

US REPRESENTATIVE SCOPE OF ACTIVITY AND COMPENSATION:

**PRELIMINARY AGREEMENT¹ BETWEEN MICHELE FORZLEY (MF)
AND THE FRIBOURG DEVELOPMENT AGENCY (ODEF)**

- A. Establish Office Location
1. Obtain Fax and Telephone number and select equipment
 2. Locate Office
 3. Prepare Letterhead, Business cards, envelopes and labels
- B. Digest and Review all Information about Canton of Fribourg
1. Fribourg Office to Download to me by mail, fax and e-mail
 2. MF to upload to her brain CPU
 3. Clarify targeted industries list
- C. Promote Foreign Investment to Fribourg Canton
1. Press releases to trade press and other contacts
 2. Formal introductions to Ambassador, Consul, Swiss American Chamber of Commerce, who else?
 3. List US office in various directories
 4. Introduction to known lawyers, accountants and bankers
 5. Formalities to US government if any
 6. Introduce Office to State and Local offices of economic development and relevant trade associations

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¹ The agreement consists of the following text (letters A to O) and appendices A and B.

D. Direct Targeted Marketing

1. Identify target companies and responsible persons
2. Approach Call
3. Mail literature and cover letter
4. Follow up
5. Prepare report for each meeting. Include company's background, possible projects, criteria, time frame, action required, schedule follow up

E. Develop Presentation Material

1. First approach material
2. Presentation material for seminars, speeches slides, transparencies, handouts
3. Develop comparative charts
EU tariffs v treaty reductions
FDI laws of other cantons or countries
other conditions
4. Detail the Bonny Decree

F. Theme

1. So you never thought of Switzerland? Think again.
2. PR agency to assist

G. Trade Shows

1. Identify which shows
2. possible trade missions

H. Public relations

1. Articles to trade Press
2. Speak at seminars/for trade associations/notify Swiss clubs
3. Infomercials

I. Hire Secretary/Intern

MF will arrange a contract with a temporary agency for these persons as she does not want the bookkeeping work of payroll, nor the liability of an employer. A Temp agency will assume this responsibility. MF will research the cost and put it into the budget.

J. Compensation

1. Fee per annum \$120,000.00 payable in twelve monthly installments, on the first of the month by check or wire transfer. MF's account number is 015777430, Marine Midland Bank, 70 Pine Street, NY, NY 10270, Wire number 021- 001088.
2. Probation period 2/1/96 to 7/31/96
3. Success Fees
 - a. \$1,000 per job created.
 - b. 50% payable on "start up" of business.
 - c. "Start up" defined as the date of entry of the company in the Commercial Register.
 - d. 50% of balance paid one year after start up and balance paid at end of two years after start up or earlier if all jobs created as planned.
 - e. Balance can be positive or negative. However, if a negative balance, it will be deducted against next success fee payment or immediately reimbursed at option of ODEF.
4. All formulas and definitions to be reviewed in July.

K. Expenses

1. Telephone, fax to be ODEF account.
2. Secretary to be ODEF account at temp agency.
3. Petty cash items, postage, taxis by petty cash account with advance of \$500.
4. Travel. Set up an account with the travel agent for airline tickets. All you need do is send Mary Benham a letter authorizing the charges for tickets. Hotels. MF to use her credit card and submit for reimbursement. If anticipated hotel and petty cash expenses exceed \$500, then MF may request an increase in petty cash advance.
5. Office rent and equipment. To be proposed and agreed upon in advance.
6. Expenses Report and Budget.
Budget to be submitted shortly.
Expense report to be itemized and include reference to prospect.

L. MF to investigate whether she must register with the US government as foreign agent.

M. Exclusivity

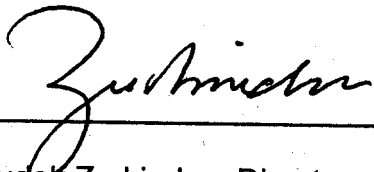
1. MF will not represent another government, at any level, either nation, region, canton or city, in the same capacity. She does presently represent other governments on legal matters which is not the same work.
2. MF is the official US representative of the Canton of Fribourg, but ODEF may use, against remuneration, other individuals or companies to be part of its lead-generating network.

N. Term

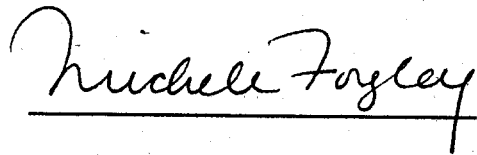
1. Probation period, term to be discussed after probation.
2. Can be terminated by either party on three months notice.
3. If termination, all success fees are to be paid even after termination on any pre or post start up company.

O. Dispute Resolution

Swiss law is applicable but the parties agree to resolve any disputes hereunder by arbitration at the International Chamber of Commerce with the place of hearing in London.



Rudolf Zurkinden, Director
Fribourg Development Agency
Canton of Fribourg
Switzerland



Michele Forzley
US Representative
Canton of Fribourg
Switzerland

Appendix A (MF's remarks)

A. You are right. I do have a fax. Once I locate a suitable office address, I will know if I need any equipment, devices etc. which will do the work of mechanical secretary. For example, although I will look for a "office", which may not be physical, I still may need some equipment. Without a doubt, I will be obtaining a new laptop to accommodate a mobile and stationary phone system, fax, etc. I anticipate a times of heavy travel for which I want to be able to have a traveling office. Exactly how this will work and what this will take for equipment, I do not know yet. I have begun to investigate locations and equipment. If it is OK with you, I would add the exact items to the proposed budget.

In the meantime, I will use everything in my existing office and expect the month of April to be when I purchase items and locate the office.

B. I am a firm believer in serendipity. Since no great effort is necessary to introduce the ODEF office to state and local officials, why not? A simple letter will do the trick and can be mail merged. These offices are in every state and have become very proactive in promotion. With 51 offices who can say who will appear and if none what is lost by trying?

My goal is to make the ODEF office widely known as part of my strategy. State offices are part of the net I plan to cast.

F., G., H. I speak of the PR agency which the federal government will work with, not a new one. I mention this only to recognize its importance to our efforts and that to the extent we can influence the US efforts of the agency selected and coordinate with them, we may gain an advantage.

The same is true of trade shows and missions. If opportunities appear, I would first discuss them with you to achieve a joint decision on whether participation will be useful.

In the Swiss American Chamber of Commerce book, I noted Swiss clubs that are business oriented. These would seem to be places as speaking opportunities which is why I mentioned them. I use the word notify because, in essence, I will be notifying them that the ODEF office is here and that I am hopeful of an interest in a program on Canton of Fribourg. I would then give a talk.

O. I prefer to select arbitration as a less formal form of dispute resolution. I have proposed the ICC as an international body with facilities in lots of countries. And lastly, I suggest London as we both have to travel to get there which may cause us to think again and settle ourselves. I hope this is OK with you.

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96 APR 18 AM 11:33
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Appendix B (ODEF's remarks)

A. ESTABLISH OFFICE LOCATION

Phone number to be obtained shortly. ODEF to pay laptop and cellular phone. Should the collaboration between ODEF and MF terminate, ODEF will remain the sole proprietor of these items.

B. DIGEST AND REVIEW ALL INFORMATION ABOUT CANTON OF FRIBOURG

Projects that we are primarily interested in because of our comparative advantages towards other countries or cantons are in the following fields:

- medical, pharmaceutical, fine chemical, medical appliances, biotechnology
- electronics, telecommunications
- headquarters, service, auxiliary activities
- R&D centers and any high value-added activity

C. PROMOTE FOREIGN INVESTMENT TO FRIBOURG CANTON

6. Do you think it is really useful to introduce ourselves to state and local offices of economic development.? Can they bring interesting contacts?

Of course, if it does not take too much time, it doesn't hurt to get known. It is up to you.

7. There might be some prospects we would like you to follow up, but no visit is necessary right now.

D. DIRECT TARGETED MARKETING

5. We expect a report of each meeting, mentioning company's background, projects and criteria + time-frame, action required, etc.

F. THEME

Theme is O.K. but a PR agency is not among our priorities at the moment. These activities will probably be done at the Federal level with the new program we mentioned to you (the governments of the six ACCES cantons have just sent a letter to the Federal Minister of Economy to tell him what they think is the best way for the federal program to act on the US market).

G. TRADE SHOWS

1. A participation in a trade show isn't either among our top priorities. It involves quite a lot of time that could be better invested in direct marketing and contacts. Of course, we do not rule out a possible participation to a specific trade show (a presence at a specific club would probably be more efficient).

2. We do not think trade missions are an appropriate way to promote industrial investment but are more destined to encourage commercial relationships and promote exports/imports.

H. PUBLIC RELATIONS

1. Same remark as for PR agency.
2. Select specific clubs and seminars; can be a good way to raise awareness and to get some contacts, but only subsidiary to direct marketing. No need to notify Swiss clubs.
3. idem 1

K. EXPENSES

4. Setting up an account with travel agent should be O.K.
It won't be possible to issue you a credit card. You will have to use your own credit card and send us the receipts.
We will also need the details of all expenses (for our own internal controlling) with the lead it is related to.
5. Our address, as you mentioned under section A, does not necessarily imply a "physical" office, or we can just be located at some trade center's, as you suggested during our meeting. Of course, things have still to be discussed and we are open to other propositions.
6. We will need a budget of all expenses, including secretarial and other costs, and an estimation of travel expenses.