

THE SCHMERTZ COMPANY

June 13, 1989

The Honorable Prince Bandar Bin Sultan
The Ambassador E. & P.
Royal Embassy of Saudi-Arabia
601 New Hampshire Avenue, N.W.
Washington, D.C. 20036

Attention: Mr. Abdul Aziz Nazir
Executive Assistant to the Ambassador

Month of June

Partial payment
King Fahd's visit - July 27

\$100,000

Total Due

\$100,000

Please Make Check Payable to The Schmertz Company

230 Park Avenue, New York, New York 10169 (212) 697-6890
FAX (212) 697-7189

INTERNATIONAL SECURITY
CENTERS
WASHINGTON, D.C.

89 JUN 29 AM 10:15

RECEIVED
U.S. DEPARTMENT OF JUSTICE
ADMINISTRATIVE

This is to summarize the arrangement under which THE SCHMERTZ COMPANY will serve the EMBASSY OF SAUDI ARABIA as public affairs counsel.

The financial arrangements will be as follows:

Charges for the services of THE SCHMERTZ COMPANY, will be made at standard hourly rates for participating officers and staff assistants as they are required to help carry out the programs and activities approved. On a monthly basis, the EMBASSY OF SAUDI ARABIA will pay THE SCHMERTZ COMPANY, a minimum of \$5,000, for services rendered under this agreement. Any staff time charges incurred in any month for the EMBASSY OF SAUDI ARABIA account will be applied against this minimum, and any staff time charges incurred above the minimum will be billed at the regular rates separately after the month in which they were incurred. Mr. Schmertz' hourly rate will be \$400. Staff assistants would be at lesser rates.

The EMBASSY OF SAUDI ARABIA will reimburse THE SCHMERTZ COMPANY for all reasonable out-of-pocket disbursements made in the performance of its duties under this arrangement.

Invoices for the monthly minimum, actual staff time and out-of-pocket expenses will be submitted monthly.

THE SCHMERTZ COMPANY will maintain accurate records of all staff time work and all out-of-pocket expenditures incurred in behalf of the EMBASSY OF SAUDI ARABIA and will be prepared to supply any supporting detail required by the EMBASSY OF SAUDI ARABIA's independent auditors. Authorization for projects and operating activities will be obtained in advance before commitments are made.

During the term of this AGREEMENT, THE SCHMERTZ COMPANY shall, to the best of THE SCHMERTZ COMPANY's ability, impart to the EMBASSY OF SAUDI ARABIA knowledge, information, ideas, suggestions and advice, as requested by the EMBASSY OF SAUDI ARABIA.

During the term of this AGREEMENT, THE SCHMERTZ COMPANY shall be available for consultation at such times and at such location or locations as the EMBASSY OF SAUDI ARABIA and THE SCHMERTZ COMPANY may from time to time agree on.

In its performance, THE SCHMERTZ COMPANY may acquire confidential information of the EMBASSY OF SAUDI ARABIA. THE SCHMERTZ COMPANY shall not disclose to anyone not employed by the EMBASSY OF SAUDI ARABIA nor use except on behalf of the EMBASSY OF SAUDI ARABIA any such confidential information acquired except as authorized by the EMBASSY OF SAUDI ARABIA in writing and, regardless of the term of this AGREEMENT, THE SCHMERTZ COMPANY shall be bound by this obligation. Information regarding all aspects of the EMBASSY OF SAUDI ARABIA either directly or indirectly acquired by THE SCHMERTZ COMPANY shall be presumed to be confidential.

THE SCHMERTZ COMPANY agrees that all tangible, as well as intangible forms of the EMBASSY OF SAUDI ARABIA confidential and proprietary information which THE SCHMERTZ COMPANY acquires pursuant to this AGREEMENT (i) shall be safeguarded by THE SCHMERTZ COMPANY with the same degree of control and care as a reasonably prudent person would exercise with respect to his or her own similar property under similar circumstances and (ii) shall be returned by THE SCHMERTZ COMPANY to The EMBASSY OF SAUDI ARABIA immediately upon request.

RECEIVED
DEPT. OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
MAY 17 1968

This AGREEMENT contains the entire agreement between the parties hereto. No representations, warranties or inducements have been made, orally or in writing, by either party hereto except those which are expressly set forth herein.

This agreement is to extend from May 1, 1989 to April 30, 1990 with an automatic renewal thereafter unless either party gives 60 days' advance notice of its desire to terminate or modify the agreement.

The Schmertz Company

Mark Schmertz

Date June 6, 1989

Accepted by:

~~The Embassy of Saudi Arabia~~

[Signature]

6th June 1989

Date