

U.S. Department of Justice

Washington, DC 20530

Exhibit B to Registration Statement**Pursuant to the Foreign Agents Registration Act of 1938, as amended**

INSTRUCTIONS. A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements, or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. Compliance is accomplished by filing an electronic Exhibit B form at <http://www.fara.gov>.

Privacy Act Statement. The filing of this document is required for the Foreign Agents Registration Act of 1938, as amended, 22 U.S.C. § 611 *et seq.*, for the purposes of registration under the Act and public disclosure. Provision of the information requested is mandatory, and failure to provide the information is subject to the penalty and enforcement provisions established in Section 8 of the Act. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, copy of informational materials or other document or information filed with the Attorney General under this Act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, DC. Statements are also available online at the Registration Unit's webpage: <http://www.fara.gov>. One copy of every such document, other than informational materials, is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of any and all documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. The Attorney General also transmits a semi-annual report to Congress on the administration of the Act which lists the names of all agents registered under the Act and the foreign principals they represent. This report is available to the public in print and online at: <http://www.fara.gov>.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .33 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Counterespionage Section, National Security Division, U.S. Department of Justice, Washington, DC 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503.

1. Name of Registrant Chlopak, Leonard, Schechter & Associates	2. Registration No. 5774
3. Name of Foreign Principal Republic of Kenya	

Check Appropriate Box:

4. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach a copy of the contract to this exhibit.
5. There is no formal written contract between the registrant and the foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach a copy of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
6. The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and expenses, if any, to be received.
7. Describe fully the nature and method of performance of the above indicated agreement or understanding.

This is a continuation of a pre-existing program with the Republic of Kenya. The nature of the performance of the above indicated contract remains as it was previously -- advice and management of a strategic public relations and communications plan. The method of performance will be through the preparation of information in written and other media forms. The information will be disseminated in face-to-face meetings, speeches, media interviews and other related forms.

8. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

CLS will provide counsel and assistance to the Kenya Government. This shall include but not be limited to strategic planning, message development, research, media outreach, policymaker and influencer outreach, development of materials, organization of events, and cultivation of third parties.

9. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act and in the footnote below? Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

See above.

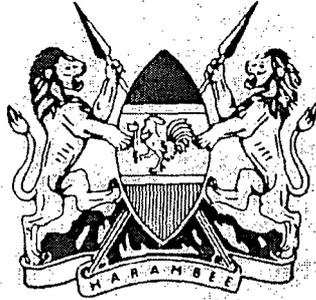
EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swears or affirms under penalty of perjury that he/she has read the information set forth in this Exhibit B to the registration statement and that he/she is familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her knowledge and belief.

Date of Exhibit B	Name and Title	Signature
August 15, 2011	Shannon Hunt, Partner	/s/ Shannon T. Hunt eSigned

Footnote: Political activity as defined in Section 1(o) of the Act means any activity which the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

REPUBLIC OF KENYA



CONTRACT AGREEMENT FOR PUBLIC POLICY ADVOCACY AND COMMUNICATIONS FOR GOVERNMENT OF KENYA IN USA

This Agreement (hereinafter called the "Contract") is made the 1st day of the month of JULY [month], of year 2011, between the **Government of the Republic of Kenya represented by the Permanent Secretary, Secretary to Cabinet and Head of Public Service in the Office of the President, P.O. Box 62345-00200 Nairobi** of [or whose registered office is situated at Harambee House, Harambee Avenue Nairobi (hereinafter called the "Client")] of the one part and **Chlopak, Leonard, Schechter and Associates, 1850 M Street, NW Suite 800, Washington, DC 20036** of the other part.

WHEREAS

- (a) the Client has requested the Consultant to provide certain consulting services as defined in the General Conditions of Contract attached to this Contract (hereinafter called the "Services");
- (b) the Consultant, having presented to the Client that it has the required professional skills and personnel and technical resources, have agreed to provide the Services on the terms and conditions set forth in this Contract;

NOW THEREFORE the Parties hereto hereby agree as follows:

1. The following documents attached hereto shall be deemed to form an integral part of this Contract:

- (a) The General Conditions of Contract;
- (b) The following Appendices:
 - Appendix A: Terms of reference
 - Appendix B: Description of the services
 - Appendix C: Reporting Requirements
 - Appendix D: Key Personnel and sub-Consultants

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Appendix E: Services and Facilities Provided by the Client.

2. The mutual rights and obligations of the Client and the Consultants shall be as set forth in the Contract; in particular:
- (a) The Consultant shall carry out the Services in accordance with the provisions of the Contract; and
 - (b) The Client shall make payments to the Consultant in accordance with the provisions of the Contract.

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

For, and on behalf, of the Government of Kenya.

Mr. Samuel M. Mwale, CBS, PRINCIPAL ADMINISTRATIVE SECRETARY & ASSISTANT SECRETARY TO THE CABINET

[Signature] *S. M. Mwale*

[Date] 19/7/2011

WITNESSED BY: *[Signature]*

For and on behalf of Chlopak Leonard Schechter & Associates

Mr. Robert A. Chlopak, Chief Executive Officer

[signature] *Robert A. Chlopak*

[date] 7/29/11

WITNESSED BY: *Ann M. Kennedy*

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II. GENERAL CONDITIONS OF CONTRACT

1. GENERAL PROVISIONS

1.1 Definition

Unless the context otherwise requires, the Following terms whenever used in this Contract shall have the following meanings:

- (a) "Applicable Law" means the laws and any other instruments having the force of law in the Republic of Kenya as they may be issued and in force from time to time;
- (b) "Contract" means the Contract signed by the Parties, to which these General Conditions of Contract (GC) are attached together with all the documents listed in Clause 1 of such signed Contract;
- (c) "Contract Price" means the price to be paid for the performance of the Services in accordance with Clause 6 here below;
- (d) "Foreign Currency" means any currency other than the Kenya Shilling;
- (e) "GC" means these General Conditions of Contract;
- (f) "Government" means the Government of the Republic of Kenya;
- (g) "Local Currency" means the Kenya Shilling;
- (h) "Member", in case the Consultant consists of a joint venture of more than one entity, means any of these entities; "Members" means all these entities, and "Member in Charge" means the entity specified in the SC to act on their behalf in exercising all the Consultant's rights and obligations towards the Client under this Contract;
- (i) "Party" means the Client or the Consultant, as the case may be and "Parties" means both of them;
- (i) "Personnel" means persons hired by the Consultant or by any Sub-consultant as employees and assigned to the performance of the Services or any part thereof;

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(k) "SC" means the Special Conditions of Contract by which the GC may be amended or supplemented;

(l) "Services" means the work to be performed by the Consultant pursuant to this Contract, as described in Appendix B; and

(m) "Sub consultant" means any entity to which the Consultant subcontracts any part of the Services in accordance with the provisions of Clauses 3 and 4.

1.2 Law Governing the Contract This Contract, its meaning and interpretation and the relationship between the Parties shall be governed by the Laws of Kenya.

1.3 Language This Contract has been executed in English language which shall be the binding and controlling language for all matters relating to the meaning or interpretation of this Contract.

1.4 Notices Any notice, request, or consent made pursuant to this Contract shall be in writing and shall be deemed to have been made when delivered in person to an authorized representative of the Party to whom the communication is addressed or when sent by email, registered mail, or facsimile to such Party at the address specified in the SC.

1.5 Location The Services shall be performed at such locations as are specified in Appendix A and, where the location of a particular task is not so specified, at such locations, whether in the Republic of Kenya or elsewhere, as the Client may approve.

1.6 Authorized Representatives Any action required or permitted to be taken and any document required or permitted to be executed under this Contract by the Client or the Consultant may be taken or executed by the officials specified in the SC.

1.7 Taxes and Duties The Consultant, Sub-consultant [s] and their personnel shall pay such taxes, duties, fees and other impositions as may be levied under the Laws of Kenya, the amount of which is deemed to have been included in the Contract Price.

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2. COMMENCEMENT, COMPLETION, MODIFICATION AND TERMINATION OF CONTRACT

2.1 Effectiveness of Contract This Contract shall come into effect on the date the Contract is signed by both Parties or such other later date as may be stated in the SC.

2.2 Commencement of Services The Consultant shall begin carrying out the Services immediately after the date the Contract becomes effective or at such other date as may be specified in the SC.

2.3 Expiration of Contract Unless terminated earlier pursuant to Clause 2.6, this Contract shall terminate at the end of such time period, after the Effective Date, as is specified in the SC.

2.4 Modification Modification of the terms and Conditions of this Contract, including any modification of the scope of the Services or the Contract Price, may only be made by written agreement between the Parties and will be effected according to regulation 31 of the Public Procurement and Disposal Regulation, 2006

2.5 Force Majeure

2.5.1 Definition For the purposes of this Contract, "Force Majeure" means an event is beyond the reasonable control of a Party and which makes a Party's performance of its obligations under the Contract impossible or so impractical as to be considered impossible under the circumstances.

2.5.2 No Breach of Contract The failure of a Party to fulfill any of its obligations under the Contract shall not be considered to be a breach of, or default under, this Contract insofar as such inability arises from an event of Force Majeure, provided that the Party affected by such an event (a) has taken all reasonable precautions, due care and reasonable alternative measures in order to carry out the terms and conditions of this Contract, and (b) has informed the other Party as soon as possible about the occurrence of such an event.

2.5.3 Extension of Time Any period within which a Party shall, pursuant to this Contract complete any action or task shall be extended for a

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period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.

2.5.4 Payments During the period of his inability to perform the Services as a result of an event of Force Majeure, the Consultant shall not be entitled for payment under the terms of this Contract until such a period is over.

2.6 Termination

2.6.1 By the Client The Client may terminate this Contract by not less than thirty (30) days' written notice of termination to the Consultant, to be given after the occurrence of any of the events specified in this Clause:

- (a) if the Consultant does not remedy a failure in the performance of his obligations under the Contract within thirty (30) days after being notified or within any further period as the Client may have subsequently approved in writing;
- (b) if the Consultant becomes insolvent or bankrupt;
- (c) if, as a result of Force Majeure, the Consultant is unable to perform the contract for a period of not less than sixty (60) days; or
- (d) if the Consultant, in the judgment of the Client, has engaged in corrupt or fraudulent practices in competing for or in executing the Contract.

For the purpose of this clause:

"Corrupt practice" means the offering, giving, receiving or soliciting of anything of value to influence the action of a public official in the selection process or in Contract execution.

"Fraudulent practice" means a misrepresentation of facts in order to influence a selection process or the execution of Contract to the detriment of the Client, and includes collusive practice among consultants (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive the Client of the benefits of free and

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open competition.

- (e) if the Client in his sole discretion decides to terminate this Contract.

2.6.2 By the Consultant The Consultant may terminate this Contract by not less than thirty (30) days' written notice to the Client, such notice to be given after the occurrence of any of the following events;

- (a) if the Client fails to pay any monies due to the Consultant pursuant to this Contract and not subject to dispute pursuant to Clause 7 within sixty (60) days after receiving written notice from the Consultant that such payment is overdue; or
- (b) if, as a result of Force Majeure, the Consultant is unable to perform the Contract for a period of not less than sixty (60) days.

2.6.3 Payment Upon Termination Upon termination of this Contract pursuant to Clauses 2.6.1 or 2.6.2, the Client shall make the following payments to the Consultant:

- (a) remuneration pursuant to Clause 6 for Services satisfactorily performed prior to the effective date of termination;
- (b) except in the case of termination pursuant to paragraphs (a),(b)and(d) of Clause 2.6.1, reimbursement of any reasonable costs incident to the prompt and orderly termination of the Contract, including the cost of the return travel of the Personnel and their eligible dependants.

3. OBLIGATIONS OF THE CONSULTANT

3.1 General

The Consultant shall perform the Services and carry out his obligations with all due diligence, efficiency and economy in accordance with generally accepted professional techniques and practices and shall observe sound management practices, and employ appropriate

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advanced technology and safe methods. The Consultant shall always act, in respect of any matter relating to this Contract or to the Services, as faithful adviser to the Client and shall at all times support and safeguard the Client's legitimate interests in any dealing with Sub consultants or third parties.

3.2 Conflict of Interest

3.2.1 Consultant Not to Benefit from Commissions, Discounts, etc

- (i) The remuneration of the Consultant pursuant to Clause 6 shall constitute the Consultant's sole remuneration in connection with this Contract or the Services and the Consultant shall not accept for his own benefit any trade commission, discount or similar payment in connection with activities pursuant to this Contract or to the Services or in the discharge of his obligations under the Contract and the Consultant shall use his best efforts to ensure that his personnel, any sub consultant[s] and agents of either of them similarly shall not receive any such additional remuneration.
- (ii) For a period of two years after the expiration of this Contract, the Consultant shall not engage and shall cause his personnel as well as his sub consultant[s] and his/their personnel not to engage in the activity of a purchaser (directly or indirectly) of the assets on which he advised the Client on this Contract nor shall he engage in the activity of an adviser (directly or indirectly) of potential purchasers of such assets.
- (iii) Where the Consultant as part of the Services has the responsibility of advising the Client on the procurement of goods, works or services, the Consultant will comply with any applicable procurement guidelines and shall at all times exercise such responsibility in the best interest of the Client. Any discounts or commissions obtained by the Consultant in the exercise of such procurement shall be for the account of the Client.

3.2.2 Prohibition of Conflicting Activities

Neither the Consultant nor his sub-consultant[s] nor their personnel shall engage, either directly or indirectly in any of the following activities:

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- (a) during the term of this Contract, any business or professional activities in the Republic of Kenya which would conflict with the activities assigned to them under this Contract; or
- (b) after the termination of this Contract, such other activities as may be specified in the SC.

3.3 Confidentiality The Consultant, his sub-consultant[s] and the personnel of either of them shall not, either during the term of this Contract or within two (2) years after the expiration of this Contract, disclose any proprietary or confidential information relating to the Project, the Services, this Contract or the Client's business or operations without the prior written consent of the Client.

3.4 Insurance to be Taken Out by the Consultant The Consultant (a) shall take out and maintain and shall cause any sub-consultant[s] to take out and maintain, at his (or the sub-consultants', as the case may be) own cost but on terms and conditions approved by the Client, insurance against the risks and for the coverage, as shall be specified in the SC; and (b) at the Client's request, shall provide evidence to the Client showing that such insurance has been taken out and maintained and that the current premiums have been paid.

3.5 Consultant's Actions Requiring Client's Prior Approval The Consultant shall obtain the Client's prior approval in writing before taking any of the following actions:

Messaging as per research findings

- Facilitation of Government of Kenya official itineraries
- Activities beyond the outlined scope of consultancy

3.6 Reporting Obligations The Consultants shall submit to the Client the reports and documents specified in Appendix C in the form, in the numbers, and within the periods set forth in the said Appendix.

3.7 Documents prepared by the Consultant to All reports and other documents and software submitted by Consultant in accordance with Clause 3.6 shall

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Be the Property of the Client

become and remain the property of the Client and the Consultant shall, not later than upon termination or expiration of this contract, deliver all such documents and software to the Client together with a detailed inventory thereof. The Consultant may retain a copy of such documents and software. Neither Party shall use these documents for purposes unrelated to this Contract without the prior approval of the other Party.

4. CONSULTANT'S PERSONNEL

4.1 Description of Personnel

The titles, agreed job descriptions, minimum qualification and estimated periods of engagement in the carrying out of the Services of the Consultant's Key Personnel are described in Appendix D. The Key Personnel and Sub consultants listed by title as well as by name in Appendix D are hereby approved by the Client.

4.2 Removal and/or Replacement of Personnel

(a) Except as the Client may otherwise agree, no changes shall be made in the Key Personnel. If for any reason beyond the reasonable control of the Consultant, it becomes necessary to replace any of the Key Personnel, the Consultant shall provide as a replacement a person of equivalent or better qualifications.

(b) If the Client finds that any of the Personnel have (i) committed serious misconduct or have been charged with having committed a criminal action, or (ii) the Client has reasonable cause to be dissatisfied with the performance of any of the Personnel, then the Consultant shall, at the Client's written request specifying the grounds thereof, provide as a replacement a person with qualifications and experience acceptable to the Client.

(c) The Consultant shall have no claim for additional costs arising out of or incidental to any removal and/or replacement of Personnel.

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5. OBLIGATIONS OF THE CLIENT

- 5.1 Assistance and Exemptions** The client shall use his best efforts to ensure that he provides the consultant such assistance and exemptions as may be necessary for due performance of this Contract.
- 5.2 Change in the Applicable Law** If after the date of this Contract, there is any change in the Laws of Kenya with respect to taxes and duties which increases or decreases the cost of the Services rendered by the Consultant, then the remuneration and reimbursable expenses payable to the Consultant under this Contract shall be increased or decreased accordingly by agreement between the Parties and corresponding adjustments shall be made to the amounts referred to in Clause 6.2 (a) or (b), as the case may be.
- 5.3 Services and Facilities** The Client shall make available to the Consultant the Services and Facilities listed under Appendix E.

6. PAYMENTS TO THE CONSULTANT

- 6.1 Lump-Sum Remuneration** The Consultant's total remuneration shall not exceed the Contract Price and shall be a fixed lump-sum including all staff costs, Sub-consultants' costs, printing, communications, travel, accommodation and the like and all other costs incurred by the Consultant in carrying out the Services described in Appendix B. Except as provided in Clause 5.2, the Contract Price may only be increased above the amounts stated in Clause 6.2 if the Parties have agreed to additional payments in accordance with Clause 2.4.
- 6.2 Contract Price** The price payable in foreign currency is set forth in the SC.
- 6.3 Payment for Additional Services** For the purposes of determining the remuneration due for additional services as may be agreed under Clause 2.4.

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6.4 Terms and Conditions of Payment

Payments will be made to the account of the Consultant and according to the payment schedule stated in the Special conditions. Unless otherwise stated in the SC, the first payment shall be made against the provision by the Consultant of a bank guarantee for the same amount and shall be valid for the period stated in the SC. Any other payment shall be made after the conditions listed in the SC for such payment have been met and the Consultant has submitted an invoice to the Client specifying the amount due.

6.5 Interest on Delayed Payment

Payment shall be made within thirty (30) days of receipt of invoice and the relevant documents specified in Clause 6.4. If the Client has delayed payments beyond thirty (30) days after the due date hereof, simple interest shall be paid to the Consultant for each day of delay at a rate three percentage points above the prevailing Central Bank of Kenya's average rate for base lending.

7. SETTLEMENT OF DISPUTES

7.1 Amicable Settlement

The Parties shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or its interpretation.

7.2 Dispute Settlement

Any dispute between the Parties as to matters arising pursuant to this Contract that cannot be settled amicably within thirty (30) days after receipt by one Party of the other Party's request for such amicable settlement may be referred by either Party to the arbitration and final decision of a person to be agreed between the Parties. Failing agreement to concur in the appointment of an Arbitrator, the Arbitrator shall be appointed by the Chairman of the Chartered Institute of Arbitrators, Kenya Branch, on the request of the applying party.

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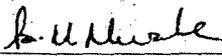
III. SPECIAL CONDITIONS OF CONTRACT

Amendments of and Supplements to Clauses in the General Conditions of Contract

1.1(h) The Members in Charge are as follows

Client: Office of the President, the Presidency and Cabinet Affairs

Attention: Mr. Samuel M. Mwale, CBS
Telephone: +254-20-2227411
Fax: +254-20-2252139

For the Client: 

Consultant: Chlopak, Leonard, Schechter and Associates

Attention: Mr. Peter Schechter
Telephone: +1.202.289.5900
Fax: +1.202.289.4141

For the Consultant: 

2.2 The date for the commencement of Services is on or about 1st July, 2011.

2.3 The period of the consultancy shall be 2 years ending on 30th June, 2013.

2.4 The terms and condition of this contract, including modification of the terms of reference and scope of work may be made by written Agreement between the Parties, with subsequent costs not exceeding 15 percent of the contract price stated in clause 6.2 (a) below.

6.2 (a) The total contract amount in foreign currency or currencies of the contract is set at US\$**2,446,484**. (US dollars two million four hundred forty six thousand, four hundred and eighty four) only.

(b) There shall be no price payable in local currency.

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6.4

The payment schedule shall be as follows:

- a) 40% immediately following signing of the contract against a bank guarantee from a reputable bank for similar amount valid for period of six(6) months from the date of signing the contract;
- b) 15% by 30th December, 2011 upon certification of services rendered by the Consultant;
- c) 15% by 30th June, 2012 upon certification of services rendered by the Consultant;
- d) 15% by 30th December, 2012 upon certification of services rendered by the Consultant;
- e) 15% by 30th June, 2013 upon certification of services rendered by the Consultant.

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