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AGREEMENT

This Agreement is made this 10<sup>th</sup> day of May, 1988, by and between FOUNDATION CHURCH OF SCIENTOLOGY FLAG SHIP SERVICE ORGANIZATION, a Netherlands Antilles religious foundation ("FSSO"), and CHURCH OF SCIENTOLOGY, FREEWINDS RELAY OFFICE, INC., a Florida religious corporation (the "Contractor").

WITNESSETH:

A. FSSO is a church of the religion of Scientology organized to operate a church to provide Scientology religious services aboard the M/S FREEWINDS.

B. Freewinds will be operated as a Scientology ship to provide an appropriate environment and situs for the conduct of religious activities by a church of Scientology.

C. FSSO will conduct religious services aboard the ship under the direction of a duly ordained minister of Scientology with the title of "Commanding Officer" (the "CO").

D. Freewinds will be operated by a Scientology organization named the FREEWINDS SHIP ORG (the "Ship Org"), under the command of the Master of the vessel (the "Captain").

E. FSSO staff will be Scientologists in good standing with Church of Scientology International ("CSI"), which is the Mother Church of the religion.

F. FSSO, to assure that the intended operation of Freewinds as a Scientology religious retreat will be successful, requires the provision of services by a Scientology religious organization resident in and with offices in the United States.

G. The Contractor is organized and will be operated as a Scientology religious organization resident in and with offices in the United States.

NOW, THEREFORE, the parties hereto agree as follows:

1. The Contractor agrees to establish a Scientology organization in accordance with a Scientology Organizing Board approved by CSI, staffed by Scientologists in good standing with CSI and under the direction of a duly ordained minister of Scientology in good standing with CSI. The parties agree that said organization will be named the FREEWINDS RELAY OFFICE and will be referred to below as the "Relay Office".

2. The Contractor agrees that all services to be provided by the Contractor pursuant to this Agreement shall be provided by the Relay Office.

3. The parties understand and agree that the services to be furnished by the Relay Office shall include the following:

A. Preparation and dissemination to Scientologists of materials describing Freewinds, its itinerary and services, the religious services to be delivered aboard, and the qualifications and conditions to be met by individuals who desire to participate in those services.

B. Screening of applicants for religious services aboard Freewinds to assure that they meet all applicable qualifications and conditions.

C. Assisting and advising parishioners and prospective parishioners in planning their services aboard Freewinds, in obtaining transportation to and from Freewinds' ports of call, passports and other required documents, and in satisfying customs requirements.

D. Facilitating and expediting the purchase and delivery of materials needed by FSSO aboard the vessel or at any port of call.

E. Facilitating, expediting and relaying communications to and from FSSO staff aboard Freewinds.

F. Recruiting and training prospective staff member for FSSO (including preparing and using training materials and preparing and distributing materials soliciting applicants for employment), and screening applicants for employment to assure that they will meet all applicable qualifications and conditions.

G. Soliciting and receiving applications from Scientologists for religious services provided by FSSO and forwarding such applications (together with any payments received)

from the applicants and any related documents) to FSSO care of Freewinds, or as otherwise directed by FSSO in writing from time to time. The Relay Office shall forward checks received as payment to FSSO uncashed. The Relay Office shall deposit cash received as payment into a separate account and remit the full amount of such proceeds to FSSO.

4. The parties understand and agree (1) that paragraph 3 is not intended to precisely define or limit the services to be provided by the Relay Office pursuant to this Agreement, but rather to delineate the range and kinds of services so to be provided, and (2) that FSSO may from time to time specify additional services, or limit or eliminate services, to be provided by the Relay Office hereunder.

5. A. FSSO agrees to compensate the Contractor for the services of the Relay Office by paying to the Contractor weekly the aggregate of the following sums:

(1) All of the Contractor's direct expenses which are specifically attributable to services performed solely for FSSO;

(2) Fifty (50) percent of the Contractor's general expenses; and

(3) Two (2) percent of the total sum received during the week by FSSO as payments for religious services abroad Freewinds from parishioners whose

applications were forwarded by the Contractor, less the amounts of such payments refunded by FSSO during the week.

B. The phrase "direct expenses" shall include (but is not limited to) items such as travel expenses, postage, couriers, charges for long distance telephone, telex, cable, telecopy and similar means of communications, photocopying, bank charges for segregated accounts (such as the one required under subparagraph G of paragraph 3), and any other specific charges which can be traced to a service or activity performed solely for the benefit of FSSO. The phrase "direct expenses" shall also include the wages and benefits for any Contractor employee working exclusively on matters for FSSO, the cost of any office equipment used solely for activities for the benefit of FSSO, and legal expenses for matters pertaining to services for the sole benefit of FSSO.

C. The phrase "general expenses" shall mean all expenses which are not "direct expenses" as defined herein. General expenses include (but are not limited to) rent, insurance and utilities for the Contractor's business premises, fixed base charges for telephone and other communications services, office supplies, wages and benefits of employees who do not work exclusively on matters for FSSO, and the cost of office equipment for general use.

D. The cost of office equipment shall be the amount paid by the Contractor as rent for such equipment, or the amount of amortization or depreciation for financial accounting purposes on equipment owned by the Contractor.

E. Expenses which the Contractor pays other than on a weekly basis shall be prorated on a weekly basis for purpose of this paragraph.

F. Either party may, upon reasonable notice and at its own expense, review or audit the other's books and records to verify, in the case of FSSO the amount of expenses for which the Contractor is billing it, and in the case of the Contractor, the amount of payments received by FSSO referred to in subparagraph A(3). If such review or audit reveals an error, the correct payment shall be calculated and an additional amount paid or refunded, as appropriate. If any such review or audit reveals that the FSSO was overcharged or the Contractor was underpaid by more than five (5) percent, the auditing party shall be reimbursed by the other for all of its expenses incurred as a result of such review and audit.

6. The Contractor agrees that it will abide by all lawful rules and regulations issued by FSSO's CO respecting the qualifications and conditions to be met by individuals desiring to participate in the religious services to be provided aboard Freewinds; provided, however, that all such regulations,

requirements and conditions shall be in accordance with the Scientology Scriptures and consistent with the tax exempt status of the Contractor.

7. The Contractor understands and agrees that it shall have no power, authority, right or duty to enter into any contract on behalf of or as an agent for FSSO, or otherwise to create or purport to create any obligation or duty of FSSO or Freewinds to any third party. In particular, the Contractor understands and agrees that it shall have no authority to accept any application for participation in religious services to be delivered aboard Freewinds on behalf of FSSO or any other person, but only the duty to receive such applications and to forward them in accordance with subparagraph G of paragraph 3 above.

8. FSSO agrees to keep the Relay Office fully informed with respect to (1) Freewinds' accommodations, services, facilities, itinerary and tariffs, (2) the accommodations, services, facilities and customs requirements and regulations of all scheduled ports of call, (3) the religious services to be provided aboard and (4) all other matters reasonably required and requested by the Relay Office for the purposes of this Agreement.

9. FSSO agrees to furnish to the Relay Office lists of the names of its parishioners and contributors for use by the Relay Office in the performance of this Agreement.

10. The Contractor agrees that all information received by it pursuant to paragraphs 8 and 9, together with all information respecting parishioners of FSSO aboard Freewinds which is



obtained by the Contractor in the performance of this Agreement, shall be kept by the Contractor in strict confidence and shall be delivered to or as directed by FSSO upon termination of this Agreement by the lapse of time or otherwise.

11. Any dispute arising out of this Agreement shall be referred to arbitration at the place agreed by the parties. The dispute shall be settled by a single arbitrator to be appointed by the parties hereto. If the parties cannot agree upon the appointment of a single arbitrator, the dispute shall be settled by three arbitrators, each party appointing one arbitrator and the third being appointed by the arbitrators of the parties. If the arbitrators fail to agree on the appointment of the third arbitrator, such appointment shall be made by the International Justice Chief of the Church of Scientology International (the "IJC"). If either of the appointed arbitrators refuses or is incapable of acting, the party who appointed him shall appoint a new arbitrator in his place. If one party fails to appoint an arbitrator either originally or by way of substitution, for two weeks after the other party having appointed its arbitrator has sent the defaulting party demand by mail, cable or telex to make the appointment, the IJC shall, after application from the party having appointed its arbitrator, also appoint an arbitrator on behalf of the party making default. The award rendered by the arbitrators shall be final and binding upon the parties and may if necessary be enforced by any court of competent jurisdiction in the same manner as a judgment in such court.

12. This Agreement shall be governed by and construed under the laws of the State of Florida, United States of America.

13. Any notice required to be given under the terms of this Agreement shall be considered as being served by either party on the other party upon mailing thereof to the following addresses:

FSSO

Abraham de Veerstraat #4  
Willemstad, Curacao  
Netherlands Antilles

RELAY OFFICE

118 N. Fort Harrison Avenue  
Clearwater, Florida 34615

14. The initial term of this Agreement shall be three (3) months from the date first hereinabove written. The initial term shall be extended for an additional nine (9) months unless FSSO notifies the Contractor of its intent to terminate this Agreement within 15 days prior to expiration of the initial term. If the initial term is renewed, then this Agreement shall automatically be renewed for additional terms of one (1) year unless notice to terminate is given by FSSO to the Contractor not less than ninety (90) days prior to the anniversary of the date first hereinabove written.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first hereinabove written.

FOUNDATION CHURCH OF SCIENTOLOGY  
FLAG SHIP SERVICE ORGANIZATION

By:  \_\_\_\_\_

Its: DIRECTOR.

*as authorized person*

CHURCH OF SCIENTOLOGY,  
FREEWINDS RELAY OFFICE, INC

By:  \_\_\_\_\_

Its: \_\_\_\_\_

POWER OF ATTORNEY

The Undersigned:

ALICE HASLUETZEL,

residing at Wilchingen, Switzerland;

in these presents acting in her capacity of chairman of the FOUNDATION CHURCH OF SCIENTOLOGY FLAG SHIP SERVICE ORGANIZATION (the "Foundation") and as such this Foundation legally representing according to article VII of the articles of incorporation.

Declares to grant general power of attorney to MR REGINALD ANTONIO EMILIANO MARKES, a consultant, residing in Curacao, Netherlands Antilles, being a managing director of the Foundation; to represent the Foundation in all matters and to perform and exercise all of its rights, for the above purpose to open bankaccounts in the name of the Foundation, to execute and sign any agreements, deeds and minutes and generally do whatever may be necessary.

This power of attorney will expire on June 1st, 1988.

Signed at

*Alice Hasluetzel*

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