

INTERNATIONAL ADVISERS INC.

SUITE 600

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WASHINGTON, D. C. 20037

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A G R E E M E N T

THIS AGREEMENT is made as of the first day of January 1992 by and between the EMBASSY OF THE REPUBLIC OF TURKEY in Washington, D.C. ("the Embassy") and INTERNATIONAL ADVISERS INC., a District of Columbia corporation ("IAI").

WHEREAS the Embassy wishes to enhance Turkey's relationship with the United States, promote greater appreciation and recognition of Turkey's role as a friend and key ally of the United States, and strengthen the bonds between Turkey and the United States and wishes to retain by this Agreement the services of IAI for this purpose; and

WHEREAS IAI has agreed to work with the Embassy to these ends;

THE PARTIES HAVE AGREED AS FOLLOWS:

ORGANIZATION AND MISSION

1. The overall objective of this Agreement is to increase mutual understanding between the peoples of Turkey and the United States and promote effective cooperation between the two governments so that the Republic of Turkey is able to carry out its significant defense responsibilities within the framework of the Western Alliance. To this end IAI will assist the efforts for the appropriation of U.S. military and economic assistance to the Republic of Turkey in conformity with the principles contained in the Side Letter of the Agreement for Cooperation on Defense and Economy between the governments of the United States and of the Republic of Turkey. As the maintenance and continued growth of understanding and cooperation between Turkey and the United States is largely dependent upon the projection of a fair and accurate image of Turkey in this country, IAI will help the Embassy to ensure that Turkey presents such a correct image in the United States and will endeavor to counter any efforts detrimental to the Turkish-U.S. relationship. In addition, IAI will advise and assist the Embassy regarding the promotion of bilateral trade and other economic relations and the realization of efforts aimed at the elimination of the Turkish trade deficit with the United States, including, to that end, promoting the objective of U.S.-Turkish defense industrial cooperation.

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2. IAI shall establish an office in Washington, D.C. dedicated to the strengthening of the political, economic, and security relationship between Turkey and the United States. Such office shall have a full-time staff comprising highly capable and experienced personnel knowledgeable of issues important to Turkey, and it shall be supported by directors, officers and outside consultants with the appropriate professional credentials and experience for this purpose. IAI's officers and staff will be available to Turkey's Ambassador in Washington and his staff as necessary both during and outside of normal working hours.

3. Such office shall maintain contact with officials of the Executive Branch, Members of Congress and congressional staff responsible for matters of importance to Turkey. It shall help inform the Embassy, in a timely manner, of political and news media developments in the United States affecting Turkey's interests, including such matters as military and economic assistance, NATO, and regional issues such as Cyprus and the Aegean. It shall provide to the responsible Executive Branch agencies and congressional offices the information concerning Turkey and Turkish positions that they need to discharge their duties responsibly and effectively.

4. Among other responsibilities, IAI shall:

a. Advise and assist the Embassy in dealing with pending legislation and other matters requiring immediate attention.

b. Prepare substantive analyses, reports and statements for use by the Embassy in the production of materials for the media and for any "information kits" about Turkey.

c. Support the Embassy's public relations program through contacts with commentators and other media personalities, business and community leaders, legislators and policy-makers.

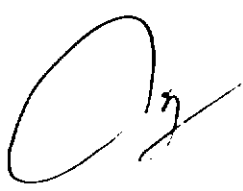
d. Provide journalists and opinion-makers with timely and accurate briefings, fact-sheets, and analyses regarding matters affecting the U.S.-Turkish relationship.

5. Regarding longer-range interests, IAI shall:

a. Assist in developing special computer data bases.

b. Promote educational programs and international exchanges among individuals, enterprises and institutions.

c. Provide advice on encouraging U.S. tourism, investment, and commerce in Turkey.



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COMPENSATION AND TERM

6. The Embassy shall compensate IAI by payment of the annual fee of 600,000.00 U.S. Dollars.

The annual fee covers the costs of establishing, organizing, staffing and operating the office (including: rent, salaries, and employee benefits, furniture and furnishings, office computer, communications, and other equipment, IAI's legal fees, insurance, and general operating expenses, including travel within the Washington, D.C. metropolitan area and the cost of sponsoring or attending routine local events such as receptions and briefings for journalists or officials). Costs relating to special projects (e.g., conferences or projects involving travel outside the Washington, D.C. metropolitan area) requested or approved by the Embassy, will be reimbursed to IAI separately.

7. IAI will carry out all its activities within the framework of this Agreement under the direction and supervision of the Embassy. The Embassy will also coordinate the activities of IAI with those of any other organization the Embassy has retained or may retain for similar purposes.

All special projects proposed by IAI shall be subject to written acceptance by the Embassy.

No amount will be paid for any proposed special project refused by the Embassy.

IAI, in expansion, acceptance of new elements, and the acquisition of new executives, will remain cognizant of the interests and concerns of the Republic of Turkey, thereby striving at all times to prevent any possible conflict of interest.

The Embassy of Turkey shall be the sole client of IAI.

8. The annual fee shall be paid quarterly in advance of the quarter, in four equal installments of 150,000.00 U.S. Dollars each. The first such installment shall be paid on the date of this Agreement, and the subsequent installments no later than at three-month intervals thereafter. IAI shall provide the Embassy monthly with an invoice of disbursements relating to the cost of special projects authorized by the Embassy, which shall be paid within 60 days. All payments shall be made by wire transfer to such bank account in Washington, D.C. as IAI may from time to time designate in writing.

9. This Agreement shall be effective from January 1, 1992 through December 31, 1992. Nevertheless, at the end of the first half of the contract year, the Embassy will review the

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performance of IAI and will have the right to terminate the contract if its evaluation so suggests without paying any indemnity fee.

In the event that the Embassy does not send a notice of termination and the parties do not agree upon a new contract before December 31, 1992, this Agreement will be extended on a monthly basis for up to three additional months.

Under all circumstances, 30 days prior written notification by the Embassy will be required in order to terminate the contract.

The Embassy will pay those fees accrued up to the termination date.

GENERAL

10. IAI shall safeguard as confidential any economic, military, political or other information provided to it in confidence by the Embassy or Government of Turkey, and shall return any such information upon request of the Embassy or Government of Turkey and not retain a copy thereof in any form.

11. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and its terms cannot be modified, supplemented or waived except by written agreement of the Parties.

12. Neither Party may assign this Agreement in whole or in part without the other Party's prior written consent.

13. The laws of the Republic of Turkey shall govern in any interpretation or litigation concerning this Agreement.

14. Notice to a Party hereunder shall be deemed provided only upon delivery or a written instrument to such Party at the following address:

For the Embassy:

His Excellency, the Ambassador of Turkey
The Embassy of the Republic of Turkey
1714 Massachusetts Avenue, N.W.
Washington, D.C. 20036



For International Advisers Inc.:

Douglas J. Feith
International Advisers Inc.
Suite 600
2300 M Street, N.W.
Washington, D.C. 20037

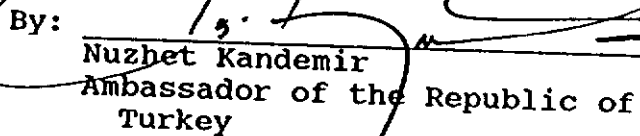
or such other address as the Party may designate in writing from time to time.

15. In the event any quarterly advance payment is not timely delivered or a payment of disbursements is not delivered within 60 days after invoice, IAI reserves the right to suspend its performance pending receipt thereof.

16. This Agreement may be signed in counterparts, in which case each counterpart shall be deemed an original and both together a single document.

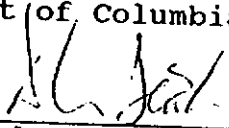
IN WITNESS WHEREOF, the Parties have set their hands and seals below as of the date first written above.

EMBASSY OF THE REPUBLIC OF TURKEY
in Washington, D.C.

By: 
Nuzhet Kandemir
Ambassador of the Republic of
Turkey

31 December 1991

INTERNATIONAL ADVISERS INC., a
District of Columbia corporation

By: 
Douglas J. Feith
Chairman and Chief Executive
Officer

