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ADMINISTRATION AGREEMENT

BETWEEN:

SOR SERVICES LIMITED, represented by Pauline Chatterton
("SOR")

AND

FLAG SHIP TRUST, a common law trust represented by Carl
Heldt, trustee ("TRUST")

WHEREAS, the TRUST has been established to receive and apply contributions and donations towards the protection, propagation and advancement of the religion of Scientology as founded and developed by L. Ron Hubbard

WHEREAS, the TRUST does not have administrative personnel or offices for the administration of such funds;

WHEREAS, SOR has been organised to provide administrative services to Scientology organisations and has the staff and the offices to provide efficient banking and accounting services to the TRUST;

WHEREAS, the TRUST wishes to appoint SOR and SOR is willing to be appointed to administer the TRUST funds subject to the TRUST's supervision and instructions at a reasonable and competitive cost.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. SERVICES

The TRUST hereby appoints SOR to act as administrator of all TRUST funds heretofor and hereafter to be received by the TRUST and certified by the TRUST to be the legal property of the TRUST and SOR agrees to receive and hold such funds as agent for the TRUST and to disburse or retain such funds pursuant to instructions and guidelines laid down by the TRUST from time to time.

2. FUNDS

Immediately after signature of this Agreement the TRUST shall instruct those who presently retain the corpus and any income of the TRUST to deliver up such funds to one or more accounts to be established by SOR and clearly denominated as client accounts. Upon receipt of such funds, SOR shall open books of account for the TRUST to be maintained in conformity with Paragraphs 6, 7 and 8 below.

3. USE OF FUNDS

SOR shall apply, transfer, invest and disburse the TRUST's funds as the TRUST shall from time to time direct, and not otherwise.

4. PROPERTY OF THE TRUST

Property of every kind, including but not limited to investments, transferred to SOR by the TRUST or any contributor to the TRUST shall be held, managed and disposed of by SOR as the TRUST shall from time to time

direct and not otherwise.

5. COLLECTIONS

SOR shall promptly pay all debts of the TRUST and shall endeavour to collect all pledges and contributions to the TRUST, and shall deposit, hold and dispose of the proceeds as the TRUST shall from time to time direct, and not otherwise.

6. FINANCIAL RECORDS

TRUST shall promptly inform SOR of all financial obligations incurred by the TRUST, and of all claims by the TRUST to the receipt of funds, and shall furnish to SOR all documents affecting the financial condition, rights and obligations of the TRUST.

SOR shall make and keep original records of all financial transactions, obligations and assets of the TRUST, including but not limited to all receipts, disbursements, property, investments of the TRUST's funds and the income and expenses derived therefrom.

7. FINANCIAL STATEMENTS

SOR shall prepare or cause the preparation of, and shall furnish to the TRUST, financial statements reflecting the receipts, disbursements, liabilities and condition of the TRUST as shall from time to time be requested by the TRUST.

8. OFFICIAL REPORTS, ETC

SOR shall prepare and furnish to the TRUST for its use such reports, returns, forms and other documents relating to the financial transactions and affairs of the TRUST, as may from time to time be requested by the TRUST in order to comply with the applicable laws of any nation.

9. RECORDS

The TRUST shall deliver or cause the delivery to SOR of all records possessed by the TRUST relating to contributors to the TRUST. Thereafter, SOR shall have sole responsibility to identify contributors and donors and to acknowledge the amount of their gifts and contributions.

SOR shall prepare and furnish extracts from such records of donors and contributors as shall from time to time be requested by the TRUST.

10. COMMUNICATIONS

The TRUST shall deliver or cause the delivery to SOR of all communications received by the TRUST from donors, contributors and those to whom funds are disbursed, which SOR shall maintain for the TRUST.

SOR shall prepare and upon the instructions of the TRUST deliver or cause the delivery of communications from the TRUST to all with whom the TRUST corresponds; shall maintain records of all such communications for

the TRUST; and shall not communicate with any one on behalf of the TRUST except in accordance with instructions from the TRUST.

Pursuant to such instructions, SOR shall establish direct lines of communication with those designated by the TRUST to solicit contributions and shall assist in the supervision of their work. If those who are designated to solicit shall also be transferring funds for other purposes, SOR shall establish to the satisfaction of the TRUST accurate banking procedures to avoid the commingling of funds.

11. CONTRACTS, ETC

SOR shall administer and enforce on behalf of the TRUST and shall represent the TRUST with respect to any contracts to which the TRUST is a party as shall be specifically authorized by the TRUST from time to time.

12. CONSULTANCY

SOR shall from time to time upon the request of the TRUST conduct studies and investigations and prepare and furnish evaluations, recommendations and advice to the TRUST in respect of its affairs, the disposition of its funds and investments, the conduct of its activities, and its relationship with its contributors and with others.

13. FACILITIES

SOR shall make available to the TRUST space and infrastructural support as shall be requested by the TRUST from time to time for the conduct of its affairs, including but not limited to facilities for the holding of meetings of Trustees.

14. PROFESSIONALS

SOR shall retain and instruct at the TRUST's expense, independent accountants, attorneys, advocates, consultants and other professionals as the TRUST may reasonably require from time to time.

15. EMPLOYEES

SOR shall neither employ nor continue the employment of anyone who (in the opinion of the TRUST) is not dedicated to the furtherance of the TRUST's interests or would endanger the accomplishment of the TRUST's aims and purposes.

16. ORGANIZATION

SOR shall prepare and submit to the TRUST for its approval, and shall implement when approved, plans for the establishment of an organization adequate to perform the obligations of SOR under this Agreement, which plans shall include a finance system and other controls to assure and enhance the productivity of SOR's employees as measured by statistics.

17. REIMBURSEMENT AND COMPENSATION

In consideration for the services of SOR to be rendered hereunder, the TRUST shall reimburse SOR for 25% of its direct, out of pocket costs and expenses and other outgoings paid or incurred by it for the account of the TRUST pursuant to this Agreement or upon the express instructions of the TRUST.

The TRUST shall also pay to SOR its reasonable overhead cost in relation to the services provided (including salaries of employees) in the performance of its obligations under this Agreement.

The TRUST shall in addition to the above pay SOR an amount equal to fifty percent (50%) of the above specified amounts.

18. CONFIDENTIALITY

SOR shall keep all information furnished to it by the TRUST and obtained by it from any source with respect to the TRUST in the strictest confidence throughout the term of this Agreement and thereafter.

19. RELATIONSHIP

Notwithstanding anything to the contrary contained herein, the parties hereto agree that the relationship between the TRUST and SOR is solely that of principal and agent and neither party hereto shall be legally bound to the other or to third parties by any other legal relationship.

The responsibilities of SOR to the TRUST shall include responsibility for assuring that the good name and reputation of the TRUST are protected and enhanced.

20. CHOICE OF LAW

Irrespective of the actual place of execution and delivery of this Agreement, this Agreement and all the provisions hereof, shall be governed by, and construed and enforced in accordance with, the laws of England applicable to agreements executed and to be wholly performed therein.

21. NOTICES, ETC

Any notice, report or writing permitted or required to be given hereunder shall be in writing and shall be delivered (if given by SOR) to any Trustee of the TRUST or (if given by the TRUST) to the offices of SOR.

22. TERM & TERMINATION

The term of this Agreement shall be one year from the date hereinbelow set forth and from year to year thereafter, subject to termination by either party by notice to be delivered to the other not less than 30 days prior to the next date of termination.

This Agreement may be terminated by either party in the event of substantial and material default by the other party.


Upon termination of this Agreement, SOR shall dispose

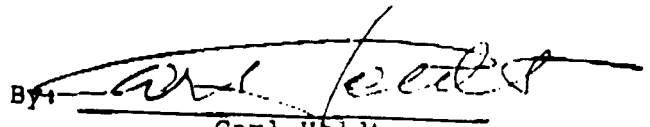
of and transfer all funds, property and records of the TRUST in accordance with the instructions of the TRUST.

IN WITNESS WHEREOF, the TRUST and SOR have executed this Agreement in duplicate this 23rd day of October 1988.

SOR SERVICES LIMITED

FLAG SHIP TRUST

By: 
Pauline Chatterton

By: 
Carl Heldt