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ATTORNEY - CLIENT
PRIVILEGED

OPTION AGREEMENT
(Advanced Technology-U.S.)

This Option Agreement is made this 10th day of May,
1982, by and between:

LAFAYETTE RONALD HUBBARD, also known as L. RON HUBBARD,
whose address is c/o The Explorers Club, 46 East 70th Street,
New York, New York 10021, and whose former addresses include
Saint Hill Manor, East Grinstead, Sussex, England; 1827
19th St., N.W., Washington, D.C.; 37 Fitzroy St., London,
W.1, England; 2005 West 9th Street, Los Angeles, California;
and Fort Harrison Avenue No. 210, Clearwater, Florida,
(hereinafter referred to as "LRH"); and

CHURCH OF SPIRITUAL TECHNOLOGY, a California non-profit
religious corporation (hereinafter "CST").

RECITALS

A. LRH is the founder of the religion of Scientology
which is based on a body of truths, and the technology for
applying them, that were discovered, described and refined by
LRH through research and study which have continued for more
than forty years, and are contained in the writings and recorded
spoken words of LRH with respect to Scientology and the organi-
zations formed to disseminate the religion of Scientology
(hereinafter referred to as "the Scientology Scriptures").

B. LRH has published much of the Scientology Scriptures for the use and benefit of mankind through the religion and organizations of Scientology. Included in the Scientology Scriptures is a substantial body of confidential advanced technology that has not been published by LRH, but instead has been protected and maintained as the confidential property of LRH (hereinafter referred to as "the Advanced Technology"), and issued to Advanced Scientology Organizations for their *good* usage. The Advanced Scientology Organizations, in turn, have made the Advanced Technology available to those who have attained, through processing, an appropriate level of development in the religion of Scientology to properly grasp and utilize the Advanced Technology, and only upon a confidential basis and with an absolute obligation to protect and maintain its confidentiality. The right to use the Advanced Technology and make it available to others has been, and is, subject to the permission of LRH.

C. Religious Technology Center, a California non-profit religious corporation (hereinafter referred to as "RTC") was formed by Scientologists, with the approval of LRH, to act as the protector of the religion of Scientology and to own, protect, and control the utilization of the Advanced Technology in the United States of America and its territories and possessions (hereinafter referred to as "the U.S.A.").

D. LRH is about to transfer all rights in the Advanced Technology in the U.S.A. to RTC, and to prescribe certain terms and conditions governing its ownership and use and the disposition of income received by RTC by reason of its ownership and use.

E. As a safeguard against danger to and possible misuse of the Advanced Technology, LRH wishes to grant to CST, and CST wishes to receive, an option to purchase the Advanced Technology from RTC, on the following terms and conditions.

AGREEMENT

1. Recitals. The recitals are hereby made part of this Agreement and are acknowledged to be true.

2. Option.

a. LRH hereby grants to CST an option to purchase from LRH, his heirs, successors and assigns, including without limitation RTC after the aforesaid assignment by LRH to RTC is made, for the sum of One Hundred Dollars (\$100.00), all rights to the Advanced Technology in the U.S.A., together with all of the rights regarding the Advanced Technology that are assigned by LRH to RTC under and pursuant to the intended Assignment Agreement (LRH/RTC-Advanced Technology-U.S.), a copy of which is attached hereto as an exhibit and made a part hereof by this reference.

b. This option shall be exercisable by CST at any time if CST decides, in its sole discretion and judgment, that RTC has failed to preserve and maintain the ethical use and confidentiality of the Advanced Technology in accordance with the Scientology Scriptures, or that RTC's ownership of the Advanced Technology in any way places the Advanced Technology in danger of appropriation by any entity that is outside or hostile to the religion of Scientology, or that RTC has permitted and is permitting use of the Advanced Technology in any way that is contrary to the Scientology Scriptures and seriously damages the Advanced Technology or the religion of Scientology or the image or repute of LRH.

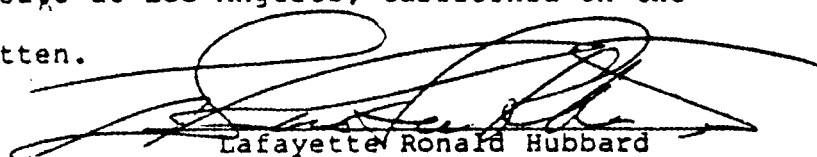
c. To exercise this option, CST shall give written notice to RTC of its intent to exercise the option, and tender the sum of One Hundred Dollars (\$100.00) to RTC with such notice. The transfer from RTC to CST shall become effective five (5) days after such notice, unless CST in the meantime has withdrawn the notice, through a further written notice to that effect.

3. Consideration. As consideration for the option herein granted, CST shall pay to LRH, concurrently with the execution of this Option Agreement, the sum of One Hundred Dollars (\$100.00).

4. Additional Consideration. As additional consideration for the option herein granted, CST covenants and agrees with LRH that, if the option ever is exercised, CST shall assume and forever faithfully perform all of the obligations of RTC under and pursuant to the Assignment Agreement (LRH/RTC-Advanced Technology-U.S.).

5. Term. The term of this Option Agreement shall be perpetual.

Signed in duplicate at Los Angeles, California on the date first above written.



Lafayette Ronald Hubbard

STATE OF CALIFORNIA)
) ss.
COUNTY OF *Los Angeles*

On this 10th day of May, 1982, before me, a Notary Public in and for said County and State, personally appeared LAFAYETTE RONALD HUBBARD, known to me to be the person described in, whose name is subscribed to, and who executed the within instrument, and acknowledged to me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal, the day and year in this certificate
first above written.

David Miscavige

Notary Public in and for Said County and State



CHURCH OF SPIRITUAL TECHNOLOGY

By Lyman D. Spurlock Jr.
Its President

By Maria H. Starkey
Its Secretary

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On this 9th day of July, 1987, before me,
a Notary Public in and for said County and State, personally
appeared Lyman D. Spurlock Jr. and Maria H. Starkey,
who, being duly sworn, acknowledged themselves to be the
President and Secretary, respectively of CHURCH OF SPIRITUAL
TECHNOLOGY, and that they, as such officers of such corporation,
being authorized so to do, duly executed the foregoing Agreement
as an act and deed of said corporation and for the purposes
therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my official seal, the day and year in this certificate
first above written.

David Miscavige

Notary Public in and for Said County and State



ASSIGNMENT AGREEMENT (LRH/RTC)

(Advanced Technology-U.S.)

This Assignment Agreement is made this ____ day of _____, 198_, by and between:

LAFAYETTE RONALD HUBBARD, also known as L. RON HUBBARD, whose address is c/o The Explorers Club, 46 East 70th Street, New York, New York 10021, and whose former addresses include Saint Hill Manor, East Grinstead, Sussex, England; 1827 19th St., N.W., Washington, D.C.; 37 Fitzroy St., London, W.1, England; 2005 West 9th Street, Los Angeles, California; and Fort Harrison Avenue No. 210, Clearwater, Florida, (hereinafter referred to as "LRH"); and

RELIGIOUS TECHNOLOGY CENTER, a California non-profit religious corporation having a place of business at 6517 Sunset Boulevard, Los Angeles, California 90028 (hereinafter referred to as "RTC").

RECITALS

A. LRH is the founder of the religion of Scientology which is based on a body of truths, and the technology for applying them, that were discovered, described and refined by [through research and study which have continued for more

Over forty years, and are contained in the writings and recorded spoken words of LRH with respect to Scientology and the organizations formed to disseminate the religion of Scientology (hereinafter referred to as "the Scientology Scriptures").

B. LRH has published much of the Scientology Scriptures for the use and benefit of mankind through the religion and organizations of Scientology. Included in the Scientology Scriptures is a substantial body of confidential advanced technology that has not been published by LRH, but instead has been protected and maintained as the confidential property of LRH (hereinafter referred to as "the Advanced Technology"), and issued to Advanced Scientology Organizations for their good usage. The Advanced Scientology Organizations, in turn, have made the Advanced Technology available to those who have attained, through processing, an appropriate level of development in the religion of Scientology to properly grasp and utilize the Advanced Technology, and only upon a confidential basis and with an absolute obligation to protect and maintain its confidentiality. The right to use the Advanced Technology and make it available to others has been, and is, subject to the permission of LRH.

C. RTC was formed by Scientologists, with the approval of LRH, to act as the protector of the religion of Scientology and to own, protect, and control the utilization of the Advanced Technology in the United States of America and its territories and possessions (hereinafter referred to as "the

U.S.A.™). Representatives of RTC have received the Advanced Technology and confidential materials containing the Advanced Technology in the U.S.A., under the obligation of confidentiality to LRH. Lists of the Advanced Technology and the confidential materials are attached as Exhibit 1 (Preclear/Pre-OT Processing Levels) and Exhibit 2 (Auditor Training).

D. The purpose of this Assignment Agreement is to transfer all rights in the Advanced Technology in the U.S.A. to RTC, and to prescribe certain terms and conditions governing its ownership and use and the disposition of income received by RTC by reason of its ownership and use.

AGREEMENT

1. Recitals. The recitals are hereby made part of this Agreement and are acknowledged to be true.

2. Assignment.

a. Subject to the Option in Paragraph 3 hereof and the Right of Reversion in Paragraph 4, LRH hereby assigns to RTC his entire right, title and interest in and to the Advanced Technology in the U.S.A., including all rights to use and to license the use of the Advanced Technology in the U.S.A.

b. This assignment includes all rights owned by LRH to protect the confidentiality of the Advanced Technology and

to enforce in the U.S.A. the obligations of confidentiality of those who have received the Advanced Technology in the past.

3. -Right of Reversion. This assignment is subject to a right of reversion with respect to all rights assigned by this Agreement, exercisable by LRH, his heirs, successors or assigns at any time after one year from the date of execution of this Agreement if RTC has not obtained tax-exempt status under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and does not have a pending application for such status or an appeal from a denial of such status in which all administrative and judicial remedies have not been exhausted.

4. Option. This assignment is subject to an option granted by LRH to Church of Spiritual Technology, a California corporation (hereinafter "CST"), to purchase all of the rights assigned to RTC under and pursuant to this Agreement for the sum of One Hundred Dollars (\$100.00). This option shall be exercisable by CST at any time if CST decides, in its sole discretion and judgment, that RTC has failed to preserve and maintain the confidentiality, purity and ethical use of the Advanced Technology in accordance with the Scientology Scriptures, or that RTC's ownership of the Advanced Technology in any way places the Advanced Technology in danger of appropriation by any entity that is outside or hostile to the religion of Scientology, or that RTC has permitted and is permitting use of the Advanced

Technology in any way that is contrary to the Scientology Scriptures and seriously damages the religion of Scientology.

5. Disposition of Income Received.

a. It is understood and agreed that RTC will make appropriate charges, to be determined by RTC, for access to and training in the Advanced Technology.

b. RTC shall apply at least ninety percent (90%) of the gross income it receives by reason of the Advanced Technology to religious and charitable purposes, to be determined by the Directors of RTC, other than the support of RTC and its operations, that either are within purposes of the religion of Scientology according to the Scientology Scriptures, or are for the general purpose of advancing the moral and ethical level of mankind. Without limiting the generality of the foregoing, acceptable purposes for use of this income shall be:

- (1) establishing and maintaining an indestructible record of the Scientology Scriptures;
- (2) establishing and maintaining a museum of the religion of Scientology;
- (3) establishing religious schools, scholarships and retreats;

- (4) supporting other qualified organizations of the religion of Scientology; and
- (5) publishing, disseminating and promoting literature that is not part of the Scientology Scriptures but which, in the judgment of the Directors of RTC, is in concert with the broad goals of Scientology and is worthy of support for the general benefit of mankind.

c. RTC may retain up to ten percent (10%) of the gross income derived by RTC by reason of the Advanced Technology, to support the operating and overhead expenses of RTC.

Signed in duplicate at Los Angeles, California on the date first above written.

Lafayette Ronald Hubbard

STATE OF CALIFORNIA)
) ss.
COUNTY OF)

On this ____ day of _____, 198_, before me, a Notary Public in and for said County and State, personally appeared LAFAYETTE RONALD HUBBARD, known to me to be the person described in, whose name is subscribed to, and who executed the within instrument, and acknowledged to me that he executed the same.

EXHIBIT
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IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Notary Public in and for Said County and State

RELIGIOUS TECHNOLOGY CENTER

By _____
Its President

By _____
Its Secretary

STATE OF CALIFORNIA)
)ss.
COUNTY OF LOS ANGELES)

On this ____ day of _____, 198_, before me, a Notary Public in and for said County and State, personally appeared _____ and _____, who, being duly sworn, acknowledged themselves to be the President and Secretary, respectively of RELIGIOUS TECHNOLOGY CENTER, and that they, as such officers of such corporation, being authorized so to do, duly executed the foregoing Agreement as an act and deed of said corporation and for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year in this certificate first above written.

Notary Public in and for Said County and State

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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
QT I	Section One Operating Thetan
OT II	Section Two Operating Thetan
OT III	Section Three Operating Thetan
OT IV	Section Four Operating Thetan
OT V	Section Five Operating Thetan
OT VI	Section Six Operating Thetan
OT VII	Section Seven Operating Thetan
OT VIII and above	Section Eight Operating Thetan, and above
NOTS OT Drug Rundown	New Era Dianetics for Operating Thetans Drug Rundown Completion
NED for OTS	New Era Dianetics for Operating Thetans Completion
Solo NOTS	Solo New Era Dianetics for Operating Thetans Completion
L - 10	List 10
L - 11	New Life Rundown
L - 12	Flag OT Executive Rundown
OT Review Auditing	

EXHIBIT
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Exhibit 1

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