

A G R E E M E N T

X

THIS AGREEMENT made this _____ day of _____ 19____, by and between JOHN WILLHELM PRODUCTIONS (herein called "Producer") and AIR AMERICA, INC., a corporation (herein called "Sponsor").

R E C I T A L S:

A. At the request of Sponsor, Producer has heretofore conducted, completed and submitted to Sponsor, a field study report setting forth Producer's proposal for the production of a full-length documentary motion picture on the domestic and overseas operations and activities of Sponsor. A copy of said proposal is attached hereto and is hereafter referred to as the "Proposal".

B. Sponsor desires to have a motion picture produced documenting its activities and desires to retain the services of Producer for the production of a motion picture on the terms and conditions hereinafter set forth.

C. Producer and Sponsor therefore agree as follows:

A G R E E M E N T

1. Producer shall produce and deliver to Sponsor, one fully complete 16mm sixty minute color motion picture release print, with recorded narration and sound effects as determined by Producer, made to the highest professional standard, documenting the activities and operations of Sponsor, within the Proposal description.

B. Producer shall proceed forthwith with the production of the motion picture, and shall carry on the same with all due diligence, in accordance with the customs and standards of the industry, and within six months from the date of this Agreement shall deliver said print to Sponsor. Said six month period shall be extended in the event of delays beyond the control of Producer including, but not limited to, weather restrictions, acts of God, wars, civil disturbances and the unavailability of aircraft required in the production of the motion picture.

C. Producer and Sponsor shall work in close cooperation in producing the motion picture. To insure that Sponsor is advised of the content of the motion picture to the fullest possible extent at all stages of preparation and production, Sponsor shall provide a representative to accompany Producer during the production period. In addition, Producer shall use his best efforts to keep Sponsor fully advised.

It is understood that Producer's obligation hereunder is to produce a motion picture within the limits of the Proposal. However, Sponsor shall have the opportunity to examine the motion picture with respect to arriving at a final product agreeable to Sponsor at two stages of production as the same are defined in the Proposal, namely, rough cut stage and interlock stage. At these stages, Sponsor shall make suggestions for those reasonable changes it desires and Producer shall cooperate in making such reasonable changes as are feasible.



D. Sponsor shall pay to Producer, the sum of \$85,000.00 as follows:

- (i) One-third of said sum (\$28,333.00) concurrently with the execution of this Agreement;
- (ii) One-third (\$28,333.00) at the beginning of the laboratory phase of film production; and
- (iii) The balance of \$28,334.00 upon delivery of the finished print.

Included in said \$85,000.00 is the delivery of one print. All additional prints of the motion picture will be provided at a cost of \$450.00 each, provided, however, that Producer shall have the option of delivering the negative to the Sponsor in lieu of providing additional prints.

E. Sponsor shall use its best efforts to cooperate and aid Producer in all aspects of the production of the motion picture. To that end, Sponsor shall provide Producer with ground transportation whenever practical at Sponsor's facilities and will make available a reasonable number of non-revenue flying hours in various aircraft for the purpose of photographing air operations and transporting Producer and his equipment to the specific sites required for complete film coverage.

F. Sponsor shall have the right to make such disposition of the picture as it desires with the same force and effect as though Sponsor were the author and the original producer thereof, provided, however, that Producer shall be given screen credit as the producer of the motion picture. Producer may retain a print of the motion picture

*This is the End of
Page F as in
Willheim's
Draft-*

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given screen credit as the producer of the motion picture. Producer may retain a print of the motion picture in his possession for use only in advertising and promotion on behalf of John Willheim Productions. Sponsor shall be responsible for delivery of all required releases with respect to any individuals (employees or otherwise) appearing in the film.

G. Sponsor shall indemnify and hold Producer harmless from any and all claims, damages and costs, including reasonable attorneys fees which may result or arise from the production of the motion picture or any showing or exhibition thereof, except for such claims, damages, costs and fees which may result or arise from the negligence including acts of commission and omission on the part of any principal, officer, or employee of the Producer.

H. This Agreement shall endure to the benefit of and shall be binding upon the parties hereto, their successors and assigns.

I. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their representatives thereunto duly authorized as of the day and year first above written.

JOHN WILLHEIM PRODUCTIONS

BY *John Willheim*
JOHN WILLHEIM

AIR AMERICA, INC.

BY *George A. Duole, Jr.*
GEORGE A. DUOLE, JR.
Managing Director

in his possession for use only in advertising and promotion on behalf of John Willheim Productions. Sponsor shall be responsible for delivery of all required releases with respect to any individuals (employees or otherwise) appearing in the film.

G. Sponsor shall indemnify and hold Producer harmless from any and all claims, damages and costs, including reasonable attorneys fees which may result or arise from the production of the motion picture or any showing or exhibition thereof.

H. This Agreement shall enure to the benefit of and shall be binding upon the parties hereto, their successors and assigns.

I. This agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

JOHN WILLHEIM PRODUCTIONS
BY John Willheim
JOHN WILLHEIM

AIR AMERICA, INC.
BY _____

(Title)

X

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477-735

December 19, 1969

Ref: M199T

Mr. John Willheim
John Willheim Productions
6325 Ivarena Avenue
Hollywood, California 90028

Dear Mr. Willheim:

We acknowledge receipt of your letter of December 11, 1969 forwarding two copies of a proposed Agreement between Willheim Productions and Air America both of which copies you had signed. In our review of your draft Agreement, it appears to us that Paragraph G with regard to indemnifications and liabilities was perhaps not as precisely stated as it should be in our opinion, since John Willheim Productions is, of course, an independent contractor in this undertaking. Thus, we have re-issued the proposed Agreement, with revisions to Paragraph G. At the same time we have taken the liberty to also be a little more precise in Paragraph A of the Recitals to identify the extracted pages from your Field Report and supplements which are attached to the agreement in exhibit form and identified therein as the "Proposal".

We thus return enclosed two copies of the Agreement as revised by us, both copies of which I have signed on behalf of Air America. You will note the blanks for date insertion in the first two lines of the Agreement at page 1. Therefore, if our revision meets with your approval, will you please execute the Agreement on behalf of your enterprise, insert the date of your execution in the blanks at page 1 and return one fully executed copy to us. Upon receipt of such fully executed copy, we will forward our check in payment of the first third amount (\$28,333.00) as stipulated in Paragraph D.

Very truly yours,

George A. Doole, Jr.

Enclosure

GAD:csc:bq

AA CL
COPY

To: Mr. Dule
From: Mr. Can ← ?

December 17, 1969

Re: Draft Agreement Between John Willheim Productions and Air America, Inc.
(Attached)

I have the following comments on referenced document, some which are substantive and some which result from lack of clarity:

1. Paragraph C at page 4 provides that the Sponsor (Air America) will indemnify and hold harmless Producer (Willheim Productions) from any and all claims, damages and costs which may result or rise from "the production of the motion picture" etc. Since John Willheim Productions is an independent contractor in this matter, I see no reason why Air America should indemnify the Producer with regard to any claims, damages or costs which might arise as a result of the acts of omission or commission or negligence on the part of any officer, employee or agent of the Producer, I therefore suggest that a proviso to that effect be added at the end of Paragraph C.
2. ~~The body of the agreement refers to a prior submission to~~ The body of the agreement refers to a prior submission to Air America, being a Field study report which is cited as being attached to the draft agreement as a "Proposal". It is against the contents of such Proposal that the film production by Willheim would occur. However, a reference to the pages of such Proposal fails to disclose any content of an "ALTERNATIVE PROPOSAL" although such is one of the standards affecting the production and the Producer's responsibility as noted in the attachment. (Perhaps a key to clear this up might exist in the prior Field study report submission.)
3. The Producer is given, contractually, virtual carte blanche authority to produce the so-called "Air America Story", including narrative--although Air America as Sponsor is to be given the opportunity to examine the picture at two various stages with respect to arriving at a final product agreeable to Air America. Since the content of the attachment to the agreement indicates a mixture of several corporate activities, including those of Air America and its subsidiary, Air Asia, and those of Southern Air Transport, both Pacific Division and Atlantic Division, it is obvious that the make up of the film plus the accompanying narrative would need be thoroughly analyzed and reviewed before finalization as a considerable number of areas could be aggravated if the story is not precisely accurate, such as: the Article XIV status of both Air America and Southern Air Transport in Japan; possible C.A.B. problem implications for SAT; and other items such as taxable presences and activities, etc.

NS of this Agreement should
is signed - w/ an
indemnification clause in
it - AAM's liability
insurers should be notified.

If This Agreement is signed with an Indemnification
Clause in it AAM's Liability Insurers should be Notified.