

UNITED STATES DEPARTMENT OF JUSTICE
Washington, D.C. 20530

EXHIBIT B

TO REGISTRATION STATEMENT
Under the Foreign Agents Registration Act
of 1938, as amended

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
DGA International, Inc.	Societe National d'Etude et de Construction de Moteurs d'Aviation (SNECMA)

Check Appropriate Boxes:

- The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.
- There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
- The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

- Describe fully the nature and method of performance of the above indicated agreement or understanding.

The registrant fulfills its obligations to the foreign principal primarily through conversation and correspondence with the principal, through conversation with the appropriate U.S. authority, and the preparation and submitting of memoranda, reports, etc. concerning the marketing of the CFM-56 aircraft engine manufactured by the foreign principal.

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

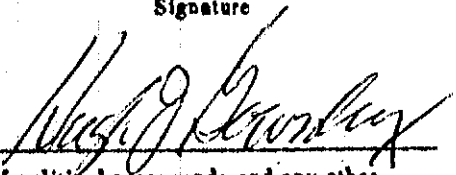
The registrant is engaged principally in advising and assisting the foreign principal in efforts to conclude and/or extend agreements with the U.S. Department of Defense with respect to the procurement of the CFM-56 engine by U.S. military services and allies of the United States. The registrant keeps the principal informed on a timely basis concerning U.S. legislation, regulations and requirements which could have an impact on the procurement and utilization of the CFM-56 engine by the U.S. and its allies.

The registrant is also engaged to advise and assist the foreign principal with respect to the efforts of the United States government to prescribe noise standards for commercial aircraft engines. This activity is conducted in connection with the marketing of the CFM-56 engine for re-engining of existing DC-8 aircraft.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act? ^{1/} Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

A portion of the registrant's activities may include contacts with members of the United States Congress and with their staffs with respect to legislation and prospective legislation involving the procurement and utilization of the CFM-56 aircraft engine. Contacts may be made with members of the Executive Branch for the same purpose. The means of contact may be by letters, reports, memoranda, etc. and personal conferences.

Date of Exhibit B	Name and Title	Signature
25 February 1985	Hugh J. Gownley Vice President	

^{1/} Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

Rec'd Feb 25, 1985
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Amendment to Letter Contract VT 42292 dated 31 December 1973, between SNECMA and DGA INTERNATIONAL, Inc.

In consideration of SNECMA's requirement for DGA INTERNATIONAL to make a special effort in support of the CFM56 sales for US military aircraft, the following revision to clause 2 of the Letter Contract dated December 31, 1973 is approved by both Parties and effective as of the date of the last signature on this document.

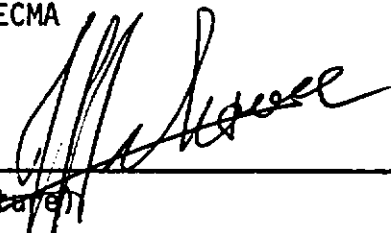
All other terms and conditions of the Letter Contract dated 31 December 1973 shall remain unaltered. However the undersigned recognize that in view of the fact that DGA commissions on the sale of CFM56 engines are to be restricted to the sales of commercial engines only, DGA's opportunity to offset fees received for previous work against commissions is significantly lessened. In view of this situation, the undersigned agree that their respective staffs will study this matter with the objective of providing DGA the opportunity to realize receipt of commission payments at the earliest mutually acceptable time.

CLAUSE 2 - COMMISSIONS ON SALES OF CFM56 EQUIPMENT

In paragraph 1 of sub-clause 2.1. "Areas to which profit sharing applies" add the word "commercial" after the words "the sale of CFM56".

In paragraph 2 of sub-clause 2.2. "Rate of commission" add the word "commercial" after the words "three thousandth" and replace the words "three-thousandth" with the words "two thousandth five hundredth".

FOR SNECMA



(signature)

J. C. MALROUX, V.P. Comm Eng.
(typed name and title)

June 1, 1985
date

FOR DGA



(signature)

Hugh J. Gownley, Vice President
(typed name and title)

June 7, 1985
date

RETAINER AGREEMENT

between

SOCIETE NATIONALE D'ETUDE ET DE CONSTRUCTION DE MOTEURS D'AVIATION
2, boulevard Victor - 75724 PARIS CEDEX 15 - FRANCE

(hereinafter called "SNECMA")

and

DGA INTERNATIONAL, Inc.
1818 N. Street NW, Washington DC 20036 - U.S.A.

(hereinafter called "DGA")

1 - PURPOSE

This Agreement governs the relationship between SNECMA and DGA with respect to sales of CFM56 engines for DC8 commercial applications, both US and foreign.

2 - EFFORTS OF DGA

DGA will provide services on such matters as the following :

The services of DGA will include efforts to preserve the existing noise limitations rules, so as to promote marketing prospects of CFM56 reengining of DC8 aircraft. In this connection DGA shall attempt to persuade government authorities, airport authorities and any local authority and association to preserve existing noise standards. Concurrently, DGA shall provide to the authorities involved with the noise limitation rules, the technical and commercial information related to the CFM56 engine.

DGA will report to SNECMA on its actions on a regular basis.

3 - COMPENSATION

SNECMA will compensate DGA as follows :

3.1. Fees

3.1.1. SNECMA will compensate DGA at the rate of \$162 per hour for the professional time expended by DGA in its direct efforts on behalf of SNECMA. This hourly rate will be adjusted annually on January 1st for inflation. Such fees will be non deductible.

3.1.2. Fees for professional services will be paid quarterly in advance based upon estimates by DGA of the professional time to be required during the coming quarter. These estimates will be subject to the approval of SNECMA.

3.1.3. At the end of each quarter, DGA will submit an accounting of its professional time actually expended on behalf of SNECMA during the quarter. If the time actually expended exceeds the time paid for in advance, DGA will submit invoices for the excess time expended. If the time actually expended falls below the time paid for in advance, DGA will credit SNECMA against advance payments for future efforts.

3.1.4. During any quarter, DGA will not expend professional time in excess of 10 percent above the advance estimate unless SNECMA approves the additional effort.

3.2. Expenses

SNECMA will reimburse DGA for reasonable out-of-pocket expenses incurred by DGA on behalf of SNECMA. Such expenses will include travel, communications, and moderate business entertainment expenses. Reimbursement will be made monthly upon submission of invoices by DGA.

3.3. Retainer

In addition, SNECMA will pay DGA a retainer in four (4) instalments as follows :

	October 31st 1985	January 31st 1986	April 31st 1986	July 31st 1986
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US \$	27 500	27 500	27 500	27 500

The above amounts are exclusive of any other retainer payments to DGA.

4 - EFFECTIVITY AND DURATION

This Agreement shall become effective upon signature by both Parties and shall expire upon December 31st, 1987.

Neither Party shall have the right to terminate it prior to that date, except with the consent of the other Party.

5 - EXCLUSIVITY

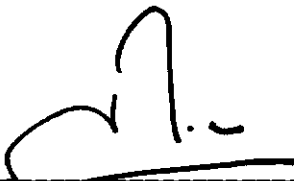
During the period of this Agreement, DGA will not represent or work on behalf of any organization for purposes which conflict with the purposes herein.

6 - UNDERSTANDING

Two (2) original copies of this letter of agreement, signed by SNECMA and countersigned by DGA for approval, shall be construed as a contract in accordance with the laws of the French Republic.

Any disputes arising in the interpretation of the performance of this contract which could not be settled amicably by the Parties thereto will be subject to arbitration in accordance with extant International Chamber of Commerce regulations on Arbitration. The place of arbitration shall be LAUSANNE, Switzerland.

For SNECMA




(signature)

J. BENICHOU, Chairman
(typed name and title)

February 18, 1985
(date)

For DGA International, Inc.



(signature)

Donald G. Agger, President
(typed name and title)

February 22, 1985
(date)

TRANSLATION
20 February 1985

Amendment No. 2

to the letter of Agreement VT 42.292 of 31 December 1973
between SNECMA and DGA International, Inc.

SNECMA has requested DGA International to provide additional effort in the support of the sales of CFM 56 engines for DC8, and both parties have agreed to the following:

Article 2.1 of letter of Agreement VT 42.292 of 31 December 1973, as amended by Amendment No. 1 of 7 June 1983, is modified as follows:

"2.1 Areas where the profit sharing applies:

Worldwide sales of CFM 56 civilian engines and related thrust reversers.

The profit sharing is not applicable to the sale of:

- (a) The first engines and thrust reversers, and spares, for DC8 beyond the ninety-eight (98) aircraft re-engining already purchased at the date of this Amendment.
- (b) Spare parts and other components of the engines and the thrust reversers.

This Amendment will become valid at the time of the signature of both parties.

For SNECMA

For DGA International, Inc.

(signature)

(signature)

J. Benichou, Président Directeur Général
(Name and Title)

Donald G. Agger, President
(Name and Title)

18 February 1985
(Date)

February 22, 1985
(Date)