Privileged and ConfPPidential

AGREEMENT

This Agreement is made on the 1st of February, 2002, between the Foreign Ministry of the Republic of Montenegro in Washington, D.C. (hereinafter referred to as "the Ministry") an Verner-Liipfert-Bernhard-McPherson-&-Hand (hereinafter referred to as "the Firm").

The parties have agreed as follows:

1. The maintenance and continued growth of understanding and cooperation between Montenegro and the United States is largely dependent upon the projection of a fair and accurate image of Montenegro's policies and political, military, and economic developments. In that regard, it is important that key decision-makers and opinion-makers in the United States be properly informed about these policies and developments. The Firm will work with the Ministry and the Montenegro Mission in Washington to advance Montenegro's goal of close bilateral relations with the United States, stable and productive relations between Montenegro and Serbia as two internationally recognized states, and Montenegro's accession to memebership in the United Nations and other international political, economic, and military institutions.

2. The ability of key decision-makers and opinion-makers in the United States to properly appreciate Montenegro's economic achievements also requires these decision-makers and opinion-makers to have a detailed, correct, and balanced understanding of various issues in Montenegro, the Federal Republic of Yogoslavia, and the Balkan region, including governmental process, politics, military and security concerns, humans rights matters, anti-corruption efforts, and the economy.

3. To fulfill these important objectives the Firm shall conduct meetings with the Members and staff of the United States Senate and House of Representatives, and render assistance for meetings with key officials in selected departments and agencies of the Executive Branch and independent commissions.

4. The Firm shall advise and assist the Ministry in dealing with legislation pending in the Congress which could have both positive and adverse impacts on the economic, political, security, or diplomatic relationships between Montenegro and the United States. The Firm shall work to improve further Montenegro's positive relations with the Congress.

2002 FEB 6 AM 4:40

5. The Firm also shall assist the Ministry in promoting greater appreciation and recognition in the United States of Montenegro's emerging role as a friend and economic partner of the United States. In that regard, the Firm shall assist the Ministry in encouraging United States business and individuals to make foreign investments in and visit Montenegro and purchase Montenegrin good and services. It shall also assist the Ministry in its dealings with multilateral lending institutions such the World Bank.

6. The Firm shall meet as necessary with Ministry officials. The Firm shall meet at least twice a month with the Montenegro Trade Mission's Director to discuss the Firm's activities on behalf of the Ministry. The Firm shall speak with the Director at least twice a week by telephone to discuss such activities. The Firm shall provide the Ministry with a monthly written report on its activities. The Ministry shall provide the Firm with policy directives, policy plans and all other relevant information to enable the Firm to execute its duties under the terms of this agreement. The Firm shall also work closely, as necessary, with U.S. non-governmental organizations, academics, and other experts who share the goals of the Ministry.

7. As compensation for these services, the Firm shall receive a monthly fee of US $20,000, plus expenses not to exceed $2,000 monthly, for the period from February 1, 2002, to January 31, 2003. The fee for the first three months ($60,000) shall be payable upon the signing of this agreement. The fourth through twelfth months' fees shall be payable in advance on a monthly basis, on the first day of each corresponding month. The Ministry shall be liable for these fees regardless of the tenure of the incumbent minister or subsequent Montenegrin governments. Expenses shall be invoiced according to the Firm's standard billing practices. The costs of any visit to Montenegro by representatives of the firm shall be paid by the Ministry. Representatives of the firm will not undertake such visits without prior authorization by the Ministry.

8. This agreement shall take effect from February 1, 2002 and shall continue through January 31, 2003. The Ministry and the Firm shall review the terms of this agreement on a quarterly basis to ensure that the interests of each are properly and fairly represented. At each quarterly review, the specific terms of this agreement may be altered upon mutual agreement by both parties. Thirty days prior to completion of the first-six months of this agreement, either party may terminate the remaining six months of the agreement by providing written notice to the other party.

9. The Firm shall carry out all of its activities within the framework of this agreement under the direction and supervision of the Ministry.

10. The Firm shall safeguard and protect as confidential any political, military, economic, or other sensitive information provided the Firm in confidence by the Ministry and shall return any such information upon request by the Ministry and shall not retain a copy of any such information in any form.

11. The breadth of the Firm practice is such that we may from to time concurrently represent one client in a particular case or matter and an adversary of that client in such case or matter in an unrelated case of matter if it is the Firm's professional judgment that we can undertake the concurrent representation impartially and with out any adverse effect on our other responsibilities to either client. Despite such concurrent representation, it is our practice to preserve all client confidences of nonpublic information and to pursue zealously the interests of each of our client. You acknowledge that you do not consider such concurrent representation, in unrelated matters, to be inappropriate and consent to any such present or future concurrent representation.

12. Any difference arising from this Agreement shall be resolved through mutual consultations between the parties subject to the laws of the United States of America which shall govern any interpretation of this Agreement.

FOREIGN MINISTRY OF THE REPUBLIC OF MONTENEGRO

By _____
Branko Lukovac
Foreign Minister

Date: 8/02/2002

VERNER, LIIPFERT, BERNHARD, MCPHERSON & HAND
CHARTERED

By _____
Marshall Harris
Principal

Date: 12 Feb 02