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AGREEMENT

This Agreement is made the 22<sup>nd</sup> of the month of April 2004 between the Government of the Republic of Cyprus duly represented by H.E. Euripides L. Evriviades Ambassador of the Republic of Cyprus (hereinafter referred to as "Cyprus") on the one part and Covington & Burling of 1201 Pennsylvania Avenue NW Washington DC 20004-2401 U.S.A. (hereinafter referred to as "the Firm") on the other part.

WHEREAS

Cyprus desires to engage the services of the Firm as set out in their proposals dated January 4, 2004, March 18, 2004 and March 25, 2004 respectively.

IT IS HEREBY AGREED AS FOLLOWS:

1. The Firm undertakes to represent Cyprus in the United States of America and to provide Cyprus with advice, counseling and active support, regarding relations with the Government of the United States of America and Media issues according to the Firm's proposals dated January 4, 2004, March 18, 2004, and March 25, 2004, in consideration of the remuneration referred to herein below.
2. (a) The Firm is obliged to and shall retain Prism Public Affairs and the Federalist Group to assist with aspects of the representation of Cyprus in the U.S.A. regarding the executive branch (i.e. White House, National Security Council, Department of State, Pentagon, Treasury etc) , Congress (both the Senate and the House of Representatives), think tanks, and the Media.
- (b) The Firm shall be responsible to pay all fees and expenses associated with the work of Prism Public Affairs and the Federalist Group and shall not charge Cyprus with any of those fees and expenses except with any interstate or international traveling expenses requested in advance and approved by Cyprus which shall be paid by Cyprus.
- (c) The Firm undertakes that the following individuals shall be principally responsible for this representation: At the Firm, Stuart E. Eizenstat, Peter Flanagan, Marty Gold and David Marchick; at Prism Public Affairs, Dale Leibach, Rex Granum, and Ashley Vanarsdall; and at the Federalist Group, Wayne Berman. In the event of the withdrawal or incapacity of any of the above, to work on the Cyprus account, the Firm, Prism Public Affairs, and the Federalist Group shall ensure that the matter is staffed with personnel of appropriate capabilities and expertise.
- (d) The Firm is obliged to and shall provide Cyprus with weekly written reports detailing its activities pursuant to this Agreement and the activities of Prism

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Public Affairs and the Federalist Group.

3. (a) In consideration of the abovementioned services of the Firm, Cyprus shall pay the Firm with a retainer for the total amount of eight hundred and ten thousand United States dollars (US\$ 810,000) which includes legal fees and expenses such as long distance telephone, facsimile, telex, messenger, courier and other communications costs, document reproduction, and retrieval costs, computer research facilities, document preparation services, and incidental transportation etc.

(b) Cyprus undertakes to pay the abovementioned retainer amount in twelve (12) equal monthly installments of sixty seven thousand and five hundred United States dollars (US\$ 67,500) each payable on the first day of each month with seven (7) working days grace.

(c) (i) In addition to the above retainer amount, Cyprus shall reimburse the Firm (as well as Prism Public Affairs and the Federalist Group) for any international and/or interstate traveling expenses (including food, accommodation and/or any other expenses necessarily incurred during traveling) not exceeding the total amount of twenty thousand United States dollars (US\$20,000) for each year, provided that those expenses have been incurred at the written request of Cyprus and approved in advance by Cyprus, and provided further that the Firm (as well as Prism Public Affairs and the Federalist Group) will not be asked or required to incur aggregate travel expenses in excess of twenty thousand United States dollars (US\$20,000) in any year.

(ii) Traveling expenses, as requested in writing and approved in advance by Cyprus, shall be billed (with the necessary documentary proof), due and payable when incurred and upon completion of the legally required accounting and auditing procedures of Cyprus.

4. (a) The Firm undertakes the obligation and commitment to maintain the confidentiality of and not to reveal any information received and/or documents, received and/or prepared and/or involved in the course of providing the aforesaid services as well as communications, including electronic correspondence, between Cyprus and the Firm including the terms of this Agreement, in accordance with the Rules of the District of Columbia Bar Association.

(b) At the termination of this Agreement, at the request of Cyprus, the Firm undertakes the obligation to return to Cyprus all non-public documents received and/or prepared and/or involved in the course of providing the aforesaid services, not later than fifteen (15) working days from the request. The firm is not to retain any copies.

(c) The obligation and commitment of the Firm for confidentiality shall continue to exist after the termination of this Agreement.

5. This Agreement shall be in force from April 22, 2004 through and until April 21, 2005. Thereafter this Agreement may be extended on an annual basis or otherwise at the agreement of Cyprus and the Firm.

6. (a) This Agreement may be terminated without cause by either party, provided that a sixty (60) days prior written notice is given to the other party at the following address:

i) Address of the Firm: 1201 Pennsylvania Avenue NW Washington DC 20004-2401 U.S.A

ii) Address of Cyprus: 2211 R. Street NW, Washington DC 20008 - 4082

(b) If any of the parties commits a breach of any of the terms of this Agreement, then the innocent party shall have the right to terminate this Agreement by written notice to the party in breach at the address mentioned in paragraph 6(a) of this Agreement.

(c) In the event of termination of this Agreement with or without cause, any obligation for payment incurred prior to such termination shall be due and payable upon the date of termination.

7. The Firm shall not have the right to assign the rights and obligations or any of them, derived out of this Agreement, to any other person or firm.

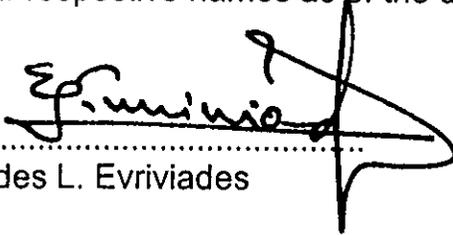
8. Subject to the provisions of paragraphs 4(a) and 9(a) of this Agreement, the rights and obligations of the parties to this Agreement, shall be interpreted according to the laws of the Republic of Cyprus.

9. (a) In case a dispute or disagreement of any kind arises between Cyprus and the Firm in connection with or arising out of this Agreement, or a breach thereof, the Parties agree first to attempt in good faith to settle such dispute or disagreement or breach by mediation administered by the American Arbitration Association under its Commercial Mediation Rules before referring the matter to arbitration.

(b) In case the parties fail to resolve the dispute or disagreement or breach by mediation within thirty (30) days, then the matter shall be referred to arbitration in accordance with the relevant Arbitration Law of the Republic of Cyprus.

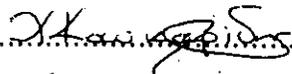
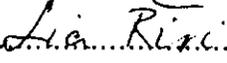
10. All terms are of the essence of this Agreement.

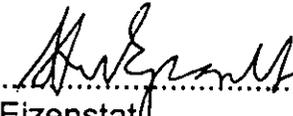
IN WITNESS WHEREOF the parties hereto have caused this Agreement to be signed in their respective names as of the day and year first above written.

sgd   
Euripides L. Evriviades

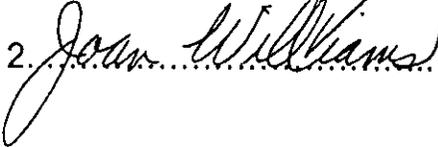
Ambassador of the Republic of Cyprus for and on behalf of the  
Government of the Republic of Cyprus

In the presence of

1. .....
2. .....

sgd   
Stuart Eizenstat  
for and on behalf of Covington & Burling

In the presence of

1. .....
2. .....