

DECLARATION OF TRUST
CREATING THE
TRUST FOR SCIENTOLOGISTS
AS AMENDED

This DECLARATION OF TRUST (hereinafter "this Declaration") is made and acknowledged by CHURCH OF SCIENTOLOGY FLAG SERVICE ORG.. INC., a Florida non profit religious corporation hereinafter referred to as "the Church", and by HELMUTH BLOBAUM, PETER STUMBKE and MARK EERAERTS, individuals hereinafter referred to as "Trustees", who are residents of West Germany, the United Kingdom and Denmark, respectively.

WITNESSETH:

A. The Church conducts activities as a church in Clearwater, Florida.

B. Scientologists from time to time makes payments to Scientology organizations, including the Church, of the kind known among Scientologists (and hereinafter referred to) as "advance payments".

C. The Church is required by the Scientology scriptures to apply each advance payment in accordance with instructions of the individual making the payment which are consistent with the scriptures, including, inter alia, instructions to apply the amount as a donation to the Church, or to another church, or to repay the amount to the individual from whom it was received.

D. The Scientologists who make advance payments to the Church include individuals who are not United States persons. Such individuals are hereinafter referred to as the "Trust Beneficiaries", and their advance payments are hereinafter referred to as the "Trust Advance Payments."

E. The Trustees, in order to provide assurance to the Trust Beneficiaries that their advance payments will be applied in accordance with the Scientology scriptures, are willing to take title to the Trust Advance Payments and to hold and apply them as instructed by the Trust Beneficiaries and for the purposes of the religion, in accordance with the terms and conditions of this Declaration and subject to the conditions and limitations hereof.

NOW, THEREFORE, within the context of the facts and circumstances recited above, the Church and the Trustees hereby acknowledge, declare and covenant as follows:

1. The Trustees hereby acknowledge that on the date of this Declaration they have received from the Church cash in the amount of US\$ 2,000,000.00, hereinafter referred to as the "Original Cash".

2. The Trustees acknowledge and declare that they have accepted and will hold in trust: the Original Cash together with such additional money and other property as they shall hereafter accept pursuant to this Declaration from the Church (or from any other Scientology organization or from any individual), and will dispose thereof, together with any profits derived therefrom, in accordance with the terms and conditions of this Declaration.

3. The Trustees acknowledge that they have received from the Church a schedule dated 7 May 1987 of the names of parishioners, stating the amount of an advance payment held for each and showing a total of advance payments equal to US\$24,230,232.90. Said schedule is hereinafter referred to as "the Original Schedule", the parishioners named thereon as the "Original Beneficiaries" and said total as the "Original Amount".

4. The Church warrants unto the Trustees that, as of the date of the Original Schedule, (a) the Original Schedule lists all of the Trust Beneficiaries, (b) the amount stated after the name of each is the amount of his or her Trust Advance Payment and (c) the Original Amount is the aggregate of the Trust Advance Payments held by the Church for the Trust Beneficiaries;

5. The Church covenants that it will pay and deliver to the Trustees within ten business days after the date of this Declaration, property and cash having an aggregate value (determined as provided in paragraph 8 below) of US\$22,230,232.90, that is to say, an amount equal to the difference between the Original Cash, accepted by the Trustees as set forth in paragraph 1 above, and the Original Amount shown by the Original Schedule.

6. The Church covenants that (a) it will from time to time (and not less frequently than once each calendar month) deliver to the Trustees schedules of the names of the Trust Beneficiaries who made advance payments to the Church after the date of the Original Schedule, stating after the name of each the amount of the advance payment received from him or her, (b) the first schedule shall include all such advance payments received subsequent to the date of the Original Schedule, (c) each subsequent schedule shall include all such advance payments received since the last preceding schedule, and (d) each schedule shall be certified by a duly authorized officer or agent of the Church. Such schedules are hereinafter referred to as the "Additional Schedules", the parishioners named thereon, as the "Additional Beneficiaries" and the amounts shown thereon as the "Additional Amounts".

7. The Church covenants that it will, within five business days after delivering each Additional Schedule, and deliver to the Trustees property and cash having an aggregate value (determined as provided in paragraph 8 below) equal to the Additional Amounts shown thereon.

3. The Church and the Trustees agree that (a) the Church may discharge any obligation to pay advance payments over to the Trustees by payments in United States dollars, by payments in the currency of any other State, by the delivery of gold, or by any combination thereof, (b) the value of any such gold shall be credited to the Church at the value thereof in United States dollars, at the London market rate at the close of business on the day preceding payment, and (c) the value of any such currency other than United States dollars shall be credited to the Church at the London exchange rate at the close of business on the day preceding payment (with respect to the Original Amount) and at the same exchange rate as shall have been used by the Church in converting receipts in that currency to United States dollars during the week in which it received the advance payments (with respect to Additional Amounts).

9. As used hereinafter, (a) "Beneficiaries"¹¹ refers, collectively, to the Original Beneficiaries and the Additional Beneficiaries, and "Beneficiary" refers to any one of them, (b) "Schedules" refers, collectively, to the Original Schedule and the Additional Schedules, and (c) "Advance Payments" refers, collectively, to the Advance Payments of the Beneficiaries as shown on the schedules. The Trustees declare and covenant that they will account for those Advance Payments of each individual Beneficiary which were part of the Original Schedule separately from those which were part of any Additional Schedules. The Trustees may, in their discretion, keep Advance Payments from the Original Schedule in a separate segregated fund or funds from those from the Additional Schedules,

10. The Trustees declare and covenant that they will hold and dispose of the Advance Payments for the benefit of the Beneficiaries, each in the amount or amounts stated after his or her name on the Schedules, in accordance with the terms and provisions of this Declaration, but subject to the conditions and limitations herein stated, and provided, however, that the beneficial interest of each Beneficiary shall be limited in any event to the right to have the amount of his or her Advance Payment, as determined from the Schedules, either: (a) paid over by the Trustees, without interest, to the Church, pursuant to paragraph 12 of this Declaration; or (b) paid over by the Trustees, without interest, to the Beneficiary as a repayment: pursuant to paragraph 13 of this Declaration; or (c) paid over by the Trustees, without interest, to another church, pursuant to paragraph 14 of this Declaration; or (d) included in the income of this trust pursuant to a determination made by the Trustees under paragraph 18 of this Declaration.

1) . Upon disposition of any Advance Payment in accordance with the provisions of the preceding paragraph, all rights and beneficial interests of the Beneficiary with respect thereto shall terminate, and the Trustees shall have no further obligation to any Beneficiary, or to the Church, or to any other person, with respect thereto.

12. The Trustees covenant that they shall, upon the request of any Beneficiary, pay the amount of his or her Advance Payment over to the Church, without interest, provided, however, that (a) the Church shall at the time of such request and payment be a Church of Scientology in good standing with Church of Scientology International or its successor as the Mother Church of the religion (hereinafter referred to as the "Mother Church"); and (b) the payment of the Advance Payment to the Church shall be in accordance with the Scientology scriptures,

13. The Trustees covenant that they shall, upon the request of any Beneficiary, pay the amount of his or her Advance Payment to him or her, without interest, provided, however, that (a) the Trustees shall not have paid out the amount of such Advance Payment pursuant to any other provision of this Declaration; and (b) the Trustees shall have received written notice from the Claims Verification Board of the Mother Church that the repayment of the Advance Payment to the Beneficiary is in accordance with the Scientology scriptures.

14. The Trustees covenant that they shall, upon the request of any Beneficiary, pay the amount of his or her Advance Payment over to any church other than the Church, without interest, provided, however, that (a) such other church shall at the time of the request and payment be a Church of Scientology in good standing with the Mother Church; and (b) the payment of the Advance Payment to such other church shall be in accordance with the Scientology scriptures.

15. The request of a Beneficiary to the Trustees to pay the amount of an Advance Payment pursuant to paragraph 12, 13, or 14 above may be made directly by the Beneficiary, or indirectly by the Beneficiary via the Church (in respect of paragraph 14 above), via another church (in respect of paragraph 14 above) or via the Mother Church (in respect of paragraph 13 above); provided, however, that the Trustees shall have received, in the absence of a written direction signed by the Beneficiary, a certificate which is satisfactory to the Trustee in both form and substance, executed by a duly authorized officer or agent of the Church, such other church or the Mother Church (as the case may be), to the effect that the Beneficiary has made the request, that the requested payment made over by the Trustees is in accordance with the Scientology scriptures, and, in the case of a payment other than to the Beneficiary, that the certifying church shall indemnify and hold harmless

the Trustees, their successors and assigns, from and against all further liability to the Beneficiary/ with respect to the amounts paid by the Trustees in accordance with the request.

16. The Church and the Trustees agree that a duly authorized officer or agent of the Church shall from time to time (and not less frequently than once each calendar month) deliver to the Trustees a schedule of the names of all the Beneficiaries who have requested that their Advance Payments be paid over to the Church since the last such schedule was delivered. Such schedules are hereinafter referred to as "Payment Requests". Each Payment Request shall state, with respect to each Beneficiary named thereon* the amount which he or she has requested be paid by the Trustees to the Church. The Church and the Trustees agree that Payment Requests shall constitute satisfactory evidence that the named Beneficiaries have* requested the designated payments, for purposes of paragraphs 12 and 15 above; and the Church covenants and agrees for the benefit of the Trustees that upon and after the delivery of each Payment Request, and compliance therewith by the Trustees, the Church shall indemnify and hold harmless the Trustees, their successors and assigns, from and against all further liability to the Beneficiaries named thereon with respect to the amounts so* paid* The Trustees shall charge Payment Requests of each Beneficiary first to his or her separate account for Advance Payments under the Original Schedule until the Advance Payments in such account are fully charged off before any Payment Requests may be charged to such Beneficiary's separate account for Advance Payments under the Additional Schedules.

17- The Trustees shall invest the Trust's funds in investments which provide liquidity and safety in keeping with their duty to make payments upon requests by the Beneficiaries as provided in paragraphs 12, 13 and 14 above. The Trustees, in their discretion, may invest Trust funds in adequately secured mortgage loans on properties owned by churches of Scientology and other Scientology organizations in good standing with the Mother Church to the extent the Trustees deem appropriate, without regard to legal requirements as to diversification of assets. The Trustees, however, shall not invest any of the Trust's funds in any investment the income from which will be treated as from sources within the United States, unless "the Trustees shall obtain prior to such investment the written opinion of its counsel or other competent tax adviser that such income from sources within the United States is exempt from United States federal, state and local income taxes by statute or applicable treaty, without regard to whether the Trust itself is exempt from United States income taxation.

13. The Trustees shall from time to time determine the needs and dependencies of all Beneficiaries who are unlikely ever to request payment of their Advance Payments pursuant to the foregoing provisions of this Declaration, and shall include the amounts of all such Advance Payments in the income of the Trust.

For the purpose of determining whether a particular Beneficiary is likely, or unlikely to request such a payment of his or her Advance Payment, the Trustees shall formulate criteria which are in accordance with the Scientology scriptures and which take into account, among other things, the Beneficiary's demonstrated interest in the religion prior to making the Advance Payments, his or her demonstrated interest in the religion subsequent to making the Advance Payment, the period of time which has elapsed since the Advance Payment was made, and other factors bearing upon the likelihood of a request by the Beneficiary for the application of the Advance Payment; provided, however, that unless the Trustees have reasonable grounds to believe that the Beneficiary is deceased, no such determination shall be made prior to the expiry of five years after the Beneficiary last made an Advance Payment or requested the application of an Advance Payment (whichever shall be the last to occur).

19. None of the Church, the Mother Church, any Beneficiary or any other person shall have any interest in or right to any portion of the income of the Trust, whether resulting from the investment of Advance Payments, or from the inclusion in income of Advance Payments pursuant to a determination of the Trustees pursuant to paragraph 18 above, or from any other source.

20. All assets of the Trust net of the aggregate amount of the Advance Payments as shown upon the Schedules (after deducting therefrom all amounts paid out by the Trustees at the request of Beneficiaries in accordance with the foregoing provisions of this Declaration), and net of general liabilities of the Trust (if any), shall be dedicated exclusively and irrevocably to religious purposes. No part of the income or net asset of the Trust shall inure to or be used for the private benefit of any person. The Trust shall not engage in any political activity.

Upon winding up of the Trust, and after adequate provision for all of its liabilities, the assets of the Trust shall be distributed to one or more of the non-profit organizations of the religion of Scientology which are organized and operated exclusively for religious purposes, of which no part of the net earnings of which inure to or may be used for the private benefit of any person, and which do not engage in political activity.

21. The Trustees may expand all or any part of the income of the Trust for the dissemination and expansion of the religion of Scientology, and may make grants and gifts thereof to one or more of the organizations which are described in the preceding paragraph. The Trustees may also make loans of principal, with or without interest, for such purposes to such organizations.

22. None of the Trustees shall be entitled to receive any compensation for services as a trustee; however, each shall be entitled to reimbursement for his or her actual out-of-pocket costs reasonably incurred in the performance and discharge of duties as a Trustee.

23. Each of the Trustees is a duly ordained minister of Scientology over the age of 21 years, is well versed in the Scientology scriptures, is well versed in the Scientology ethics and justice systems, is a proven Scientology executive as evidenced by statistics and is a member in good standing with the Mother Church.

Should any Trustee cease to meet any one or more of these criteria, then he or she shall cease to be a Trustee and shall have no further right or authority with respect to the Trust.

If there shall, at any time, be fewer than three Trustees who meet the above stated criteria, the remaining Trustees (or trustee, if there shall be but one) shall designate a successor Trustee or Trustees who meet said criteria, to the end that there shall be no fewer than three incumbent Trustees. If at any time the trust should have no Trustees meeting all of the qualifying criteria, to the end that no Trustee remains to select successor trustees, then and in that event successor trustees shall be elected from among that class of persons who meet all of the qualifying criteria by all of the Class IV Scientology Churches which are organized under the laws of a jurisdiction other than the United States or any of its states or the District of Columbia and which are then in existence and in good standing with the Mother Church, with each such Church entitled to cast one vote. Thereafter, any vacancy in the position of Trustee of the trust shall again be filled by unanimous action of the remaining incumbent Trustees, formally taken and expressed in writing, all as provided above.

24. The terms and provisions of this Declaration shall govern and control the parties' actions with respect to all Trust Advance Payments received by the Church following the execution of this Declaration. That is to say, all such advance payments shall be paid over by the Church to the Trustees to be held and administered pursuant to the provisions of this Declaration. The Church covenants and agrees that it will, in order to better protect the Trust

Trustees may terminate this trust by mutual agreement at any time after the fifth anniversary of the date of this Declaration. Upon termination of this trust, the Trustees shall pay the aggregate amount of the Advance Payments held by the Trustees for the benefit of the Beneficiaries to an organization described in paragraph 20 of this Declaration, impressed with a trust for the continued benefit of the Beneficiaries as provided in this Declaration.

29. The trust created by this Declaration shall be known as the "Trust for Scientologists" and the Trustees shall administer the Trust and take and hold title to all Trust assets, including but not limited to bank accounts, under or with reference to such name and style.

30. The Trustees may from time to time adopt such rules and regulations as they shall in their discretion deem necessary or desirable for the governance and administration of the Trust and its assets, including but not limited to the call and conduct of meetings of the Trustees, the banking, safekeeping, investment and disposition of trust assets and records, the hiring, compensation and delegation of authority to employees and agents, and the acquisition of offices and other facilities provided, however, that (a) all actions of the Trustees shall be in writing signed by all of the Trustees until such time as the Trustees shall have adopted rules for the call and conduct of meetings, (b) no action of the Trustees shall serve to relieve them or any of them of their fiduciary duties to the Beneficiaries pursuant to this Declaration, and (c) all such rules and regulations shall be consistent with this Declaration.

31. The Church and the Trustees may, in their discretion, amend this Declaration by written amendments executed by the Church and by all the Trustees, without the consent or approval of any of the Beneficiaries; provided, however, that no such amendment shall (a) change the beneficial interest or adversely affect the rights of any Beneficiary or relieve the Church or the Trustees, or any of them, of their fiduciary duties to the Beneficiaries pursuant to this Declaration, or (b) substantially alter any of paragraphs 20 through 24, inclusive, paragraph 28, or this paragraph, of this Declaration.

32. This Declaration shall be construed in accordance with the common law and equitable principles of England; provided, however, that matters required hereby to be in accordance with the Scientology scriptures shall be determined in accordance therewith.

33. The principal place of administration of this Trust shall be outside of the United States. A majority of the Trustees shall be individuals who are neither United States citizens nor residents.

34. This Declaration, as amended ("Amended Declaration"), contain* all terms of the Declaration of Trust ("Declaration") as originally adopted on July 27, 1997, except as amended by Articles of Amendment ("Articles") adopted concurrently with this Amended Declaration, In the event of any inconsistency the terms of the Articles and Declaration shall govern over terms of the /original Declaration*

IN WITNESS WHEREOF, the Church and the Trustees have executed this Declaration, as amended, on the dates indicated below by their signature*.

CHURCH OF SCIENTOLOGY
FLAG SERVICE ORG., INC/

By: Ita Prtalent

Date:

 11/22/88
Date

HELMUTH
BLOBAUM

 13/11/88
PETER STUMBE Date

MARK EERAERTS Date

30. This Declaration, as amended ("Amended Declaration"), contains all terms of the Declaration of Trust ("Declaration") as originally adopted on July 27, 1997, except as amended by Articles of Amendment ("Articles") adopted concurrently with this Amended Declaration. In the event of any inconsistency the terms of the Articles and Declaration shall govern over terms of the Amended Declaration.

CHURCH OF SCIENTOLOGY
FLAG SERVICE ORG., INC.

By: *W. W. Perry*
Its President

Date: *14/11/88*

HELMUTH BLOBAUM Date

P. J. Stumbke *13/11/88*
PETER STUMBKE Date

MARK EERAERTS Date

34. This Declaration, as amended ("Amended Declaration"), contains all terms of the Declaration of Trust ("Declaration") as originally adopted on July 27, 1987, except as amended by Articles of Amendment ("Articles") adopted concurrently with this Amended Declaration. In the event of any inconsistency the terms of the Articles and Declaration shall govern over terms of the Amended Declaration.

IN WITNESS WHEREOF, the Church and the Trustees have executed this Declaration, as amended, on the dates indicated below by their signatures.

CHURCH OF SCIENTOLOGY
FLAG SERVICE ORG., INC.

By: _____
Its President

Date: _____

HELRUTH BLOBAUM _____ Date

 13/11/88
PETER SAUMBKE _____ Date

 15/11/88
MARK EERAERTS _____ Date