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AGREEMENT

This Agreement is made this 10TO day of 1944, 1988, by and between FOUNDATION CHURCH OF SCIENTOLOGY FLAG SHIP SERVICE ORGANIZATION, a Netherlands Antilles religious foundation ("FSSO"), and MAJESTIC CRUISE LINES, INC., a Panamanian corporation ("Majestic").

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. <u>Freewinds</u> has been chartered and will be operated by Majestic to provide an appropriate environment and situs for the conduct of religious activities by a church of Scientology.
- C. Majestic has formed an organization named the FREEWINDS SHIP ORG, referred to below as the "Ship Org", to operate Freewinds, and has prepared Freewinds for its intended service as a Scientology ship.

NOW, THEREFORE, in consideration of the foregoing, and each in consideration of the agreements of the other as stated below, FSSO and Majestic hereby agree as follows:

- 1. Majestic agrees to devote <u>Freewinds</u> to service exclusively as a Scientology vessel, and to that end agrees that (1) all permanent staff of the Ship Org shall be Scientologists in good standing with the Church of Scientology International (which is, and is hereinafter referred to as, the "Mother Church"), (2) the Ship Org shall be organized in accordance with a Scientology Organizing Board approved by the Mother Church and (3) the Ship Org shall be operated in accordance with the Scientology Scriptures.
- 2. Majestic agrees to furnish to FSSO all accommodations and services aboard <u>Freewinds</u> which FSSO shall from time to time reasonably require for the maintenance and operation of a church of Scientology, including (but not limited to) accommodations and food service for FSSO's staff and representatives. Majestic shall provide FSSO's staff and its representatives cabins and service aboard <u>Freewinds</u> comparable with those provided for the vessel's crew and officers. For these services and accommodations, FSSO agrees to pay Majestic each week the sum of thirty thousand United States dollars (US\$30,000.00) plus twenty-six United States dollars (US\$26.00) for each FSSO staff member aboard at any time during the week.
- 3. Majestic shall provide FSSO use of such computer and other office equipment as FSSO requires to carry out its church functions and to perform its obligations to Majestic under this Agreement. Majestic also agrees to furnish to FSSO such services and accommodations at the home port of Freewinds (or other ports

that Freewinds will enter) as FSSO shall from time to time reasonably request, including accommodations for dependents of its staff, the provision of temporary facilities for its staff, communication services and the purchasing of supplies and shore services. FSSO agrees to pay Majestic as invoiced (not less than monthly) Majestic's costs of providing such services, supplies and facilities. FSSO shall also pay Majestic as billed for medicines provided to FSSO's staff by the ship's physican and shall reimburse Majestic for the deductible portion of accident or health benefits payable to FSSO's staff by Majestic's insurance carrier. FSSO may, upon reasonable notice and at its own expense, review or audit Majestic's books and records to verify the amount of direct costs for which Majestic is billing If such review or audit reveals an error, the correct payment shall be calculated and additional amounts paid by or refunded to FSSO, as appropriate. If any such review or audit reveals that FSSO was overcharged more than five (5) percent, Majestic shall reimburse FSSO for all of its expenses incurred as a result of such review and audit.

4. FSSO and Majestic understand that the accommodations and services to be provided by Majestic to FSSO under this Agreement will change from time to time, depending upon estimates of the number of Scientologists who will participate in FSSO's services. FSSO agrees that it shall be solely responsible for the estimation of its requirements, and shall furnish such estimates to Majestic from time to time sufficiently in advance

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of any changes in its requirements as to allow Majestic to meet those requirements without disruption of its operations. FSSO and Majestic agree that the amount to be paid by FSSO to Majestic pursuant to paragraph 2 above shall be adjusted on a pro rata basis in the event there shall be a substantial change in such requirements.

- 5. Majestic agrees to accept as passengers those
 Scientologists who shall be designated by FSSO and who intend to
 participate in FSSO's religious services, at rates and upon and
 subject to terms and conditions not less favorable than those
 established by Majestic from time to time for its general
 passenger service. Majestic agrees that all charges for
 accommodations and services provided by Majestic to its
 passengers, including such passengers designated by FSSO, shall
 be collected from them, and that FSSO shall have no
 responsibility with respect thereto. FSSO agrees that all
 payments by passengers, including such passengers designated by
 FSSO, for accommodations and services provided by Majestic shall
 belong exclusively to Majestic, and that FSSO shall have no
 interest therein.
- 6. FSSO staff will provide Scientology religious services,
 Dianetics spiritual healing and other personal enhancement and
 ethics counseling to those members of Majestic's crew who desire
 such services. FSSO will collect contributions for these
 services directly from the crew members requesting services at
 the rates for such services established under the Mother Church's

guidelines. Majestic shall not be responsible to FSSO for contributions for these services but it may choose to pay FSSO for such services rendered to its crew as a fringe benefit for its employees.

- 7. Majestic agrees that it has no interest in or right to receive any part of any amounts paid to FSSO by its parishioners or any other persons, as donations or otherwise.
- 8. FSSO staff will come under the Master's orders and will be entitled to all privileges enjoyed by the vessel's crew. FSSO reserves the right to change its staff at any time; however, it will give reasonable advance notice to the Master of any change in the staff.
- 9. FSSO acknowledges that Majestic is at liberty to trade the vessel under any flag, and to place it on any itinerary it thinks fit.
- 10. FSSO and its personnel are charged with complying with all pertinent customs and laws of any government. Should any personnel of FSSO violate any such customs and/or immigration regulations, then any fines, forfeitures and penalties taxed or levied by virtue of such violation shall be chargeable to FSSO.
- 11. Should any employee of FSSO voluntarily or involuntarily be unable to be aboard the vessel upon its scheduled departure from any port, then FSSO shall be fully responsible to repatriate said employee in accordance with the governing customs and immigration laws of said port, and FSSO shall be fully responsible for any and all fines, penalties and assessments

levied in connection therewith. FSSO shall also reimburse

Majestic for any attendancy fees or similar charges imposed as a result of any FSSO staff member's entry into or departure from any Freewinds port of call.

- 12. FSSO shall be deemed to be an independent contractor for all intents and purposes under this Agreement and any and all rights, responsibilities, obligations and liabilities under this Agreement shall relate to FSSO as an independent contractor.
- 13. Nothing herein contained shall deem FSSO, nor shall any term or condition herein contained grant to FSSO, the right to pledge the credit in any manner of Majestic and/or the vessel Freewinds, nor shall any term or condition herein contained grant to Majestic the right to pledge FSSO's credit in any manner.
- 14. 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

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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 the court of any other competent authority in the same manner as a judgement in such court.

- 15. This Agreement shall be governed by and construed under the laws of the Netherlands Antilles.
- 16. Any notice required to be given by the parties under the terms of this Agreement shall be considered as being served by either party to the other party upon mailing thereof to the following addresses:

FSSO

Abraham de Veerstraat #4 Willemstad, Curacao Netherlands Antilles MAJESTIC

c/o P.O. Box 3304
Maduro Plaza
Willemstad, Curacao
Netherlands Antilles

17. 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 either party notifies the other 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 one party to the other 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 SHÎP SERVICE ORGANIZATION

MAJESTIC CRUISE LINES, INC.

Its: Local. M-BIRECTOR. Its:

as authorized person.