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ORGANIZATIONAL COVENANT-
ADVANCED TECHNOLOGY - U.S.

THIS COVENANT dated for reference May 23, 1985, is entered into by RELIGIOUS TECHNOLOGY CENTER ("RTC") and CHURCH OF SCIENTOLOGY WESTERN UNITED STATES ("CSWUS").

RECITALS

A. The religion of Scientology exists based on a body of truths and technology for applying them discovered, described, and refined by L. RON HUBBARD ("the Founder") through research and study which has continued for more than forty years.

B. In order to cooperate with the efforts of the churches of Scientology to ethically disseminate Scientology and to assure the use of the religious technology in an ethical manner, the Founder has transferred certain rights to RTC.

C. RTC was formed by Scientologists to act as the protector of the religion and to maintain the purity and ethical use of the religious technology. In transferring rights to RTC, the Founder confirmed his belief and confidence in the devotion to Scientology, the Scriptures and the Scientology system of ethics and justice possessed by the founders of RTC, and to their deep understanding of the

Scriptures. "Scriptures" shall mean the writings and recorded spoken words of the Founder with respect to Scientology, including the advanced technology, and with respect to the organizations formed to disseminate Scientology.

D. The rights transferred to RTC by the Founder include ownership and control of advanced technology in the United States. Technology is the body of Scientology truths and the methods for applying it. Advanced technology is that part of the religious technology which can be grasped and utilized only by those 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 advanced technology. It is a precept of Scientology that to reveal advanced technology to one who has not attained the appropriate preclear or pre-OT grade risks spiritual and bodily harm, and that the ethical use of advanced technology requires that its confidentiality be absolutely maintained and that its use is without alteration and consistent with the Scriptures. A list of the existing advanced technology being made available to CSWUS under this Covenant is attached as Exhibit 1 (Preclear/Pre-OT Processing Levels) and Exhibit 2 (Auditor Training).

E. It is the purpose of this Covenant to authorize CSWUS to ethically utilize the advanced technology in accordance with

the terms and conditions of this Covenant, which replaces all prior written and verbal understandings and arrangements concerning the advanced technology.

COVENANT

1. Recitals. The recitals are hereby made part of this Covenant.

2. Grant of Authority. RTC hereby grants to CSWUS the authority (a) to process preclears and pre-OTs in the advanced technology listed on Exhibit 1 and any additional advanced technology and refinements later made available to CSWUS under this Covenant; and (b) to train those needed to process preclears and pre-OT's in accordance with the advanced technology listed on Exhibit 2 and any additional advanced technology and refinements later made available to CSWUS under this Covenant.

3. Limitations. The grant of authority is subject to the following limitations:

a. CSWUS shall use advanced technology without alteration strictly in accordance with the Scriptures and particularly with the Scientology system of ethics and justice, and its administrative policy;

b. Except as specifically authorized by this Covenant, CSWUS shall not authorize any other person or entity to utilize advanced technology in any way;

c. CSWUS shall not deliver advanced technology to preclears or pre-OTs on a permanent basis outside the United States;

d. To maintain physical security and confidentiality, CSWUS shall handle the advanced technology materials ("Materials") in a secure manner in accordance with existing church policy and as RTC may further require;

e. CSWUS shall use its good faith best efforts to engage in professional and vigorous promotion of the advanced technology, and it shall not degrade the advanced technology, the Founder or the religion of Scientology;

f. The advanced technology developed by the Founder is the only advanced technology in Scientology, and in order to maintain the purity of Scientology CSWUS shall not deliver any technology not developed by the Founder.

4. Consideration by CSWUS. In consideration of the grant of authority, CSWUS shall pay to RTC 6% of the value of

services delivered by CSWUS beginning May 23, 1985 with respect to the advanced technology. Beginning not later than June 6, 1985, CSWUS shall report to RTC weekly on all its acts and transactions under this Covenant during the prior week, including the value of services delivered with respect to the advanced technology, and a calculation of the resulting payment due to RTC. This report shall be in any form from time to time requested by RTC, and it shall be accompanied by payment in full of the amount due to RTC. RTC shall have the right to audit at any time all CSWUS records relating to the advanced technology.

5. Termination. RTC will assist CSWUS where necessary in assuring the security and confidentiality of the advanced technology and Materials and its ethical and standard use. This assistance will include attempts to correct any deficiencies in CSWUS' use and handling of advanced technology and Materials. A fee, in addition to the consideration provided for in Paragraph 4, shall be charged for missions to CSWUS to improve or reorganize its use or handling of the advanced technology. RTC retains the right to terminate this grant of authority at any time that it determines in its absolute discretion that any use or handling of the advanced technology by CSWUS is not subject to correction and that termination is required by ethical precepts or the interests of Scientology, or that CSWUS has fallen under the control of

persons hostile to the Founder, RTC, or Scientology. On termination of this grant of authority for any reason, CSWUS promptly shall account to RTC for each copy of the Materials and shall dispose of them in accordance with RTC's instructions.

6. Destruction of Materials. In the event that any act of war, act or threatened act of any military, civil authority or of Interpol or any other police body, or any other event endangers the security and confidentiality of the Materials, CSWUS shall take whatever action is necessary to assure security and confidentiality. This shall include the destruction or return of the Materials and of all notes or other particles which may reveal the advanced technology.

7. Indemnification.

a. CSWUS acknowledges its full responsibility for the ethical and proper use and delivery of the advanced technology and Materials according to the Scriptures, and it will make no claim that the Founder or RTC controls or is responsible for the delivery of the advanced technology. CSWUS hereby indemnifies and waives any claim against RTC and its agents, employees, representatives, successors, assigns, and affiliates and holds 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 and Materials by CSWUS and its employees, servants, agents, representatives,

directors, parishioners, public, students or any other person who may for whatever reason gain access to the Materials through CSWUS. All such claims shall be defended at the expense of CSWUS through legal counsel acceptable to RTC.

b. The writings of the Founder are a record of research and observaton 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. The Founder makes 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.

c. CSWUS hereby acknowledges and agrees to the disclaimer in the preceding subparagraph. It shall obtain from its pre-clears and pre-OTs an acknowledgement of this disclaimer and a waiver of any claim inconsistent with the disclaimer (in the form of Exhibit 3 to this License) before processing them in advanced technology.

8. Non-exclusivity of Use. CSWUS' authorization to use the advanced technology is not exclusive; RTC may grant

authority to other Scientology groups as it determines in its sole judgment to be in the best interests of Scientology.

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

10. Resolution of Differences. Any difference between the parties, other than termination of CSWUS' authority with respect to the advanced technology, which arises from or relates to this Covenant shall be determined by arbitration. RTC and CSWUS shall attempt to agree upon a single arbitrator and, if they are unable to do so, they shall select separate arbitrators who shall choose a third arbitrator. Each arbitrator shall be an ordained minister in good standing of a Scientology church and shall have attained grade OT III or higher as then known within Scientology. The arbitrator(s) shall act in accordance with the Scientology system of ethics and justice, and their decision shall be a final determination of the issue. The arbitrator(s) may as a part of any award impose fines on CSWUS for failure to perform in accordance with the standards set forth in this Agreement. The issue of

instructions from RTC to destroy or return the Materials shall not be subject to arbitration. CSWUS shall carry out such instructions faithfully and promptly upon receipt.

CHURCH OF SCIENTOLOGY WESTERN
UNITED STATES

BY ~~_____~~

~~Its President~~

BY _____

Its Secretary

"CSWUS"

RELIGIOUS TECHNOLOGY CENTER

BY _____

Its President

BY _____

Its Member

"RTC"

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 CT IV	Operating Thetan Drug Rundown Completion
New CT V	Audited New Era Dianetics for Operating Thetans
OT Review Auditing	

Exhibit 1

AUDITOR TRAINING

CLASS/DESCRIPTION

CERTIFICATE/FORMAL NAME

Class VIII 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)

Exhibit 2

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. LRH, RELIGIOUS TECHNOLOGY CENTER ("RTC"), and CHURCH OF SCIENTOLOGY OF CALIFORNIA ("CSC") 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 CSC alone, without the participation of any other person or entity, for the ethical and proper delivery of the advanced technology and Materials according to the Scriptures.

2. The undersigned hereby waives any claim against LRH, RTC, CSC, 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: _____

Exhibit 3