



Communications for Wall Street, Main Street and K Street™

November 14, 2001

HRH Prince Bandar bin Sultan
Ambassador
Royal Embassy of Saudi Arabia
601 New Hampshire Ave, NW
Washington, D.C. 20037

Your Royal Highness:

We are delighted to represent The Kingdom of Saudi Arabia as your public relations agency. In this letter we describe the terms of our arrangement with you. "We," "us," and "our" refer to *QORVIS Communications, LLC*, and "you" and "yours" refer to The Kingdom of Saudi Arabia. For ease of reference, we have numbered the remaining paragraphs.

1. As your counsel, we will develop the "Short-term Program" with the objective of executing a government relations program as directed by you for the period November 15, 2001 through December 15, 2001 and January 15, 2002 through February 15, 2002, and as outlined in the attached Addendum A.
2. We will also develop the "Long-term Program" with the objective of executing a public relations program as directed by you, and as outlined in the attached Addendum B.
3. For our services to you, we will be entitled to bill you and you agree to pay amounts determined as follows:
 - a) For the "Short-term Program" we will bill you \$200,000 due November 15, 2001. Qorvis will contract directly with the selected firms to perform this program as outlined in Addendum A.
 - b) A monthly retainer for public relations and public affairs in the amount of two hundred thousand dollars (\$200,000.00) to be paid quarterly in advance the fifteenth day of each quarter. The invoice for the first quarter, beginning November 15, 2001, is attached.
 - c) Any extraordinary out of pocket expenses will be billed in arrears, but only upon your approval. All costs for travel, communications, and other incidental costs will not be billed. The monthly retainer is a not to exceed amount and Qorvis will provide quarterly statements of all incurred expenses.
 - d) All costs and fees for research, opinion polling, and focus groups will be billed separately, upon your approval of project estimates prepared by us. Payment will be due at the end of each quarter.

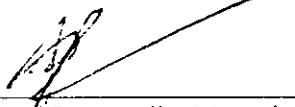


- e) All costs and fees for advertising and other paid media will be billed separately, upon your approval of project estimates prepared by us. All media costs must be paid in advance prior to placement and will include the standard agency fee of 15%. All advertising expenditures will be reconciled monthly for your review. Qorvis will absorb the creative costs of the print advertising; with the exception of the photography and/or stock photography costs and production costs, which will be billed at cost to you.
 - f) The overall program budget for the "Short-term Program" and the "Long-term Program" is attached as Addendum C. These figures represent a not to exceed budget and Qorvis will provide detailed statements of incurred expenses at the end of each quarter.
4. This agreement begins November 15, 2001, and extends for one year, unless terminated earlier. It may be terminated sixty-days after either of us gives written notice of termination to the other party. You remain liable for all fees and expenses accumulated through the date of termination.
 5. Qorvis will handle its relationship with the Kingdom of Saudi Arabia in the most confidential manner.
 6. During the contract period, Qorvis will inform the Kingdom of Saudi Arabia of any foreign clients that approach Qorvis for representation. For a period of two years after the termination of this Agreement, Qorvis will not accept any engagement with any client that would be deemed adverse to the interests of The Kingdom of Saudi Arabia.

We are very enthusiastic about this new assignment and confident forward to working with you.

Sincerely,

By: *QORVIS Communications LLC*



Michael Petruzzello, Managing Partner

11/14/01

Date

By: The Kingdom of Saudi Arabia

Date: _____



Communications for Wall Street, Main Street and K Street™

INVOICE

November 14, 2001

The Royal Embassy of Saudi Arabia

The "Short-term Program" – Government Affairs	\$200,000.00
First Quarter of the Public Affairs Program	\$600,000.00
Planning and Research	\$100,000.00
TOTAL DUE	\$900,000.00

Qorvis will provide detailed expense statements at the end of each quarter

ADDENDUM A

Government Relations

The Problem: According to our study that has been conducted this week, the negative media coverage and the proliferation of myths and misunderstandings about The Kingdom of Saudi Arabia has begun to take a toll on the level of favorability and support The Kingdom has among Members of Congress and staff.

Among Washington insiders, favorability toward Saudi Arabia has declined significantly compared to previous statistics.

The Solution: In order to turn this situation around, we need to reach out to Members of Congress and staff leadership to better educate them about Saudi Arabia, the status of US/Saudi relations, and The Kingdom's support for and role in the international coalition.

To execute this plan, we have assembled a team of government relations experts who can assist in the education and outreach to Capitol Hill. This team would include one large firm, Patton Boggs, and several boutique firms which can provide specialized support.

The plan is to begin the program on November 15 and conclude February 15, 2002.

Research will also be conducted to confirm the success of the program.

Following are the firms will be retained for the three month period:

Patton Boggs

Qorvis Communications
Gallagher Group

The total cost of the "Short-term Program" is \$200,000.00

Action Plan

- | | | |
|-----|---|----------------------|
| 1. | Development of outreach strategy/contact lists | November 15 |
| 2. | Preparation of lobbying materials and information | December 1 |
| 3. | Organizational meeting with lobbying team | December 1 |
| 4. | Coordination of assignments | December 1 |
| 5. | Schedule of meetings/activities during recess | December 1 |
| 6. | Schedule of meetings/activities post-recess | January 15 |
| 7. | Preparation of regular intelligence reports | Weekly/Starting Dec1 |
| 8. | Development of list of action items, that is, specific actions we want Members to take to underscore our messages. This could include Floor statements, letters to the President, and op-eds. | December 1 |
| 9. | Schedule list of Washington events, such a panels, press briefings and conferences. | December 10 |
| 10. | Development of an "Inside the Beltway" advertising campaign | December 1 |
| 11. | Implement a "Message of the Week" campaign to further educate Members of Congress and staff. | December 1 |
| 12. | Organize a rapid response team to address leaks and misinformation. | November 15 |
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ADDENDUM B

Media and Grassroots Efforts

We have made significant progress over the past several weeks in communicating with US media and policy makers in order to reinforce the messages of cooperation and support for the international coalition. However, there is still much work to be done. Misinformation and negative press continue to emerge and the Washington insider research clearly demonstrates a lack of understanding among many Congressional leaders.

Immediate Next Steps:

1. Broaden reach of media campaign outside of Washington in order to reach average Americans.
2. Build allies in key states and congressional districts.
3. Mobilize and coordinate efforts of friendly organizations such as National Council on US/Arab Relations, AAI and the Middle East Institute.
4. Mobilize support of business and academic communities.
5. Broaden media outreach to include 2nd and 3rd Tier media.

Timeline

Once approved, the recommendations outlined above can be implemented over the next eight to twelve weeks. We look forward to working with you on this important issue.

Overall planning and timeline development for targeted media markets. To include targets, tactics and levels of implementation, timeline, and budget.	December 1
Complete research for long-term campaign.	January 15
Message development summit.	December 15
Finalization of messages	January 1
Identification and training of spokesperson.	January 15
Drafting of materials.	January 1
Begin search for speaking events	January 1
Development of events for opinion makers.	January 15
Buildout to recruit local education interests, mayors, local officials. (Political Family)	Begin January 15, complete March 1
Website decisions.	February 1
Begin education and mobilization of Saudi leaders.	January 15
Production of needed materials including talking points, press kits, research papers, website(s).	December 15 – January 15
Meetings with reporters, editorial boards using local opinion leaders.	November 15
Command Post development outreach and activation.	November 15 – December 15

ADDENDUM C

Budget Estimates

Below are the program budgets for both the short-term and long-term efforts. The figures in the short-term program are fixed. The figures for the long-term program are estimates which are presented as not-to-exceed budgets.

At the end of each quarter, Qorvis will prepare statements and billing detail for each budget line item.

The short-term program will be paid in advance. The long-term program will be paid in advance each quarter, beginning November 15, 2001. In addition, the \$100,000 in planning and research will be paid in advance.

Figures do not include advertising.

Short-term budget (November 15, 2001 – February 15, 2002)

Government Relations

I.	Patton Boggs	\$ 100,000
III.	Qorvis Communications	\$ 40,000
IV.	Gallagher Group	<u>\$ 20,000</u>
		<u>\$ 200,000</u>

Long-term Budget (November 15, 2001 – November 15, 2002)

I.	Execution	\$ 2,400,000
II.	Planning and Research	\$ 100,000
III.	Audit of 8-10 organizations	\$ 50,000
IV.	Ongoing Research and Measurement	\$ 200,000
V.	Conferences, academic papers, and panel Discussions, and think tanks	<u>\$ 250,000</u>
		<u>\$ 3,000,000</u>

Amounts due November 15

I.	\$200,000 for short term effort
II.	\$600,000 for long term effort
III.	\$100,000 for research and planning
Total:	\$900,000

Amounts due February 15, 2002

IV.	\$600,000 for long term effort
V.	\$50,000 for organizational audit

Total: \$650,000

Amounts due May 15, 2002

VI. \$600,000 for long term effort

Amounts due August 15, 2002

VII. \$600,000 for long term effort

Payments for research and polling, academic conferences, panel discussions and papers will be billed quarterly starting February 15, as per the above budget estimates.

Registrable Activities For The Period From November 2001 Through March 2002

A. Activities Conducted by Registrant On Behalf Of The Royal Embassy of Saudi Arabia:

In general, Registrant provided communication and educational services to the Royal Embassy of Saudi Arabia in order to increase awareness in the United States of Saudi Arabia and of the Kingdom's commitment to the war against terrorism and to peace in the Middle East. The following is a list of specific services provided by the Registrant:

- Registrant facilitates and coordinates media and press activity for officials of Saudi Arabia.
- Registrant drafts and/or distributes, by mail, email, fax and other means, talking points, press releases, fact sheets, and op-ed pieces in order to promote the Kingdom, its commitment to the war against terrorism, peace in the Middle East, and other issues pertinent to the Kingdom.
- Registrant conducts research and prepares and distributes informational and educational materials relating to the most frequent topics of discussion on Saudi Arabia and U.S.-Saudi Relations.
- Registrant assists in preparing talking points and drafting speeches for representatives of the Embassy.
- Registrant conducts opinion surveys and collects and reviews polling data regarding Saudi Arabia.
- Registrant arranges media appearances by individuals from Saudi Arabia, a list of which is set forth in the following chart.
- Registrant assists in the preparation of radio, print and television advertisements to promote U.S.-Saudi relations and to increase the awareness in the United States of the Kingdom's commitment to the war against terrorism and to peace in the Middle East.
- Registrant distributes, by mail, email, fax and other means, transcripts of media appearances and news articles that are favorable to Saudi Arabia.
- Registrant assists in the preparation or distribution of letters on behalf of Saudi Arabia and its citizens to members of Congress or Executive Branch officials on various issues.
- Registrant assists in local outreach and public education programs relating to issues affecting the U.S.-Saudi relationship.
- Registrant conducted media training, during the week of January 20, 2002, to prepare individuals from Saudi Arabia attending the Davos conference and post-conference outreach program.
- Registrant assists in local outreach and public education programs relating to issues affecting the U.S.-Saudi relationship. Events during this reporting period took place in the following locations: 1) Houston, St. Louis and Washington, D.C., during the week of February 10, 2002; 2) Raleigh, Jackson and Atlanta, during the week of March 3, 2002; and 3) Los Angeles, during the week of March 24, 2002.
- Registrant assisted in coordinating logistics and interviews for the Barbara Walters / 20/20 crew, who traveled to Saudi Arabia during the week of March 17, 2002

Registrable Activities For The Period From November 2001 Through March 2002

B. Contacts By Registrant With U.S. Media Representatives On Behalf of The Royal Embassy of Saudi Arabia:

DATE Week commencing	FOREIGN PRINCIPAL INTERVIEWED	NETWORK	PRINCIPAL SUBJECT OF INTERVIEW
November 28, 2001	Adel Al-Jubeir	<ul style="list-style-type: none"> • NPR "All Things Considered" • Radio America "BQ View" 	Middle East Issues Middle East Issues
November 29, 2001	Adel Al-Jubeir	<ul style="list-style-type: none"> • Bloomberg News 	Middle East Issues
November 30, 2001	Adel Al-Jubeir	<ul style="list-style-type: none"> • Talk Radio News Services "Good Day USA" 	Middle East Issues
December 2, 2001	Adel Al-Jubeir	<ul style="list-style-type: none"> • WABC (NY) "The Steve Malzberg Show" 	Middle East Issues
December 16, 2001	Adel Al-Jubeir	<ul style="list-style-type: none"> • CNBC Hardball with Chris Matthews • CNN with Wolf Blitzer, Judy Woodruff, Andrea Koppel and Kate Snow • CNN Headline News with Chuck Roberts • CNN International with Colleen McEdwards • NBC Nightly News with Andrea Mitchell • ABC World News Tonight with John Miller • MSNBC with Brian Williams • Fox News with Rita Cosby and Geraldo Rivera • The New York Times with Elaine Sciolino • The Washington Post with Bob Kaiser and David Ottaway and an Editorial Board Meeting • Boston Globe with Anthony Shadid and David Shribman • Chicago Tribune with Howard Witt and Clarence Page • The Washington Times with David Sands • National Public Radio with Vikki O'Hara • Radio America Network with Blanquita Cullum • Tom Marr Show with Tom Marr • Scripps-Howard News Service with Jay Ambrose and Dale McFeathers • Robert Novak, Syndicated Columnist 	Middle East Issues
December 23, 2001	Adel Al-Jubeir	<ul style="list-style-type: none"> • Fox News with Rita Cosby • CNN with Judy Woodruff • Radio America Network with Blanquita Cullum • The New York Times with Elain Sciolino • National Public Radio with Vikki O'Hara • CNN International with Colleen McEdwards • CNN Headline News with Chuck Roberts • WCBM Radio with Tom Marr • The Washington Post with the Editorial Board 	Middle East Issues
February 3, 2002	Prince Turki Al-Faisal	<ul style="list-style-type: none"> • CNN with Paula Zahn • Fox News with Tony Snow 	Middle East Issues
February 24, 2002	Adel Al-Jubeir	<ul style="list-style-type: none"> • ABC Nightline with Ted Koppel • FOX News Sunday with Tony Snow • CNN Sunday with Catherine Calloway • Satellite Media Tour 	Middle East Issues
March 3, 2002	Adel Al-Jubeir	<ul style="list-style-type: none"> • CBS Interview with local affiliate WRAL • Atlanta Journal Constitution with Editorial Board • CNN International with Jim Clancy • CNN with Wolf Blitzer 	Middle East Issues

Registrable Activities For The Period From November 2001 Through March 2002

		<ul style="list-style-type: none"> • ABC World News Tonight with Martha Raddatz • CNN Senior Executives 	
March 17, 2002	Adel Al-Jubeir	<ul style="list-style-type: none"> • NBC Nightly News with Andrea Mitchell • ABC Nightline with Chris Bury • CNN with Wolf Blitzer • FOX News with O'Reilly Factor • FOX News with Teri Schultz • PBS Newshour with Jim Lehrer • PBS Charlie Rose Show 	Middle East Issues
March 31, 2002	Adel Al-Jubeir	<ul style="list-style-type: none"> • CNN Live Today • ABC This Week • FOX News Channel Fox Report • FOX News Channel Hannity & Colmes • PBS Charlie Rose Show 	Middle East Issues

C. Contacts By Registrant With U.S. Government Officials On Behalf of The Royal Embassy of Saudi Arabia:

DATE	GOVERNMENT OFFICIALS	PARTICIPANTS FROM REGISTRANT, OR FOREIGN PRINCIPAL (if any)	PURPOSE OF MEETING
December 23, 2001	Karl Rove	Michael Petruzzello/Adel Al-Jubeir	U.S.-Saudi relations
December 23, 2001	Karen Hughes	Michael Petruzzello/Adel Al-Jubeir	U.S.-Saudi relations

Receipts-Monies

Date	Received From	Total	Breakdown of Payment	Purpose
11/19/01	Embassy of Saudi Arabia	131,435.39	68,000.00 49,500.00 13,935.39	Public Affairs Research Reimbursable Expenses
11/19/01	Embassy of Saudi Arabia	900,000.00	600,000.00 200,000.00 100,000.00	Public Affairs (11/15/01 - 02/14/02) Lobbying (11/15/01 - 02/14/02) Planning & Research
11/27/01	Embassy of Saudi Arabia	1,554,239.00	1,554,239.00	Payment for Radio, Television and Print ads (payments made by Qorvis for creation of ads and purchase of media space)
12/27/01	Embassy of Saudi Arabia	1,362,839.00	1,362,839.00	Payment for Radio, Television and Print ads (payments made by Qorvis for creation of ads and purchase of media space)
03/07/02	Embassy of Saudi Arabia	1,050,000.00	600,000.00 160,000.00 290,000.00	Public Affairs (02/16/02 - 05/15/02) Government Relations (02/16/02 - 05/15/02) Research
	Total	4,998,513.39		

Disbursements - Monies

	<u>service provided</u>	<u>date</u>	<u>amount</u>
Media (TV & Radio) & Production			
Pyramid National Pressport			
Pyramid National Pressport	Television and Radio ads	1/10/02	4,883.63
Pyramid National Pressport	Television and Radio ads	2/19/02	2,500.00
Pyramid National Pressport	Television and Radio ads	3/1/02	184.49
Pyramid National Pressport	Television and Radio ads	3/1/02	2,118.66
Sandler - Innocenzi			
Sandler - Innocenzi	Television and Radio ads	11/27/01	1,223,484.00
Sandler - Innocenzi	Television and Radio ads	12/4/01	90,383.00
Sandler - Innocenzi	Television and Radio ads	1/2/02	1,155,557.00
Sekani			
Sekani	Television and Radio ads	3/1/02	1,950.00
Whitmore, David W.			
Whitmore, David W.	11/27/01 exp rpt/Stock Photo	11/27/01	10,700.00
Yoni Brook			
Yoni Brook	ad insertions	11/19/01	10,000.00
Yoni Brook	supplemental usage	2/20/02	4,387.50
Misc. Media Production Costs			
Freelance creative team	Art directors, graphic artists, copywriters	various	53,908.31
Legal Services for the Saudi Embassy			
Patton Boggs, LLP			
Patton Boggs, LLP		2/1/02	35,000.00
Patton Boggs, LLP		12/12/01	30,000.00
Government Relations Services for the Saudi Embassy			
Gallagher Group			
Gallagher Group		12/11/01	20,000.00
Gallagher Group		3/7/02	40,000.00
Office & General Expenses			
AAA Courier	Delivery	2/1/02	77.50
AAA Courier	Delivery	3/15/02	19.50
Aluisi, Toni	Misc. supplies	1/29/02	373.26
Brendan Marr	Misc. supplies	3/26/02	297.21
DeCarlo Studios	Freelance creative team	12/7/01	52.25

Disbursements - Monies

	<u>service provided</u>	<u>date</u>	<u>amount</u>
FedEx	Delivery	1/15/02	94.75
Fusilier, VeTalle	Misc. supplies	12/1/01	8.42
Laser Courier	Delivery	various	460.95
Moran, Christy	Misc. supplies	3/7/02	59.46
MSInteractive	Misc. supplies	11/1/01	401.38
Oxford Sedan Service (O.E.S.)	Sedan Service	various	16,277.45
Smith, Judy	Misc. supplies	1/31/02	319.91
Soghier, Shereen	color prints	1/2/02	78.77
Soghier, Shereen	cell phone	1/29/02	141.98
Soghier, Shereen	local transportation travel to Embassy	2/18/02	256.40
Steve Shur	color prints	1/10/02	33.21
Steve Shur	Surge protector and prints	2/11/02	258.98
Steve Shur	Ernie Jones seminar	3/12/02	1,315.23
Steve Shur	Misc. supplies	3/12/02	40.76
Steve Shur	Misc. supplies	3/12/02	25.01
Steve Shur	Misc. supplies	3/12/02	281.24
Steve Shur	Misc. supplies	3/12/02	62.23
Steve Shur	Misc. supplies	3/12/02	5.29
Steve Shur	Misc. supplies	3/26/02	698.41
Washington Express	Delivery	2/15/02	149.00
Washington Express	Delivery	2/28/02	70.10
Whitmore, David W.	Misc. supplies	1/17/02	865.37
Whitmore, David W.	Misc. supplies	2/22/02	42.19
Xpedite	Fax service	1/1/02	641.67
			23,407.88
Service Bureaus:			
Luce Press Clippings			
	Luce Press Clippings	various	9,892.14
PR Newswire			
	PR Newswire	various	24,102.65
Video Monitoring Services of America, LP			
	Video Monitoring Services of America, LP	various	14,480.63
Local Outreach/Public Education Programs			
	Freelance writers, event planners and outreach coordinators	various	110,593.95
	Barber Group Enterprises Inc.	12/31/01	3,500.00

V - INFORMATIONAL MATERIALS

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials¹²?
Yes No

IF YES, RESPOND TO THE REMAINING ITEMS IN SECTION V.

17. Identify each such foreign principal.

Royal Embassy of Saudi Arabia

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes No

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:

- | | | | |
|--|--|---|--|
| <input checked="" type="checkbox"/> Radio or TV broadcasts | <input checked="" type="checkbox"/> Magazine or newspaper articles | <input type="checkbox"/> Motion picture films | <input checked="" type="checkbox"/> Letters or telegrams |
| <input checked="" type="checkbox"/> Advertising campaigns | <input checked="" type="checkbox"/> Press releases | <input checked="" type="checkbox"/> Pamphlets or other publications | <input checked="" type="checkbox"/> Lectures or speeches |
| <input type="checkbox"/> Other (specify) _____ | | | |

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:

- | | | |
|---|--|--|
| <input checked="" type="checkbox"/> Public Officials | <input checked="" type="checkbox"/> Newspapers | <input type="checkbox"/> Libraries |
| <input checked="" type="checkbox"/> Legislators | <input checked="" type="checkbox"/> Editors | <input checked="" type="checkbox"/> Educational institutions |
| <input checked="" type="checkbox"/> Government agencies | <input checked="" type="checkbox"/> Civic groups or associations | <input checked="" type="checkbox"/> Nationality groups |
| <input type="checkbox"/> Other (specify) _____ | | |

21. What language was used in the informational materials:

- English Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes No
Informational materials are included with this amendment.

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act? Yes No

During this reporting period, Registrant was unaware that such informational materials needed Section 4(b) disclosure language.

12 The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.