

To: St. Onge, Angela[AStOnge@nrahq.org]
From: Rowling, Sonya
Sent: 2019-02-19T16:42:01Z
Importance: Normal
Subject: FW: Associated Television
Received: 2019-02-19T16:42:02Z
[Old ATI Contract Materials.pdf](#)

Can you forward this to Robiel? I don't have his email. This is the requested Associated TV contract.

Best,
Sonya

From: Frazer, John
Sent: Tuesday, February 19, 2019 11:11 AM
To: Rowling, Sonya <SRowling@nrahq.org>
Subject: FW: Associated Television

Here's a newer contract that [REDACTED] gathered in their document collection. It's possible it was orally renewed. Please let me know if you need more on this.

John Frazer
Secretary and General Counsel
National Rifle Association of America
11250 Waples Mill Rd.
Fairfax, VA 22030
[REDACTED]
john.frazer@nrahq.org

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PX-2260

Index No. 451625/2020 (JMC)

CONTRACT REVIEW SIGNATURE SHEET

Contract Name: "CRIMESTRIKE" / "ARMED CITIZEN" TV PRODUCTION AND DISTRIBUTION ASSOCIATED TELEVISION INTERNATIONAL

Amount: 2003/2004 SEASON \$46,769.97 per episode for 26 episodes (\$1,216,019) 2004/2005 SEASON + 10% (\$1,337,620) 1,337,620

Negotiated By: WR LAPIERRE & WH PHILLIPS

Division: EJP / TREASUR

Responsible Officer Approval:

Business Case Analysis Prepared by: WH PHILLIPS JR

Date: APRIL 30, 2004

Legal Review: EXTENSION OF SAME CONTRACT REVIEWED BY OUTSIDE COUNSEL (Office of General Counsel)

Remarks:

Purchasing Review: N/A (Purchasing Division)

Financial & Business Review: [Signature] (Treasurer's Office)

(Financial Services)

Executive Vice President Review: (Executive Vice President)

Signature required over \$100,000 - Acknowledging Officers are Aware of Contract & Amount (Forward to the Office of the Secretary)

President:

1st Vice President:

2nd Vice President:

Attachment 2 Is:d:\forms

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Amount: 2003/2004 Season \$46,769.97 per episode for 26 episodes (\$1,216,019) 2004/2005 Season + 10% (\$1,337,620)

Negotiated By: WR LAPIERRE & WH PHILLIPS

Division: EVP / TREASUR

Responsible Officer Approval:

Business Case Analysis Prepared by: WH PHILLIPS JR

Date: APRIL 30, 2004

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(Financial Services)

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President: [Signature]

1st Vice President:

2nd Vice President:

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Negotiated By: WR LAPIERRE & WH PHILLIPS

Division: EVP / TREASURY

Responsible Officer Approval: _____

Business Case Analysis Prepared by: WH PHILLIPS JR

Date: APRIL 30, 2004

Legal Review: ^{EXTENSION OF} SAME CONTRACT REVIEWED BY OUTSIDE COUNSEL
(Office of General Counsel)

Remarks:

Purchasing Review: N/A
(Purchasing Division)

Financial & Business Review: 
(Treasury's Office)

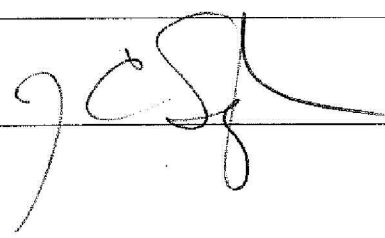
(Financial Services)

Executive Vice President Review: _____
(Executive Vice President)

Signature required over \$100,000 – Acknowledging Officers are
Aware of Contract & Amount
(Forward to the Office of the Secretary)

President: _____

1st Vice President: _____

2nd Vice President: 

Attachment 2
ls:d:\forms

CONTRACT REVIEW SIGNATURE SHEET

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Division: EVP / TREASUR

Responsible Officer Approval:

Business Case Analysis Prepared by: WH PHILLIPS JR

Date: APRIL 30, 2004

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Remarks:

Purchasing Review: N/A (Purchasing Division)

Financial & Business Review: [Signature] (Treasurer's Office)

(Financial Services)

Executive Vice President Review: (Executive Vice President)

Signature required over \$100,000 - Acknowledging Officers are Aware of Contract & Amount (Forward to the Office of the Secretary)

President:

1st Vice President: [Signature]

2nd Vice President:

Attachment 2 ls:d:\forms

BUSINESS CASE ANALYSIS SHEET

ASSOCIATED TELEVISION INTERNATIONAL

Contract Name: CRIMESTRIKE / ARMED CITIZEN PRODUCTION AND DISTRIBUTION OF CABLE TELEVISION

Purpose: TO CONTINUE TO PRODUCE CRIMESTRIKE / ARMED CITIZEN TV PROGRAMMING

Yearly Dollar Amount: \$ 1,337,620

Terms on the Contract: 1 year for 2004 / 2005 SEASON FALL WINTER-SUMMER

- Final Bidders: 1. SOLE SOURCE 2. 3.

Analysis Prepared by: W H PHILLIPS JR

Date: APRIL 30, 2004

Analysis: POINTS OF INTEREST: 1 THIS PROGRAM IS NOW ON AN ANNUAL RENEWAL BASIS, FOR 2004-2005 SEASON, USA CHANNEL IS GOING TO AIR THE PROGRAM IN ADDITION TO EXISTING LOCAL CABLE OUTLETS. 2 I AM CONSULTING IS COORDINATING TO RAISE FUNDS FOR MEMBERS TO KEEP THE SHOW ON NETWORKS - HAS BEEN SUCCESSFUL IN OFFSETING MUCH OF THE COST IN PREVIOUS YEARS. 3 FOR 2004-2005 NRA IS ALSO LICENSING FOR DISTRIBUTION OF DVD'S OF THE PROGRAM AT LICENSEE'S RISK WITH POSSIBLE LICENSE ROYALTY INCOME TO NRA 4 WAYNE LAPIERRE IS HOSTING PROGRAMS AND ACTIVELY INVOLVED IN CONTENT.

PRODUCTION AND DISTRIBUTION AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into this 9th day of March 2004 by and between NATIONAL RIFLE ASSOCIATION OF AMERICA (together with its affiliates, successors and assigns, hereinafter, the "the NRA"), 11250 Waples Mill Road, Fairfax, VA 22030, (703) 267-1000, Fax (703) 267-3923 and ASSOCIATED TELEVISION INTERNATIONAL (together with its affiliates, successors and assigns, hereinafter, "ATI"), 4401 Wilshire Blvd., Los Angeles, CA 90010, (323) 556-5600, Fax (323) 556-5610 (such parties, the NRA and ATI, collectively, hereinafter, the "Parties").

WHEREAS, the NRA and ATI entered into that certain Production and Distribution Agreement dated November 26, 1997 (the "1997 Agreement") for the production and distribution of 26 one-half hour episodes of the television series entitled "Crime Strike;" and

WHEREAS, the Parties, having extended the 1997 Agreement from year to year, now wish to update, revise and replace the 1997 Agreement; and

WHEREAS, the NRA has produced for a number of years a regular magazine, with an aggregate circulation of millions of copies, containing, inter alia, a regular, featured article entitled "Armed Citizen," which recounts, in a series of stories, how citizens have benefited for the use of protective guns (the concept and series hereafter, the "Underlying Property")

WHEREAS, ATI has proposed producing for the NRA 26 additional episodes of the "Crime Strike" one-half television series for the 2003-2004 television broadcast season, which is a television version of the Underlying Property, fully suitable for U.S. television exhibition (the "Project"), for which Project ATI also proposes acting as Primary distributor and/or distribution agent, in the various channels of exploitation worldwide; and

WHEREAS, ATI has proposed its own "in-kind" production contribution to the Project in a value at least as great as the cash investment required of the NRA as owner of the Project, and in return therefore seeks certain rights additional to "market-normal" production and distribution fees and terms;

NOW, THEREFORE, the Parties agree:

1. **INTENT.** The WHEREAS clauses contained in the foregoing preamble are incorporated and made a part of this Agreement.

2. **PRODUCTION BY ATI.**

a. Work-For-Hire. ATI shall produce the Project as a "Work-For-Hire," as that concept is understood under the United States Copyright laws (expressly acknowledged by ATI to have been specially ordered and commissioned by the NRA), and ATI shall complete any and all reasonable documentation to ensure such characterization. If, and to the extent, the Project is somehow not deemed a "Work-For-Hire," ATI assigns to the NRA, in perpetuity, throughout the universe, all rights in an to the Project (including, without limitation, trademark and copyright). Finally, ATI unequivocally waives any so-called "moral right" or right in the nature thereof. It is

"CRIME STRIKE"
PRODUCTION/DISTRIBUTION AGREEMENT – PAGE 1

the unequivocal intent of this Agreement that the NRA is the full and unencumbered owner of the Project and any rights therein.

b. Creative. ATI shall create the programs which together constitute the Project, supplying all "creative elements," such as (but not limited to): (i) pre-production, production and post-production services, (ii) script writing services, (iii) directorial services, (iv) on-camera services, (v) on-camera hosts and talent, (vi) music (including all permissions), and (vii) sound and digital effects, provided, however, that ATI shall regularly and actively involve, and consult with the Executive Vice President of the NRA (or his designee), who shall act as the NRA's creative representative with full rights of approval (and rejection) for the NRA as to such creative elements (e.g., script, cast, etc.) and decisions.

c. Standard of Production. ATI shall produce all programs in the Project of a quality level and character equal to the "Crime Strike" episodes produced under the 1997 Agreement.

d. Rights Clearance. ATI will ensure that for each program hereunder it shall obtain any and all releases, consents and the like reasonably required to ensure that each program does not violate or infringe in any way on any third party's rights, and that the NRA can exploit, without restriction, the Project in perpetuity throughout the universe without further payment encumbrance or hindrance. Prior to any exploitation of the programs, ATI shall deliver to the NRA full documentary evidence of its "rights clearance" (i.e., "chain of title" materials, etc.), which materials must be reasonably satisfactory to the NRA. Such delivery, however, shall not in any way limit ATI's obligation as to rights clearance as contained herein. Finally, to assist ATI, the NRA shall provide reasonably satisfactory clearance materials as to the Underlying Property, to the extent relevant.

e. Credits. ATI shall receive appropriate production credit for the Project, but all credit decisions shall be subject to approval of the NRA in accordance with paragraph 2, b above.

f. Timing & Completion Guaranty. Production of the Project (26 one-half hour episodes for the 2003-2004 television broadcast season) shall be completed by May 30, 2004, and ATI guarantees timely completion of the Project (assuming the NRA's timely payments consistent with Para. 2, g, (i) below). The Parties acknowledge that the 2003-2004 television broadcast season begins September 2003 and ends August 2004. Notwithstanding the foregoing, if the NRA requests changes to the Project or any program, which are inconsistent with materials previously approved by the NRA, delays caused by such changes shall not be deemed a breach of ATI's completion obligation, although ATI agrees to use its best efforts to minimize such delays. Similarly, subject to the NRA's prior written approval, ATI may leave short "gaps" in the production so as to enable ATI to update programs to reflect recent, related events. Such gaps shall not be deemed a breach of ATI's completion obligation, although ATI shall remain obligated to fill such gaps in a timely fashion so as to ensure that the programs are completed in time for broadcast, it being understood that the NRA will need to approve the final version of such program. The Parties by mutual written agreement may elect to reduce the number of one-half hour episodes of the Project produced for the 2003-2004 television broadcast season from 26 episodes to 20 episodes.

g. Production Payments.

(i) By the NRA. The NRA shall contribute \$46,769.97 to the cost of production of each episode (26 episodes) of the Project, payable as follows: (A) One third (1/3)

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for all episodes shall be paid upon the completed execution hereof; (B) One third (1/3) for all episodes, upon the acceptance in writing by the EVP of the NRA of satisfactory evidence of substantial shooting of Program footage by ATI; (C) One third (1/3) for all episodes, upon the acceptance in writing by the EVP of the NRA of satisfactory evidence of the general commencement of syndication sales by ATI.

(ii) By ATI. ATI shall contribute of "in-kind" goods and services, equal to the NRA's cash contributions towards the production of the Project, such contribution(s) to be itemized, and to be valued consistent with normal market valuations. Such valuation shall be subject to the NRA's approval, not to be unreasonably withheld. Any valuations, which are disputed, shall not be deemed recoupable until such dispute is resolved. If the Parties are unable to resolve a dispute within thirty (30) days, their respective accountants shall select a third accountant to resolve the dispute, such accountant's decision being final and binding. ATI shall not seek any third-party investment/contribution for the Project without the NRA's approval (which may be withheld in the NRA's sole discretion). ATI's production contribution may be recouped by ATI pursuant to Para. 3, e below.

h. Insurance. ATI shall obtain and keep in force during the term of this Agreement General Liability and Errors & Omissions insurance policies, which shall include, without limitation, coverage for slander, libel, invasion of privacy, defamation, copyright and trademark infringement. The policies shall cover only the programs and the Project (and no other activities of ATI) and shall be for \$1 Million per occurrence and \$3 Million in the aggregate, with a \$10,000 deductible, and name the NRA as an additional named insured.

3. EXHIBITION, DISTRIBUTION & FEES THEREFORE.

a. Television Domestic. ATI shall have the exclusive right and obligation to "syndicate" the Project domestically, on broadcast and/or cable, for a minimum of two runs during the 2003/2004 television season, providing the NRA three minutes of commercial advertising time for each showing of each program during each such run, or any run thereafter ("the NRA Ad Time"). ATI shall use its best efforts to promptly "clear" the United States in time slots other than midnight to 7 a.m. ATI estimates, but does not guarantee, the likelihood of initial "clearance" (i.e., committed coverage of U.S. television households) ranging between 40% and 55% of domestic television households within the first two quarters of U.S. television exhibition.

b. Television - Non - U.S. ATI shall have exclusive rights to, and shall use its best efforts to, exploit in these markets, and, for any license or exploitation arrangement so made, ATI may retain 35% of any and all receipts related thereto as ATI's distribution fee therefore. ATI may also reimburse itself out of such receipts up to an additional 5% of such receipts in order to cover any out-of-pocket expenses reasonably incurred by ATI in achieving such license or arrangement, remitting the remainder to the NRA.

c. Home Video - Domestic. ATI has a captive home video label, represented by ATI to have had much success distributing travel related home videos via national distributors. ATI therefore shall have exclusive rights to, and shall use its best efforts to ensure, general domestic videocassette distribution of the programs (or a selection of the programs) in the Project, via such home video label, and, as recompense for such efforts and any expenses associated therewith, may retain 35% of receipts there from, "all-in" (such percentage, for sale

for clarity, including within it all distribution fees and expensed of ATI and its affiliated home video distributor, provided, however, that reasonable manufacturing costs shall be deducted from gross receipts prior to calculation of such "all-in" distribution fee), remitting the remainder to the NRA. For all "Direct Video" sales, the NRA will receive 20% of the net receipts.

d. Other Exploitation. ATI shall use good faith efforts to conceptualize other exploitations of the Project, in full consultation with the NRA. The NRA may concurrently do the same, and shall use reasonable efforts to coordinate its efforts with ATI. If ATI's efforts result in a successful exploitation in an "Other" market or channel of distribution, the NRA and ATI shall negotiate a market reasonable fee which shall be payable to ATI for such effort and any expenses associated therewith, it being understood and agreed that all rights to exploit the Project shall be owned solely by the NRA.

e. Recoupment of ATI Production Costs. ATI may recoup out of monies otherwise remittable to the NRA, 100% of its production contribution pursuant to Para. 2, g, (ii) above, prior to remitting exploitation receipts to the NRA.

f. Optional Promotional Expenditure by the NRA. From time to time ATI shall advise the NRA of expenditures with ATI recommends in connection with special promotions, public relations, station compensation, etc. in order to increase "reach" of the Project, and the NRA, in its sole discretion, may decide whether or not to fund such expenditures. ATI shall act as a fiduciary in its relationship with the NRA, but not limited to monies remittable to the NRA pursuant to this Agreement.

4. ACCOUNTING AND AUDIT.

a. Accounting.

(i) Accounting. ATI will send to the NRA hereafter during the Term a written statement with regard to: (i) domestic (and other, if any) clearance results (consistent, e.g., with Para. 3(a) above), (ii) sales, receipts and expenses, if amounts are due to the NRA, and (iii) a check for such full amount, if applicable.

(ii) Additional Reporting. ATI shall cooperate as necessary with Campaign Media Analysis Group (CMAG), a firm located in Alexandria, Virginia, or any other firm engaged by the NRA that specifically relates to the television syndication of the Project.

(iii) Timeliness. Tracking and reporting as specified in this Agreement are essential to the interests of the NRA. Failure to cooperate with the NRA, including but not limited to the manner as specified in the preceding subsection (ii), or provide necessary information as specified within this Agreement in a timely manner shall constitute a material breach of this Agreement. Time is of the essence as to this provision and any other provision of this Agreement requiring the submission of reports, financial information or other information by ATI to the NRA or others as provided for in this Agreement.

(iv) Effect of Termination. ATI's duty to pay to the NRA as required by this Agreement and to provide accountings connected therewith as specified in this Agreement shall survive the expiration or termination of this Agreement.

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PRODUCTION/DISTRIBUTION AGREEMENT – PAGE 4

b. Audit. The NRA shall have the right to audit the books and records of ATI with regard to this Agreement, and the statements made pursuant hereto, upon 10 days notice, no more often than once per year, and such audit must be completed within 3 months of commencement. A copy of the auditor's final report shall be given to ATI within 30 days of completion. If such audit report shows a discrepancy of 10% or more in sales, receipts or amounts due the NRA, then ATI shall pay the cost of the audit. If the NRA chooses to sue with regard to any statement or audit report, such suit must be commenced within the later of one year from delivery of final audit report or two years from delivery of the statement (all per Para. 4 (a) above).

5. TERM AND ADDITIONAL PROGRAMS.

a. Project Programs. Assuming ATI meets all its obligations hereunder (including, particularly, but without limitation, the completion and delivery obligations of Paras. 2, f and 2, g, (i) above, and the reporting obligations contained in Para. 4, a above), ATI shall retain rights (and obligations) as to the programs in the Project, all as provided in Para. 3 above, for a period of twenty-five (25) years from the date hereof.

b. Sequel Programs.

(i) On or before May 1, 2004, after reviewing ATI reporting to the NRA as well as the general results of domestic television distribution of the 26 programs in the Project, the NRA shall decide and advise ATI if the NRA desires to produce any additional programs for the 2004/2005 television season based on the Underlying Property. The NRA and ATI agree that the 2004/2005 season begins in August 2004. To allow for enough time for ATI to commence production in time for the start of the new season, the NRA agrees to give ATI notice of the renewal of this Agreement for the 2004/2005 season by May 1, 2004, which ATI will acknowledge. Should the NRA proceed with an additional season of programs based on the Underlying Property, the parties agree that production costs and associated payments will be increased by 10%.

(ii) During the period from the 2003/2004 television broadcast season to the 2008/2009 television broadcast season only, the NRA shall be obligated to follow procedures consistent with the foregoing as to additional programs for any year in such period.

(iii) Additional programs produced by ATI shall be subject to the terms and conditions of this Agreement.

c. Termination. This Agreement may be terminated by the NRA immediately upon written notice if:

(i) ATI breaches any term, promise or covenant hereunder, and is unable to cure same in a reasonable period of time, after receipt from the NRA of written notice of the breach;

- (ii) ATI fails to produce programs that are satisfactory to the NRA;
- (iii) The NRA, in its sole discretion, views ATI's performance, quality of work, distribution efforts, prices, turn around time or services rendered hereunder as unsatisfactory or inadequate;
- (iv) ATI fails to make timely payments or provide reports or accountings pursuant to this agreement; or
- (v) ATI becomes insolvent, bankrupt, or is unable to pay its bills and debts in a timely fashion.

6. OWNERSHIP.

a. The Project programs, videos, promotional materials and other materials produced hereunder, including any written materials and documents, and including any interim work extant upon the expiration of termination of this Agreement, shall at all times be the sole property of the NRA, and the NRA shall retain all common law, statutory and other reserved rights, including copyright. During the term of this Agreement, ATI shall not make use of such materials for any purpose other than the ATI's performance of its obligations hereunder. All copies of the episodes of the Project will be registered with the U.S. Copyright Office under the name Crime Strike Productions.

b. Upon the expiration or termination of this Agreement, ATI shall immediately return to the NRA, in a manner satisfactory to the NRA, any and all of the NRA's property, materials, documents, confidential information, Highly Confidential Information, etc. and any and all taped programs, videos and promotional materials produced and/or held by ATI hereunder.

c. The NRA acknowledges that programs produced by ATI hereunder may embody pre-existing materials owned by third parties, such as licensed stock footage. ATI agrees that the inclusion of such pre-existing materials shall not result in any restriction on the NRA's ability, or the NRA's ability to authorize others, to exploit the programs. At the time of delivery of each program to the NRA, ATI shall identify in writing all pre-existing materials embodied in the programs. ATI agrees that it shall be responsible for obtaining all necessary rights and/or licenses from applicable third parties at ATI's sole expense. Upon the NRA's request, ATI shall deliver to the NRA a complete copy of every agreement, license or other arrangement from which ATI derives its authority to grant the NRA the rights and licenses granted under this Agreement. Notwithstanding the forgoing, ATI agrees that no program created pursuant to this Agreement shall consist of more than fifty percent (50%) of such pre-existing materials without the NRA's prior written approval.

7. REPRESENTATIONS, WARRANTIES AND COVENANTS.

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PRODUCTION/DISTRIBUTION AGREEMENT -- PAGE 6

a. ATI represents, warrants and covenants for the life of copyright of the programs hereunder, that;

(i) it has full power and authority to enter into this Agreement, and carry out its obligations herein;

(ii) without limitation, it will ensure adherence to the provisions of Para. 2, d above;

(iii) there are not currently, nor will there be, any claims, liens, charges, or encumbrances on the NRA's full rights and exploitation hereunder; and

(iv) ATI, and any agent, servant, employee, contractor or subcontractor of ATI, shall comply with any and all laws, ordinances or regulations imposed by any public authority and shall satisfy any permit, application or license requirements required to undertake any of activities related to the Program or contemplated under or related to this Agreement. ATI further warrants to the NRA that ATI, and any agent, servant, employee, contractor or subcontractor of ATI shall obey and comply with any and all safety regulations required by any applicable law, ordinance or regulation whatsoever, regarding safety measures and devices required to undertake any of the activities related to the Program or contemplated under or related to this Agreement.

b. The NRA represents, warrants and covenants for the life of the programs hereunder that:

(i) it has full power and authority to enter into this Agreement, and carry out its obligations herein;

(ii) it has not, and will not, grant to any third-party any right in derogation of the provisions hereof (including, without limitation, ATI's exploitation rights hereafter);

(iii) and approval in writing by the Executive Vice President of the NRA (or his written designee) shall be deemed a binding approval on behalf of the NRA.

8. INDEMNIFICATION.

a. ATI assumes all responsibilities and liabilities relating to the production marketing, distribution and advertisement of the Project, the Home-Videos and/or the Promotional Materials, including, but not limited to, the handling of any and all customer services and complaints and claims. ATI assumes any and all liability for any injuries and damages to, or other claims by Members and/or Purchasers, contractors, distributors or other third parties, in any way relating to the Project, individual programs and/or then Videos.

b. The NRA expressly disclaims any and all liabilities, losses, claims, demands, suits or actions of any type or nature arising from or related to the Project, individual programs and/or the Videos.

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c. ATI hereby agrees to indemnify, defend and hold harmless the NRA, its directors, officers, agents and employees, from and against any and all losses, damages, liabilities, claims, causes of action, or judgments in any way resulting from, related to or arising from the Videos, the Project and/or individual programs. ATI furthermore assumes all other liability and hereby agrees to indemnify, defend and hold harmless the NRA, its directors, officers, agents and employees, from any and all other losses, damages, liabilities, claims, causes of action, or judgments in any way resulting from, related to or arising from ATI's acts or omissions in any way relating to the Project and any and all other acts or omissions of ATI, its officers, directors, employees, contractors, subcontractors and agent, whether or not related to the Project or this Agreement.

d. ATI shall defend and settle, at its sole expense, all claims, suits or proceedings arising out of the foregoing. In all events, the NRA shall have the right to participate in the defense of any such suit or proceeding through counsel of its own choosing.

e. The NRA shall indemnify, defend and hold harmless ATI, its directors, officers, agents and employees, from and against any and all losses, damages, liabilities, claims, causes of action, or judgments in any way resulting from, related to or arising from any claims of infringement of copyright, trademark, trade secret or other proprietary rights arising out of or resulting from the use of the NRA Marks as defined in Section 12 hereunder.

9. f. The obligations of this Section shall survive the cancellation, expiration or other termination of this Agreement.

10. **NOTICES AND APPROVALS.** Any notice to be given hereunder shall boldly reference this Agreement, and shall deemed received 2 days after mailed and addressed as follows:

If to the NRA:

National Rifle Association of America
11250 Waples Mill Road
Fairfax, VA 22030
Attention: Executive Vice President.

If to ATI:

Associated Television International
4401 Wilshire Blvd.
Los Angeles, CA 90010
Attention: President

with a copy to: SVP-Law & Business Affairs, at ATI

or such other addresses as hereafter noticed between the Parties consistent with the above.

Any approval, decision or the like hereunder to be taken by the NRA shall only be valid and effective if taken by the Executive Vice President of the NRA (or his designee, clearly

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designated). All notices required or permitted to be given by one party to the other under this Agreement shall be sufficient if hand delivered overnight prepaid delivery or the United States mail postage prepaid to the parties at the respective addresses set forth above or to such other address as the party to receive the notice has designated by notice to the other party.

10. **NON-EXCLUSIVE.** It is expressly understood and agreed that this Agreement is non-exclusive and that the NRA may institute similar programs and may enter into agreements with other parties for similar programs.

11. **CONFIDENTIALITY.**

a. ATI shall not mail any other promotions, solicitations or information to Members and/or Purchasers, concerning any service provided by ATI or any other third party which is not related to the Project.

b. Any name and/or address provided to ATI or in any way obtained by ATI pursuant to the Project is presumed to be that of a Member.

c. ATI shall take all reasonable precautions to assure the confidentiality of any Members and/or Purchasers, any lists or tapes of Members and/or Purchasers, and any listing or compilation of Member and/or Purchasers, including adequate security to prevent unauthorized access or use. Any lists or tapes of Members and/or Purchasers, any and all names, addresses and information provided or obtained by ATI pursuant to the Project, and any listing or compilation of Members and/or Purchasers shall be treated by ATI as highly confidential and shall not be disclosed to any person or entity, other than those employees or agents of ATI directly involved in the marketing of the Project or the provision of services pursuant thereto, without the express written consent of the NRA.

d. The obligation of this Section shall survive the cancellation, expiration or other termination of this Agreement.

12. **TRADEMARKS, TRADE NAMES, LOGOS, ETC.**

a. (i) It is explicitly understood that the NRA prohibits use of its name, trademarks, service marks, trade names, logos or other identification symbols (hereinafter, collectively, the "NRA Marks") in association with this project or any other use by ATI. Should the NRA desire to make its association public, it shall only do so in writing and ATI may not make any use without such in writing from an officer of the NRA. Should the NRA grant permission or limited permission to make use of the NRA Marks, such permission shall only grant to ATI, during the term of this Agreement only the limited non-exclusive license to use the NRA's name, trade marks, service marks, trade names, logos or other identification symbols, but only for the purpose of creating and distributing the Project's programs, which programs must be approved by the NRA in writing prior to their production, marketing and/or distribution and only to such extent as specified in writing to ATI.

(ii) ATI acknowledges the NRA's exclusive right, title and interests in the NRA Marks, any lists or tapes of Member and/or Purchasers, and any compilation of Members and/or Purchasers whatsoever and however derived, and will not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such right, title or interest. Upon termination of this Agreement, ATI shall cease and desist from any and all use of the NRA Marks, and ATI shall return to the NRA any and all tapes/lists of Members and/or Purchasers, and any compilation of Members and/or Purchasers whatsoever and however derived, and any Promotional Materials regarding the Program or using the NRA Marks.

b. (i) ATI hereby grants to the NRA, during the term of this Agreement only, the limited non-exclusive license to use ATI's trade marks, service marks, logos or other identification symbols (hereinafter, collectively, the "ATI Marks"), for the purpose of promoting the Program and/or creating Promotional Materials.

(ii) Furthermore, the NRA, in its sole discretion, may make use of ATI's name and trade names in the NRA's publications or other communications to the Members, in order to appraise the Members of the Project and its status.

13. COSTS OF ENFORCEMENT. If the parties become engaged in litigation regarding this Agreement, then the prevailing party shall be entitled to have the other party reimburse the prevailing party's costs and expenses, including reasonable attorney's fees, incurred in prosecuting the action and otherwise in exercising its rights or remedies hereunder.

14. MISCELLANEOUS.

a. Neither Party may assign its rights or obligations hereunder without the express approval of the other.

b. Any waiver shall not be continuing unless in writing, and then only according to its terms.

c. This Agreement constitutes the entire Agreement between the Parties, superseding any other regarding the subject matter hereof, and shall not be amended except by a writing co-signed.

d. It is agreed and understood that each party is an independent contractor and not an agent or employee of the other party. Neither ATI nor the NRA shall have the power or authority to pledge, bind or obligate the other in any manner or for any purpose to any third party. Nothing in this Agreement or in the performance thereof shall be construed to create an employer-relationship, partnership, sales agency, dealership, joint venture or joint employer relationship between the NRA and ATI or between the NRA and any agent, servant, employee, contractor or subcontractor of ATI. The NRA and ATI are and shall remain independent contractors.

e. ATI is not authorized to accept any service of process for the NRA and ATI shall in no manner misrepresent the status of the relationship between ATI and the NRA. ATI has no authority to enter into any contracts on the NRA's behalf.

f. ATI shall pay all costs in conducting its own business and in undertaking any of the Services or activities contemplated under or related to this Agreement.

g. ATI agrees that no individual whose compensation for services are paid by ATI is in any way, directly, indirectly, expressly, or by implication, employed by the NRA. Nor shall any of them be deemed to be employed by the NRA for the purpose of any federal, state, or local law, regulation or ordinance whatsoever, including, but not limited to any tax or withholding, of contribution levied by the Social Security Act or any state law with respect to employment, unemployment, disability or compensation for employment. ATI accepts exclusive liability for any payroll taxes, income taxes, withholdings, or contributions imposed by the federal Social Security Act or any state law with respect to ATI or any individual whose services are supplied by or otherwise paid for by ATI.

h. ATI shall pay all taxes, fees or charges now or hereinafter imposed by any public authority and shall make all reports required by any public authorities with respect to any of the activities related to the Program or contemplated under or related to this Agreement.

i. This Agreement shall be governed by and construed under the laws of the Commonwealth of Virginia. ATI consents and agrees that all legal proceedings relating to the subject matter of this Agreement shall be maintained in courts sitting within the City of Alexandria or the County of Fairfax, Commonwealth of Virginia, and ATI consents and agrees that jurisdiction and venue for such proceedings shall lie exclusively with such courts. ATI furthermore consents to the exercise of personal jurisdiction by said courts over ATI.

j. If any provision of this Agreement is held invalid or otherwise unenforceable, enforceable provisions shall be deemed modified the minimum amount necessary to cause such provisions to be enforceable. The enforceability of the remaining provisions shall not be impaired thereby.

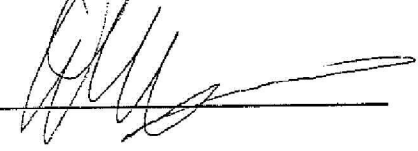
k. The section captions as to contents of particular sections herein are inserted only for convenience and are in no way to construed as part of this Agreement or as a limitation on the scope of the particular sections to which they refer.

AGREED & ACCEPTED:

The National Rifle Association
Of America

By  _____

Associated Television International

By  _____

FILE COPY

CONTRACT REVIEW SUMMARY

Contract Name: "Armed Citizen" TV Series
w/Associated Television

Amount: \$685,000 + optional \$300,000 "comp" @ NRA's option

Negotiated By: Wilson H. Phillips Jr.

Division: Executive-Treasurer

Responsible Officer
Approval: Wayne R. LaPierre, Jr.

Summary Prepared By: W. Phillips

Date: December 12, 1997

Legal Review: [Signature]

Purchasing Review: Michael G. Fay

Financial & Business Review: [Signature]

Executive Vice President Review: W. Phillips

John C. Sigler
Chairman, Finance Committee

(Signatures Required Over \$100,000 - Acknowledging Officers are Aware of Contract & Amount)

President: [Signature] 12/17/97

1st Vice President: _____

2nd Vice President: [Signature] 12/19/97

(Initials for Subsequent Revisions)

Revisions Requested by Vendor
Date: _____

Resp. Officer Approval _____

Legal _____ Purchasing _____

Financial _____ EVP _____

President _____ 1st VP _____

2nd VP _____

Original to: Financial Services
Copies to: Division Concerned
General Counsel

(1/97)

NRA EXEC OFFICE

Fax

Dec 19 '97 10:30

P.02/16

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[Signature] 12/19/97
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General Counsel
(1/97)

(Initials for Subsequent Revisions)
Revisions Requested by Vendor
Date: _____
Resp. Officer Approval _____
Legal _____ Purchasing _____
Financial _____ EVP _____
President _____ 1st VP _____
2nd VP _____

Production and Distribution Agreement
entered into as of November 26, 1997
between the National Rifle Association of
America (together, with affiliates, successors and
assigns, hereinafter, the "NRA") and Associated Television
International (together, with affiliates,
successors and assigns, hereinafter, "ATI") (such parties,
collectively, hereinafter, the "Parties").

WHEREAS, the NRA has produced for a number of years a regular magazine, with an aggregate circulation of millions of copies, containing, inter alia, a regular, featured article entitled "Armed Citizen", which recounts, in a series of stories, how citizens have benefitted from the use of protective guns (the concept and series hereafter, the "Underlying Property");

WHEREAS, ATI has proposed producing for the NRA a television version of such Underlying Property which shall include a minimum of 26 ½ hour television programs, fully-suitable for U.S. television exhibition (the "Project"), for which Project ATI also proposes acting as primary distributor and/or distribution agent, in the various channels of exploitation worldwide; and

WHEREAS, ATI has proposed its own "in-kind" production contribution to the Project in a value at least as great as the cash investment required of the NRA as owner of the Project, and in return therefore seek certain rights additional to "market-normal" production and distribution fees and terms;

NOW THEREFORE, the Parties agree:

1. **INTENT.** The WHEREAS clauses contained in the foregoing preamble are incorporated and made a part of this Agreement.
2. **PRODUCTION BY ATI.**

(a) Work-For-Hire. ATI shall produce the Project as a "Work-For-Hire", as that concept is understood under the United States Copyright laws (expressly acknowledged by ATI to have been specially ordered and commissioned by the NRA), and ATI shall complete any and all reasonable documentation to ensure such characterization. If, and to the extent, the Project is somehow not deemed to be a "Work-For-Hire", ATI assigns to the NRA, in perpetuity throughout the universe, all rights in and to the Project (including, without limitation, trademark and copyright). Finally, ATI unequivocally waives any so-called "moral right" or right in the nature thereof. It is the unequivocal intent of this Agreement that the NRA is the full and unencumbered owner of the Project and any rights therein.

(b) Creative. ATI shall create the programs which together constitute the Project,

supplying all "creative elements", such as (but not limited to): (I) pre-production, production and post-production services, (ii) script writing services, (iii) directoral services, (iv) on-camera services, (v) on-camera hosts and talent, (vi) music (including all permissions), and (vii) sound and digital effects, provided, however, that ATI shall regularly and actively involve, and consult with the Executive Vice President of the NRA (or his designee), who shall act as the NRA's creative representative with full rights of approval (and rejection) for the NRA as to such creative elements (e.g., script, cast, etc.) and decisions.

(c) Standard of Production. Exhibit 1 hereto contains (i) presentation of ATI's Project proposal dated September 12, 1997, a (ii) sample script from a completed half hour Project program, and (iii) a videotape of a completed half hour Project program (one of the 26 programs required for the Project). All other programs in the Project shall be at least of the quality level and the character of such presentation, script and program. To the extent that the items referred to in (ii) or (iii) above are not included in the Exhibit 1 as originally attached to this agreement, the EVP of the NRA shall attach a substitute videotape and/or script which is (x) indicative of the requisite quality standard and (y) reasonably acceptable as such to ATI (and so initialed by ATI).

(d) Rights Clearance. ATI will ensure that for each program hereunder it shall obtain any and all releases, consents and the like reasonably required to ensure that each program does not violate or infringe in any way on any third party's rights, and that the NRA can exploit, without restriction, the Project in perpetuity throughout the universe without further payment, encumbrance or hindrance. Prior to any exploitation of the programs, ATI shall deliver to the NRA full documentary evidence of its "rights clearance" (i.e. "chain of title" materials, etc.), which materials must be reasonably satisfactory to the NRA. Such delivery, however, shall not in any way limit ATI's obligation as to rights clearance as contained herein. Finally, to assist ATI, the NRA shall provide reasonably satisfactory clearance materials as to the Underlying Property, to the extent relevant.

(e) Credits. ATI shall receive appropriate production credit for the Project, but all credit decisions shall be subject to the approval of the NRA, owner of the Project.

(f) Budget. Exhibit 2 hereto contains an overall budget for the Project (Exhibit 2(a)), as well as a pro-forma for each program in the Project showing production line items and their costs with specificity (Exhibit 2(b)). Such Budgets shall be adhered to absent written consent by both Parties to the contrary. ATI agrees to be fully responsible for any budget "overrun" or production-funding "shortfall", absent the NRA's written consent to the contrary.

(g) Timing & Completion Guaranty. Production of the Project shall be completed by March 15, 1998, and ATI guarantees timely completion of the Project (assuming the NRA's timely payments consistent with Para. 2(h) (I) below). Notwithstanding the foregoing, if the NRA requests changes to the Project or any program which are inconsistent with materials previously approved by the NRA, delays caused by such changes shall not be deemed a breach of

ATI's completion obligation, although ATI agrees to use its best efforts to minimize such delays. Similarly, subject to the NRA's prior written approval, ATI may leave short "gaps" in the production so as to enable ATI to update programs to reflect recent, related events. Such gaps shall not be deemed a breach of ATI's completion obligation, although ATI shall remain obligated to fill such gaps in a timely fashion so as to ensure that the programs are completed in time for broadcast, it being understood that the NRA will need to approve the final version of each such program.

(h) Production Payments.

(i) By the NRA. The NRA shall contribute \$685,000 to the cost of the Project, payable as follows: (A) \$195,000 shall be paid upon the completed execution hereof; (B) \$195,000, upon the acceptance in writing by the EVP of the NRA of satisfactory evidence of substantial shooting of program footage by ATI; (C) \$195,000, upon the acceptance in writing by the EVP of the NRA of satisfactory evidence of the general commencement of syndication sales by ATI; (D) \$50,000, upon Delivery to and Acceptance in writing by the EVP of the NRA of twenty-six completed ½ hour programs constituting the Project ("Delivery" of a program hereunder meaning delivery of a program master which is reasonably-acceptable to the NRA, accompanied by relevant Para. 2(d) rights clearance materials as to such program, and "Acceptance" by the NRA to be consistent with the terms and intent of this Agreement); and (E) the final \$50,000 shall be paid upon delivery to the EVP of the NRA of the first two quarters of clearance and effort records consistent with the fourth sentence of Para. 3 (a) and the second sentence of Para. 3(c) below. The Parties recognize and acknowledge that the extraordinary time constraints imposed on the Project for 1997 now result in an accelerated payment structure, which, however, shall not be precedential to future relationships between the Parties.

(ii) By ATI. ATI shall contribute \$780,000 of "in-kind" goods and services toward the production, such contribution(s) to be itemized, and to be valued consistent with normal market valuations and the budget line item requirements and estimates referred to in Para. 2(f) above. Such valuation shall be subject to the NRA's approval, not to be unreasonably withheld. Any valuations which are disputed shall not be deemed recoupable until such dispute is resolved. If the parties are unable to resolve a dispute within thirty (30) days, their respective accountants shall select a third accountant to resolve the dispute, such accountant's decision being final and binding. The NRA must raise its objections, if any, to in-kind valuations during the six months following the presentation to the NRA by ATI of its budget, which must identify such valuations. ATI shall not seek any third-party investment/contribution for the Project without the NRA's approval (which may be withheld in the NRA's sole discretion). ATI's production contribution may be recouped by ATI pursuant to Para. 3(e) below.

(i) Insurance. ATI shall obtain and keep in force during the term of this Agreement General Liability and Errors & Omission Insurance policies which shall include, without limitation, coverage for slander, libel, invasion of privacy, defamation, copyright and trademark infringement. The policies shall cover only the programs and the Project (and no other activities

of ATI) and shall be for \$1 Million per occurrence and \$3 Million in the aggregate, with a \$10,000 deductible, and name the NRA as an additional named insured.

(j) Liquidated Damages.

(i) ATI recognizes and acknowledges the great importance to NRA of prompt, full and timely reporting by ATI in accordance with this Agreement. ATI also acknowledges that the damage to NRA which would be caused by untimely, incomplete or otherwise inadequate reporting is difficult or impossible to ascertain and that the Parties, after negotiation and consideration of these facts have arrived at a reasonable compromise as to such damage to NRA. Therefore, in accordance with the foregoing, ATI agrees that it shall pay to NRA liquidated damages in the amount of One Hundred Fifty Thousand Dollars (\$150,000) should any report, accounting or other information required to be disclosed pursuant to this Agreement not be disclosed in full and complete form and provided to NRA by ATI in a timely fashion by the dates specified in Sections 3 and 4 hereinbelow. Upon notice to ATI by NRA, ATI shall have ten (10) days to cure by provision of such report, accounting or other information to NRA. This provision is not intended to be a general liquidated damages provision and is limited solely to the issue of a failure by ATI to timely report and/or provide any other information as required by this Agreement. This provision is not an election of remedy and is not exclusive of other remedies which may be available to NRA.

(ii) Should ATI fail to cure pursuant to the preceeding subsection (i) within ten (10) days, the sole issue of whether ATI has failed to provide any report, accounting or other information in full, complete and timely fashion as specified by this Agreement shall be determined by arbitration in Alexandria, Virginia. This subsection is not to be construed as allowing for any discretion as to the amount of liquidated damages as specified in the preceeding subsection (i). Such arbitration, if available, shall be conducted in accordance with the rules of the American Arbitration Association for domestic disputes, the arbitration court to consist of three (3) members, of whom each party shall select one member, and the two members so selected shall together select the third member, and shall be binding on the parties hereto. Judgment upon the arbitration award may be entered in any court having jurisdiction or application may be made to such court for a judicial acceptance of the award and an order of enforcement, as the case may be, and the loser of such arbitration shall be required to reimburse the prevailing party's costs and expenses incurred in connection with such arbitration, including reasonable attorney's fees and expenses.

3. EXHIBITION, DISTRIBUTION & FEES THEREFOR.

(a) Television-Domestic. ATI shall have the exclusive right and obligation to "syndicate" the Project domestically, on broadcast and/or cable, for a minimum of two runs during 1998, providing the NRA three minutes of commercial advertising time for each showing of each such program during each such run, or any run thereafter ("the NRA Ad Time"). ATI

shall use its best efforts to promptly "clear" the United States in time slots other than midnight to 7 a.m. ATI estimates, but does not guarantee, the likelihood of initial "clearance" (i.e., committed coverage of U.S. television households) ranging between 40% and 55% of domestic television households within the first two quarters of U.S. television exhibition. ATI shall maintain complete records of such clearance (e.g. stations, time slots, number of showings, etc.) during the Term hereof, and shall give the NRA a copy of such records regularly, within 30 days of the end of each calendar quarter (no later than January 30, April 30, July 30, and October 30) of exploitation hereunder. ATI may dispose of the remaining domestic advertising time as it sees fit in order to accomplish distribution (as long as the advertising arising therefrom is not directly antithetical to the general policy goals of the NRA, as reasonably determined by the NRA); ATI may retain, as ATI's domestic television distribution fee, any recompense arising therefrom. Further, should the NRA elect not to use or dispose of the NRA Ad Time (by itself or using third parties), the NRA may request that ATI sell such time, which ATI must then use its best efforts to do, and ATI may deduct 25% of any proceeds therefrom as its distribution fee therefor, remitting the remainder to the NRA.

(b) Television - Non - U.S. ATI shall have exclusive rights to, and shall use its best efforts to, exploit in these markets, and, for any license or exploitation arrangement so made, ATI may retain 35% of any and all receipts related thereto as ATI's distribution fee therefor. ATI's may also reimburse itself out of such receipts up to an additional 5% of such receipts in order to cover any out-of-pocket expenses reasonably incurred by ATI in achieving such license or arrangement, remitting the remainder to the NRA.

(c) Home Video - Domestic. ATI has a captive home video label, represented by ATI to have had much success distributing travel related home videos via Ingham Distributors. ATI therefore shall have exclusive rights to, and shall use its best efforts to ensure, general domestic videocassette distribution of the programs (or a selection of the programs) in the Project, via such home video label, and, as recompense for such effort and any expenses associated therewith, may retain 35% of receipts therefrom, "all in" (such percentage, for sale for clarity, including within it all distribution fees and expenses of ATI and its affiliated home video distributor, provided, however, that reasonable manufacturing costs shall be deducted from gross receipts prior to calculation of such "all-in" distribution fee), remitting the remainder to the NRA.

(d) Other Exploitation. ATI shall use good faith efforts to conceptualize other exploitations of the Project, in full consultation with the NRA. The NRA may concurrently do the same, and shall use reasonable efforts to coordinate its efforts with ATI. If ATI's efforts result in a successful exploitation in an "Other" market or channel of distribution, the NRA and ATI shall negotiate a market reasonable fee which shall be payable to ATI for such effort and any expenses associated therewith, it being understood and agreed that all rights to exploit the Project shall be owned solely by the NRA.

(e) Recoupment of ATI Production Costs. ATI may recoup out of monies otherwise remittable to the NRA, 100% of its production contribution pursuant to Para. 2(h) (ii) above,

prior to remitting exploitation receipts to the NRA.

(f) Optional Promotional Expenditure by the NRA. From time to time ATI shall advise the NRA of expenditures which ATI recommends in connection with special promotions, public relations, station compensation, etc. in order to increase the "reach" of the Project, and the NRA, in its sole discretion, may decide whether or not to fund such expenditures. ATI, as an initial matter, believes that up to \$300,000 may be appropriate to achieve the clearance and "reach" goals of the NRA. ATI shall act as a fiduciary in its relationship with the NRA, but not limited to monies remittable to the NRA pursuant to this Agreement.

4. ACCOUNTING AND AUDIT.

(a)

(i) Accounting. ATI will send to the NRA within 30 days of the end of each calendar quarter (no later than January 30, April 30, July 30, and October 30) hereafter during the Term a written statement with regard to: i) domestic (and other, if any) clearance results (consistent, e.g., with Para. 3(a) above), ii) sales, receipts and expenses, if any, and (iii) amounts due the NRA, if any (including a check for such full amount, if applicable).

(ii) Additional Reporting. ATI shall cooperate as necessary with Campaign Media Analysis Group (CMAG), a firm located in Alexandria, Virginia, or any other firm engaged by the NRA, for continuous monitoring, verification, and audience delivery analysis as it specifically relates to "Armed Citizen."

(iii) Timeliness. Tracking and reporting as specified in this Agreement are essential to the interests of the NRA. Failure to cooperate with the NRA, including but not limited to the manner as specified in the preceding subsection (ii), or provide necessary information as specified within this Agreement in a timely manner shall constitute a material breach of this Agreement. Time is of the essence as to this provision and any other provision of this Agreement requiring the submission of reports, financial information or other information by ATI to the NRA or others as provided for in this Agreement.

(iv) Effect of Termination. ATI's duty to pay to the NRA as required by this Agreement and to provide accountings connected therewith as specified in this Agreement shall survive the expiration or termination of this Agreement.

(b) Audit. The NRA shall have the right to audit the books and records of ATI with regard to this Agreement, and the statements made pursuant hereto, upon 10 days notice, no more often than once per year, and such audit must be completed within 3 months of commencement. A copy of the auditor's final report shall be given to ATI within 30 days of completion. If such audit report shows a discrepancy of 10% or more in sales, receipts or amounts due the NRA, then ATI shall pay the cost of the audit. If the NRA chooses to sue with regard to any statement or audit report, such suit must be commenced within the later of one year from delivery of a final

audit report or two years from delivery of the quarterly statement (all per Para. 4 (a) above).

5. TERM AND ADDITIONAL PROGRAMS.

(a) Project Programs. Assuming ATI meets all its obligations hereunder (including, particularly, but without limitation, the completion and delivery obligations of Paras. 2(g) and 2(h)(i)(D) above, and the reporting obligations contained in Paras. 2(h)(i)(E) and 4(a) above), ATI shall retain rights (and obligations) as to the programs in the Project, all as provided in Para. 3 above, for a period of twenty-five years from the date hereof.

(b) Sequel Programs.

(i) On or before Oct. 1, 1998, after reviewing the initial quarterly statements as well as the general results of domestic television distribution of the 26 programs in the Project, the NRA shall decide and advise ATI if the NRA desires to produce any additional programs for 1999 based on the Underlying Property (consistent with Exhibit 1 hereto). The NRA must not produce such additional programs using a third-party producer or primary distributor without giving ATI, upon 30 days notice: A) an opportunity to make an offer to so produce and distribute, which offer the NRA must consider in good faith (although the NRA is not obligated then to go forward with such additional programs) and B) an opportunity for ATI to match any third-party offer that the NRA anticipates accepting. If ATI does so match, the NRA must accept ATI's offer if the NRA then decides to go forward with such additional programs. If ATI's offer is not at least "matching" in all material terms, the NRA shall be free to use a third-party thereafter consistent with the offer originally presented by such third-party.

(ii) During the period 1998-2003 only, the NRA shall be obligated to follow procedures consistent with the foregoing as to additional programs for any year in such period, unless ATI on a timely basis either fails to initiate an offer to so produce and exploit or ATI fails to match a third-party offer. However, upon the NRA being free to go forward in any year with a third-party pursuant to the foregoing procedure and doing so, the NRA shall have no further obligation to ATI as to additional programs. Further, and not by way of limitation on any other rights and remedies of the NRA, if ATI fails to comply with its obligations hereunder, and particularly, without limitation, subparagraphs 2(h)(i)(D) and (E) above, the NRA shall not have any sequel obligation to ATI.

(iii) Additional programs produced by ATI shall have the period of exploitation provided for in the offer which is accepted by the NRA (which may be shorter or longer than the term provided for the original Project programs), just as other terms of such new arrangements may differ from the provisions of the Agreement.

(c) Termination. This Agreement may be terminated by the NRA immediately upon written notice if:

- (i) ATI breaches any term, promise or covenant hereunder;
- (ii) ATI fails to produce programs that are satisfactory to the NRA;
- (iii) the NRA, in its sole discretion, views ATI's performance, quality of work, distribution efforts, prices, turn around time or services rendered hereunder as unsatisfactory or inadequate;
- (iv) ATI fails to make timely payments or provide reports or accountings pursuant to this agreement; or
- (v) ATI becomes insolvent, bankrupt, or is unable to pay its bills and debts in a timely fashion.

6. OWNERSHIP.

(a) The Project programs, videos, promotional materials and other materials produced hereunder, including any written materials and documents, and including any interim work extant upon the expiration of termination of this Agreement, shall at all times be the sole property of the NRA, and the NRA shall retain all common law, statutory and other reserved rights, including copyright. During the term of this Agreement, ATI shall not make use of such materials for any purpose other than the ATI's performance of its obligations hereunder.

(b) Upon the expiration or termination of this Agreement, ATI shall immediately return to the NRA, in a manner satisfactory to the NRA, any and all of the NRA's property, materials, documents, confidential information, Highly Confidential Information, etc. and any and all taped programs, videos and promotional materials produced and/or held by ATI hereunder.

(c) The NRA acknowledges that programs produced by ATI hereunder may embody pre-existing materials owned by third parties, such as licensed stock footage. ATI agrees that the inclusion of such pre-existing materials shall not result in any restriction on the NRA's ability, or the NRA's ability to authorize others, to exploit the programs. At the time of delivery of each program to the NRA, ATI shall identify in writing all pre-existing materials embodied in the programs. ATI agrees that it shall be responsible for obtaining all necessary rights and/or licenses from applicable third parties at ATI's sole expense. Upon the NRA's request, ATI shall deliver to the NRA a complete copy of every agreement, license or other arrangement from which ATI derives its authority to grant the NRA the rights and licenses granted under this Agreement. Notwithstanding the foregoing, ATI agrees that no program created pursuant to this Agreement shall consist of more than fifty percent (50%) of such pre-existing materials without the NRA's prior written approval.

7. REPRESENTATIONS, WARRANTIES AND COVENANTS.

(a) ATI represents, warrants and covenants for the life of copyright of the programs hereunder, that:

(i) it has full power and authority to enter into this Agreement, and carry out its obligations herein;

(ii) without limitation, it will ensure adherence to the provisions of Para. 2(d) above;

(iii) there are not currently, nor will there be, any claims, liens, charges, or encumbrances on the NRA's full rights and exploitation hereunder; and

(iv) ATI, and any agent, servant, employee, contractor or subcontractor of ATI, shall comply with any and all laws, ordinances or regulations imposed by any public authority and shall satisfy any permit, application or license requirements required to undertake any of activities related to the Program or contemplated under or related to this Agreement. ATI further warrants to the NRA that ATI, and any agent, servant, employee, contractor or subcontractor of ATI shall obey and comply with any and all safety regulations required by any applicable law, ordinance or regulation whatsoever, regarding safety measures and devices required to undertake any of the activities related to the Program or contemplated under or related to this Agreement.

(b) the NRA represents, warrants and covenants for the life of the programs hereunder that:

(i) it has full power and authority to enter into this Agreement, and carry out its obligations herein;

(ii) it has not, and will not, grant to any third-party any right in derogation of the provisions hereof (including, without limitation, ATI's exploitation rights hereafter); and

(iii) and approval in writing by the Executive Vice President of the NRA (or his written designee) shall be deemed a binding approval on behalf of the NRA.

8. INDEMNIFICATION.

A. ATI assumes all responsibilities and liabilities relating to the production, marketing, distribution and advertisement of the Project, the Home-Videos and/or the Promotional Materials, including, but not limited to, the handling of any and all customer services and complaints and claims. ATI assumes any and all liability for any injuries and damages to, or other claims by Members and/or Purchasers, contractors, distributors or other third parties, in any way relating to the Project, individual programs and/or the Videos.

B. The NRA expressly disclaims any and all liabilities, losses, claims, demands, suits or actions of any type or nature arising from or related to the Project, individual programs and/or the Videos.

C. ATI hereby agrees to indemnify, defend and hold harmless the NRA, its directors, officers, agents and employees, from and against any and all losses, damages, liabilities, claims, causes of action, or judgments in any way resulting from, related to or arising from the Videos, the Project and/or individual programs. ATI furthermore assumes all other liability and hereby agrees to indemnify, defend and hold harmless the NRA, its directors, officers, agents and employees, from any and all other losses, damages, liabilities, claims, causes of action, or judgments in any way resulting from, related to or arising from ATI's acts or omissions in any way relating to the Project and any and all other acts or omissions of ATI, its officers, directors, employees, contractors, subcontractors and agents, whether or not related to the Project or this Agreement.

D. ATI shall defend and settle, at its sole expense, all claims, suits or proceedings arising out of the foregoing. In all events, the NRA shall have the right to participate in the defense of any such suit or proceeding through counsel of its own choosing.

E. The NRA shall indemnify, defend and hold harmless ATI, its directors, officers, agents and employees, from and against any and all losses, damages, liabilities, claims, causes of action, or judgments in any way resulting from, related to or arising from any claims of infringement of copyright, trademark, trade secret or other proprietary rights arising out of or resulting from the use of the NRA Marks as defined in Section 12 hereunder.

F. The obligations of this Section shall survive the cancellation, expiration or other termination of this Agreement.

9. **NOTICES AND APPROVALS:** Any notice to be given hereunder shall boldly reference this Agreement, and shall be deemed received 2 days after mailed and addressed as follows:

If to the NRA:

National Rifle Association of America
11250 Waples Mill Road
Fairfax, VA 22030
Attention: Executive Vice President

With a copy to:

Rubin, Bailin, Ortoli, Mayer, Baker & Fry
405 Park Ave.
New York, NY 10022
Attention: Morton H. Fry

If to ATI:

Associated Television International
6290 Sunset Blvd., 12th Fl.
Hollywood, CA 90028
Attention:

with a copy to SVP- Law & Business Affairs, at ATI

or such other addresses as hereafter noticed between the Parties consistent with the above.

Any approval, decision or the like hereunder to be taken by the NRA shall only be valid and effective if taken by the Executive Vice President of the NRA (or his designee, clearly designated). All notices required or permitted to be given by one party to the other under this Agreement shall be sufficient if hand delivered overnight prepaid delivery or the United States mail postage prepaid to the parties at the respective addresses set forth above or to such other address as the party to receive the notice has designated by notice to the other party.

10. NON-EXCLUSIVE

It is expressly understood and agreed that this Agreement is non-exclusive and that the NRA may institute similar programs and may enter into agreements with other parties for similar programs.

11. CONFIDENTIALITY

(a) ATI shall not mail any other promotions, solicitations or information to Members and/or Purchasers, concerning any service provided by ATI or any other third party which is not related to the Project.

(b) Any name and/or address provided to ATI or in any way obtained by ATI pursuant to the Project is presumed to be that of a Member.

(c) ATI shall take all reasonable precautions to assure the confidentiality of any Members and/or Purchasers, any lists or tapes of Members and/or Purchasers, and any listing or compilation of Member and/or Purchasers, including adequate security to prevent unauthorized access or use. Any lists or tapes of Members and/or Purchasers, any and all names, addresses and information provided or obtained by ATI pursuant to the Project, and any listing or

compilation of Members and/or Purchasers shall be treated by ATI as highly confidential and shall not be disclosed to any person or entity, other than those employees or agents of ATI directly involved in the marketing of the Project or the provision of services pursuant thereto, without the express written consent of the NRA.

(d) The obligation of this Section shall survive the cancellation, expiration or other termination of this Agreement.

12. TRADEMARKS, TRADE NAMES, LOGOS, ETC.

(a) (i) It is explicitly understood that the NRA prohibits use of its name, trademarks, service marks, trade names, logos or other identification symbols (hereinafter, collectively, the "NRA Marks") in association with this project or any other use by ATI. Should the NRA desire to make its association public, it shall only do so in writing and ATI may not make any use without such in writing from an officer of the NRA. Should the NRA so grant permission or limited permission to make use of the NRA Marks, such permission shall only grant to ATI, during the term of this Agreement only the limited non-exclusive license to use the NRA's name, trade marks, service marks, trade names, logos or other identification symbols, but only for the purpose of creating and distributing the Project's programs, which programs must be approved by the NRA in writing prior to their production, marketing and/or distribution and only to such extent as specified in writing to ATI.

(ii) ATI acknowledges the NRA's exclusive right, title and interests in the NRA Marks, any lists or tapes of Members and/or Purchasers, and any compilation of Members and/or Purchasers whatsoever and however derived, and will not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair any part of such right, title or interest. Upon termination of this Agreement, ATI shall cease and desist from any and all use of the NRA Marks, and ATI shall return to the NRA any and all tapes/lists of Members and/or Purchasers, and any compilation of Members and/or Purchasers whatsoever and however derived, and any Promotional Materials regarding the Program or using the NRA Marks.

(b) (i) ATI hereby grants to the NRA, during the term of this Agreement only, the limited non-exclusive license to use ATI's trade marks, service marks, logos or other identification symbols (hereinafter, collectively, the "ATI Marks"), for the purpose of promoting the Program and/or creating Promotional Materials.

(ii) Furthermore, the NRA, in its sole discretion, may make use of ATI's name and trade names in the NRA's publications or other communications to the Members, in order to appraise the Members of the Project and its status.

13. COSTS OF ENFORCEMENT

If the parties become engaged in litigation regarding this Agreement, then the prevailing party shall be entitled to have the other party reimburse the prevailing party's costs and expenses, including reasonable attorney's fees, incurred in prosecuting the action and otherwise in exercising its rights or remedies hereunder.

14. MISCELLANEOUS.

- (a) Neither Party may assign its rights or obligations hereunder without the express approval of the other.
- (b) Any waiver shall not be continuing unless in writing, and then only according to its terms.
- (c) This Agreement constitutes the entire Agreement between the Parties, superseding any other regarding the subject matter hereof, and shall not be amended except by a writing co-signed.
- (d) It is agreed and understood that each party is an independent contractor and not an agent or employee of the other party. Neither ATI nor the NRA shall have the power or authority to pledge, bind or obligate the other in any manner or for any purpose to any third party. Nothing in this Agreement or in the performance thereof shall be construed to create an employer-relationship, partnership, sales agency, dealership, joint venture or joint employer relationship between the NRA and ATI or between the NRA and any agent, servant, employee, contractor or subcontractor of ATI. The NRA and ATI are and shall remain independent contractors.
- (e) ATI is not authorized to accept any service of process for the NRA and ATI shall in no manner misrepresent the status of the relationship between ATI and the NRA. ATI has no authority to enter into any contracts on the NRA's behalf.
- (f) ATI shall pay all costs in conducting its own business and in undertaking any of the Services or activities contemplated under or related to this Agreement.
- (g) ATI agrees that no individual whose compensation for services are paid by ATI is in any way, directly, indirectly, expressly, or by implication, employed by the NRA. Nor shall any of them be deemed to be employed by the NRA for the purpose of any federal, state, or local law, regulation or ordinance whatsoever, including, but not limited to any tax or withholding of contribution levied by the Social Security Act or any state law with respect to employment, unemployment, disability or compensation for employment. ATI accepts exclusive liability for any payroll taxes, income taxes, withholdings, or contributions imposed by the federal Social Security Act or any state law with respect to ATI or any individual whose services are supplied by or otherwise paid for by ATI.

(h) ATI shall pay all taxes, fees or charges now or hereinafter imposed by any public authority and shall make all reports required by any public authorities with respect to any of the activities related to the Program or contemplated under or related to this Agreement.

(i) This Agreement shall be governed by and construed under the laws of the Commonwealth of Virginia. ATI consents and agrees that all legal proceedings relating to the subject matter of this Agreement shall be maintained in courts sitting within the City of Alexandria or the County of Fairfax, Commonwealth of Virginia, and ATI consents and agrees that jurisdiction and venue for such proceedings shall lie exclusively with such courts. ATI furthermore consents to the exercise of personal jurisdiction by said courts over ATI.

(j) If any provision of this Agreement is held invalid or otherwise unenforceable, enforceable provisions shall be deemed modified the minimum amount necessary to cause such provisions to be enforceable. The enforceability of the remaining provisions shall not be impaired thereby.

(k) The section captions as to contents of particular sections herein are inserted only for convenience and are in no way to be construed as part of this Agreement or as a limitation on the scope of the particular sections to which they refer.

AGREED & ACCEPTED:

The National Rifle Association
of America

By W. L. P.

Associated Television International

By _____

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AGREED & ACCEPTED:

The National Rifle Association of America

By W. L. P.

Associated Television International

By [Signature]



NATIONAL RIFLE ASSOCIATION OF AMERICA

INCORPORATED 1871
11250 Waples Mill Road
Fairfax, VA 22030

WAYNE R. LAPIERRE, JR.
EXECUTIVE VICE PRESIDENT

December 18, 1997

Mr. David McKenzie
Associated Television International
6290 Sunset Boulevard
12th Floor
Hollywood, California 90026

Dear David:

This is to acknowledge that I have received satisfactory evidence of substantial shooting of program footage by Associated Television International.

Sincerely,

Wayne LaPierre
Executive Vice President

WRL:avf



NATIONAL RIFLE ASSOCIATION OF AMERICA

INCORPORATED 1871
11250 Waples Mill Road
Fairfax, VA 22030

WAYNE R. LAPIERRE, JR.
EXECUTIVE VICE PRESIDENT

December 18, 1997

Mr. David McKenzie
Associated Television International
6290 Sunset Boulevard
12th Floor
Hollywood, California 90026

Dear David:

This is to acknowledge that I have received satisfactory evidence of the general commencement of syndication sales by Associated Television International.

Sincerely,

Wayne LaPierre
Executive Vice President

WRL:avf