereof. In addition to such late charge, the Tenant shall pay the Owner interest at a rate equal to 4% in excess of Bank of America's prime rate from time to time, on the unpaid balance of any such amount which shall not have been paid within 28 days after it became due.

Section 22. Any notice or demand by the Owner to the Tenant shall be effective as of the date of mailing thereof by first class mail, postage prepaid, addressed to the Tenant at the Premises or at such other address as the Tenant may specify by written notice to the Owner. Any notice or demand by the Tenant to the Owner shall be effective as of the date

of mailing thereof by first class mail, postage prepaid,
addressed to the Owner at the following address or at such
other address as the Owner may specify by written notice to
the Tenant:

6331 Hollywood Boulevard
Los Angeles, California 90028

Section 23. This lease contains all agreements of the
parties with respect to the Premises and all matters
mentioned herein during the term of this lease, without
prejudice, however, to any rights, obligations, duties and
debts arising or accruing prior to the date of commencement
of the term hereof.

IN WITNESS WHEREOF, the Owner and the Tenant have executed
this lease the day and year first above written.

BUILDING MANAGEMENT SERVICES

By Michael McNeely
Its Secretary
31 December 88

CHURCH OF SCIENTOLOGY INTERNATIONAL

By K. S. Brown
Its Asst Secretary

EXHIBIT A

All of the property known as Gilman Hot Springs except for Rooms 62, 64, 65, 66, 67, 68, 69, 70 and 71 of Building #7 also known as the "Middle Villa".

BUILDING MANAGEMENT SERVICES
6331 Hollywood Boulevard
Los Angeles, Calif. 90028

19 June 1989

Church of Scientology International
6331 Hollywood Boulevard, Suite 1200
Los Angeles, California 90028

Gentlemen:

The purpose of this letter is to amend our lease agreement of 1 January 1989 concerning the Gilman Hot Springs property. It is intended that this amendment shall also be effective as of January 1st.

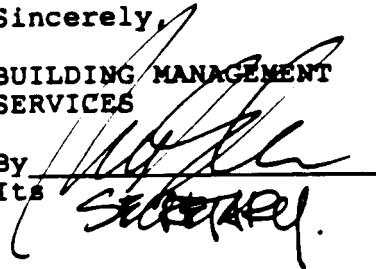
The agreement is amended to add space described on Exhibit A attached hereto.

The addition of space will increase your weekly rent by \$255. Therefore, your total weekly rent is \$9,461 per week.

Sincerely,

BUILDING MANAGEMENT
SERVICES

By
Its



Agreed:

CHURCH OF SCIENTOLOGY
INTERNATIONAL

By
Its

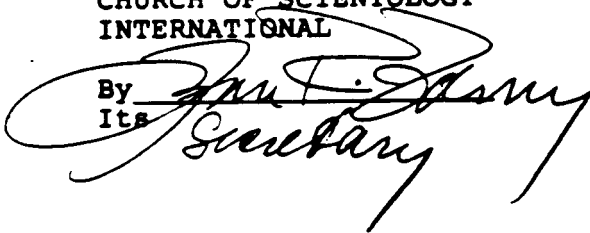


EXHIBIT A

Rooms 62, 64, 65, 66, 67, 68, 69, 70 and 71 of Building #7
also known as the "middle Villa" of the Gilman Hot Springs
property.