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ADVANCED TECHNOLOGY  
COVENANT - RTC/REC

THIS COVENANT, effective this 1 day of Dec, 1988, is hereby executed by and between RELIGIOUS TECHNOLOGY CENTER, a California non-profit religious corporation (hereinafter referred to as "RTC"), and CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE, INC., a non-profit South Australian Association Registered in the United Kingdom (hereinafter referred to as "REC").

RECITALS

A. L. Ron Hubbard was the founder of the religion of Scientology, which is based on a body of truths, and the technology for applying them, that was discovered, described, and refined by L. Ron Hubbard through forty years of research and study, and is contained in the writings and recorded spoken words of L. Ron Hubbard relating to the religion of Scientology and the organizations formed to disseminate the religion of Scientology. Such writings and recorded spoken words of L. Ron Hubbard are hereinafter referred to as the "Scientology Scriptures." The Scientology Scriptures are the sole source of all the doctrines, tenets, sacraments, rituals and policies of the religion of Scientology.

B. L. Ron Hubbard published much of the Scientology Scriptures for the use and benefit of mankind through the

religion and organizations of Scientology. The portion of the Scientology Scriptures that constitutes the upper levels of spiritual awareness of the religion is called the religion's "Advanced Technology." The Advanced Technology is a substantial body of copyrighted unpublished written information that has been protected and maintained as highly confidential property, and that is to be made available only to Scientology organizations that qualify to deliver the Advanced Technology (referred to herein as the "Advanced Scientology Organizations").

C. The Advanced Technology is the most sacred part of the Scientology Scriptures and is maintained and used in strict accordance with Scientology Scriptural requirements. These Scriptural requirements ensure the sanctity of the Advanced Technology and the orthodox and ethical practice of the Scientology faith for all time.

D. A fundamental doctrine of the religion of Scientology is that the Advanced Technology can be grasped and utilized only by Scientologists who, through processing, have attained an appropriate preclear or pre-OT grade on the Scientology Classification, Gradation and Awareness Chart, as described in the particular level of Advanced Technology. Under this doctrine, revelation of Advanced Technology to one who has not attained the appropriate preclear or pre-OT grade risks spiritual harm.

E. Orthodox and ethical Scientology religious practice therefore requires that Advanced Technology be used without alteration and consistent with the Scriptures, that the confidentiality of Advanced Technology be absolutely maintained, and that Advanced Technology be revealed only to Scientologists who have advanced to the appropriate level of spiritual awareness.

F. RTC was formed by Scientologists, with the approval of L. Ron Hubbard, for the exclusive purpose of protecting the religion of Scientology by ensuring that Scientology religious services are orthodox and comport with all Scriptural requirements.

G. RTC accomplishes its religious purpose by authorizing and supervising the use of Scientology religious trademarks by the Church of Scientology International, the Mother Church of the Scientology faith, and other churches and missions of Scientology, and by authorizing and supervising the use of Advanced Technology by Advanced Scientology Organizations. RTC has received the exclusive authority from the Estate of L. Ron Hubbard (the "Estate") to authorize the orthodox and ethical use and dissemination of the Advanced Technology throughout the world by such Advanced Scientology Organizations as RTC may select.

H. It is the purpose of this Covenant to authorize the orthodox and ethical use of the Advanced Technology identified

in Exhibits 1 and 2 attached hereto by REC in the United Kingdom (referred to herein as the "Territory") in accordance with the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, RTC and REC covenant as follows:

1. Recitals. The Recitals set forth in paragraphs A through H above are made a part of this Covenant.

2. Grant of Authority. RTC hereby grants to REC the nonexclusive authority to:

(a) use the Advanced Technology identified in Exhibit 1 attached hereto in the Territory for the purpose of processing preclears and pre-OTs in the Advanced Technology; and

(b) use the Advanced Technology identified in Exhibit 2 attached hereto in the Territory to train persons for the purpose of processing preclears and pre-OTs in the Advanced Technology.

3. Limitations. The grant of authority set forth in paragraph 2 above is subject to the following limitations:

(a) REC shall use the Advanced Technology without alteration and strictly in accordance with the Scientology Scriptures, particularly with that portion of the Scientology Scriptures known as the Scientology system of ethics and justice and its related administrative policies; and

(b) REC shall not authorize any person or entity to utilize the Advanced Technology in any way except as specifically authorized by this Covenant.

(c) REC shall not have the right to reproduce any of the Advanced Technology but shall receive sufficient physical copies of the Advanced Technology to enable it to deliver the services.

4. Consideration.

(a) In consideration of the grant of authority set forth in paragraph 2 of this Covenant, and as a way to provide financial support for the dissemination and growth of the religion of Scientology, each week REC shall pay to RTC six percent (6%) of the value of services delivered, that utilize the Advanced Technology, by REC to its parishioners (other than to REC's staff). The value of services shall be based upon the aggregate of invoices issued for services delivered by REC. All payments pursuant to this paragraph shall be made in accordance with Scientology Scriptural requirements.

(b) Each week REC shall provide RTC with a written report of all of REC's activities during the prior week with respect to the Advanced Technology, including the determination of the value of services delivered, in such form as RTC shall authorize. REC shall keep detailed records pertaining to its use of the Advanced Technology as required by the Scientology Scriptures and as RTC also may require. RTC

shall have the right to inspect such records at any time.

(c) REC shall bear the cost of any tariffs, duties, taxes, and other governmental charges applicable in any respect to the use, importation or exportation of the Advanced Technology, the grant of rights and authority under this Covenant, or any payment due to RTC under this Covenant.

5. Term and Termination.

(a) The initial term of this Covenant shall end on December 31, 1989. This Covenant shall be renewed automatically and indefinitely for additional and successive terms of one (1) year each, unless either party gives the other party written notice of its intent not to renew no later than thirty (30) days prior to the end of a term.

(b) This Covenant is subject to termination at any time that RTC's authority to use and to permit others to use the Advanced Technology is terminated.

(c) RTC may terminate this Covenant at any time if the Church of Scientology International, the Mother Church of the religion of Scientology, gives RTC written notice that REC is not a Church of Scientology in good standing.

(d) RTC also may terminate this Covenant at any time that RTC determines in its sole and absolute discretion that any use of the Advanced Technology by REC is not orthodox and ethical.

(e) On termination of this Covenant for any reason, REC shall immediately cease all use of the Advanced Technology; shall promptly account to RTC for each physical copy of the Advanced Technology and all notes or other materials that contain any part of, or may reveal, the Advanced Technology and shall dispose of each copy of the Advanced Technology and any and all such notes or other materials in accordance with RTC's instructions.

6. Protection of Materials.

(a) In the event the security and confidentiality of the Advanced Technology is ever endangered, REC shall take whatever actions are necessary to ensure the security and confidentiality of the Advanced Technology and shall follow all instructions issued by RTC in this regard.

(b) RTC will assist REC as necessary in ensuring the security and confidentiality of the Advanced Technology and its ethical and orthodox use in accordance with the Scientology Scriptures. Such assistance may include sending missions to REC to correct any deficiencies in its ethical and orthodox use of the Advanced Technology. RTC may charge REC a reasonable fee for such missions (in addition to the consideration provided for in Paragraph 4) at rates not to exceed the then prevailing rates charged by Church of Scientology International.

7. Indemnification.

(a) REC acknowledges that it is fully



responsible for the ethical and orthodox use and delivery of the Advanced Technology according to the Scientology Scriptures. REC hereby indemnifies and waives any claim against RTC, RTC's agents, employees, representatives, successors, assigns and affiliates, the Estate, and L. Ron Hubbard's representatives, and agrees to hold them harmless from all costs, liabilities, and claims of any kind, including attorneys' fees, which arise from or relate to the use of the Advanced Technology by REC. All such claims shall be defended at the expense of REC through legal counsel acceptable to RTC.

(b) The writings of L. Ron Hubbard are a record of research and observation by him into the nature of the human mind and spirit. These writings contain a spiritual and religious guide intended to assist persons to become more aware of themselves as spiritual beings, restoring respect for self and others, and not for treating or diagnosing human ailments of body or mind, nor for engaging in teaching or practicing medical arts or sciences. RTC and the Estate make no claim that the nature or purpose of the Advanced Technology exceeds this description of the Scientology religion or that the application of the Advanced Technology will have any particular effect on any particular parishioner.

(c) REC shall obtain from all persons to whom the Advanced Technology is to be delivered under this Covenant a waiver of any claim inconsistent with this disclaimer before processing them in the Advanced Technology. Such waiver shall

be identical to the waiver set forth in Exhibit 3 attached hereto.

8. Lack of Agency. Neither party shall be deemed to be the employee, agent, joint venturer, or partner of the other, and neither party shall have the authority to act on behalf of the other in any manner, including acceptance of service of process.

9. Title and Copyrights.

(a) REC acknowledges that all physical copies of the Advanced Technology are owned by RTC, and that all copyright rights covering the Advanced Technology are retained and owned exclusively by the Estate. REC further acknowledges that this Covenant does not permit REC to copy the Advanced Technology, to distribute the Advanced Technology to the public, to perform or display the Advanced Technology publicly, to create derivative works from the Advanced Technology, or to modify the Advanced Technology in any way. Furthermore, REC may use the Advanced Technology only as set forth in paragraph 2 of this Covenant.

10. Protection and Enforcement of Rights.

(a) If during the term of this Covenant or any renewal hereof REC becomes aware of any use by third parties of the Advanced Technology, or of information or materials similar to the Advanced Technology, REC shall immediately notify RTC in writing of such third party uses.

(b) RTC may initiate lawsuits against any and all third parties who infringe REC's rights granted under paragraph 2 of this Covenant, or who otherwise infringe the copyrights or other rights covering the Advanced Technology. REC shall render all reasonable assistance to RTC as RTC may request in connection with the conduct of any such suit, including joining as a party.

(c) The conduct and settlement of all such lawsuits shall be within the sole discretion and control of RTC. Unless otherwise agreed in writing, RTC and REC shall bear their own legal expenses in all such lawsuits, and all damages or sums of money received pursuant to such litigation shall be retained by RTC.

11. Resolution of Differences. Any difference between the parties that arises from or relates to this Covenant, other than termination of the authority granted to REC with respect to the Advanced Technology under paragraph 2 of this Covenant, shall be resolved by arbitration in accordance with the Scientology system of ethics and justice. The requirements of paragraphs 5(e) and 6(a) shall not be subject to arbitration.

12. Notices. All notices under or relating to this Covenant shall be personally delivered or mailed first class, postage prepaid. Notices shall be effective upon personal delivery or three (3) days after mailing, whichever is earlier.

Notices shall be given at the following addresses, or at such other addresses specified in writing by either party from time to time:

RTC: RELIGIOUS TECHNOLOGY CENTER  
1710 Ivar Avenue  
Suite 1100  
Los Angeles, CA 90028

REC: CHURCH OF SCIENTOLOGY  
RELIGIOUS EDUCATION  
COLLEGE, INC.  
Saint Hill Manor East Grinstead  
Sussex RH19 4JY  
England

13. General Provisions.

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

(b) In the event of arbitration between the parties, the prevailing party shall be entitled to an award of reasonable fees and costs, in an amount determined by the arbitrator(s).

(c) This Covenant shall be considered personal

to both RTC and REC, and therefore neither RTC nor REC may assign any of its rights or duties under this Covenant.

(d) RTC and REC agree that this Covenant and the legal relationship between the parties shall be governed by and interpreted in accordance with the laws of the State of California and the applicable federal laws of the United States.

(e) If a court of competent jurisdiction determines that one or more paragraphs of this Covenant, or portions thereof, is invalid, such decision shall not affect the validity and enforceability of the remainder of the Covenant.

(f) The section headings contained in this Covenant are for reference purposes only and shall not be considered in interpreting this Covenant.

(g) This Covenant states the entire agreement of the parties concerning the Advanced Technology, and replaces and supersedes any prior verbal or written discussions, communications, understandings, covenants, or agreements. This Covenant may be modified, amended, terminated, or discharged only by a written instrument signed by both parties.

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

IN WITNESS WHEREOF, and intending to be legally bound,

duly authorized representatives of RTC and REC have executed this Covenant below.

RELIGIOUS TECHNOLOGY CENTER

Date: 6-2-98

By [Signature]  
Name: MARCO M. FRANE  
Title: Director, RTC

CHURCH OF SCIENTOLOGY  
RELIGIOUS EDUCATION  
COLLEGE, INC.

Date: 5/1/98

By [Signature]  
Name: \_\_\_\_\_  
Title: Secretary, REC

Exhibit 1

PRECLEAR/PRE-OT PROCESSING LEVELS

<u>GRADE/LEVEL</u>	<u>MATERIALS /STATE ATTAINED</u>
Grade V & VA Release	The Power and Power Plus Processes (Power Release)
Grade VI Release	R6 End Words (Whole Track Release)
Clear	Clearing Course
OT I	Section One Operating Thetan
OT II	Section Two Operating Thetan
OT III	Section Three Operating Thetan
New OT IV	Operating Thetan Drug Rundown Completion
New OT V	Audited New Era Dianetics for Operating Thetans
OT Review Auditing	

Exhibit 2

AUDITOR TRAINING

<u>CLASS/DESCRIPTION</u>	<u>CERTIFICATE/FORMAL NAME</u>
Class VII Auditor	Hubbard Graduate Auditor
Class VII Case Supervisor	Hubbard Graduate Case Supervisor
Class VIII Auditor (Confid. Section)	Hubbard Standard Technical Specialist
Solo Case Supervisor	Hubbard Solo Case Supervisor
Confidential Section of the Solo Auditor Course  (R6EW Materials)	



WAIVER

1. The undersigned hereby acknowledges that:

a. The writings of L. RON HUBBARD ("LRH") are a record of observation and research by him into the nature of the human mind and spirit. These writings contain a spiritual and religious guide intended to assist persons to become more aware of themselves as spiritual beings, restoring respect for self and others, and not for treating or diagnosing human ailments of body or mind, nor for engaging in teaching or practicing medical arts or sciences. L. Ron Hubbard and his Estate, RELIGIOUS TECHNOLOGY CENTER ("RTC"), and CHURCH OF SCIENTOLOGY RELIGIOUS EDUCATION COLLEGE, INC. ("REC") make no claim that the nature or purpose of the Advanced Technology exceeds this description of Scientology or that the application of the Advanced Technology will have any particular effect on any particular parishioner.

b. The undersigned relies on REC alone, without the participation of any other person or entity, for the ethical and proper delivery of the Advanced Technology according to the Scriptures.

c. The undersigned hereby waives any claim against L. Ron Hubbard and his Estate, RTC, REC, and the agents, employees, representatives, predecessors, successors, assigns, and affiliates of any of them, which is inconsistent with the preceding paragraph, and will hold them harmless from any related or resulting cost or liability, including attorneys' fees.

Dated: \_\_\_\_\_