

62
CONTRACT AF(531)-1683

Issued by: Directorate of Procurement & Production, Hq Air Materiel Force Pacific Area, APO 323, San Francisco, Calif

Contractor: Air America, Inc.

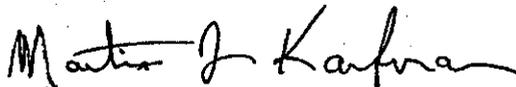
Effective Date: 10 April 1962.

Purchase request by: Chief MAAG, APO 152

Contract Amount: \$990,000

Coverage: Through 30 June 1962.

Flying services for contractor-furnished C-45, C-46, C-47 and DC-4 contractor-furnished aircraft. The contract performance period was extended through 30 June 1963.



MARTIN L. KAUFMAN, Colonel, USAF 16 April 1991
Former Contracting Officer
USAF Air America Program, 1968-1973

NEGOTIATED CONTRACT PP an end EQ. NO. OR OTHER PURCHASE AUTH. MIR MAAG 62-2 ISSUED BY Directorate of Procurement & Production Hq Air Materiel Force Pacific Area APO 323, San Francisco, California Buyer: J. J. McGrath, FFPM		DEPARTMENT Air Force	EFFECTIVE DATE	SHEET NO. 1	NO. OF SHEETS
NEGOTIATED PURSUANT see cont sheet		DISCOUNT TERMS Net	CONTRACT NO. AF62(531)-1683		
CONTRACTOR (Name and Address) Air America, Inc. Field Executive Office AFPO 239, San Francisco, California		MAIL INVOICES TO Invoices (or vendor's shipping documents used as invoices) will be addressed to the accounting and finance office referred to below and mailed according to the instructions received from the Contracting Officer assigned to administer PAYMENT WILL BE MADE BY The Disbursing Officer MAAG, APO 152			
SHIP TO (Consignee and Address) Not Applicable		DELIVERY F.O.B. <input type="checkbox"/> DESTINATION <input type="checkbox"/> OTHER (See Schedule) <input checked="" type="checkbox"/>	DELIVERY DATE(S) See Schedule		

Contract For: Flying services C-45, C-46, C-47, DC-4 aircraft
 ACCOUNTING AND APPROPRIATION DATA

See attached Administrative Commitment Document

CONTRACTOR REPRESENTS

- That it IS, IS NOT, a small business concern. Generally, a small business concern for the purpose of Government procurement is a concern that (1) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (2) is certified as a small business concern by the Small Business Administration. (See Code of Federal Regulations, Title 13, Part 101, as amended, which contains the detailed definition and related procedures.) If Contractor is a small business concern and is not the manufacturer of the supplies covered by this contract, it also represents that all supplies to be furnished hereunder WILL, WILL NOT, be manufactured or produced by a small business concern in the United States, its Territories, its Possessions, or The Commonwealth of Puerto Rico.
- That it is a REGULAR DEALER IN, MANUFACTURER OF, the supplies covered by this contract.
- (a) That it HAS, HAS NOT, employed or retained any company or person (other than a full-time bona fide employee working solely for the contractor) to solicit or secure this contract, and (b) that it HAS, HAS NOT, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the contractor) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract; and agrees to furnish information relating to (a) and (b) above as requested by the Contracting Officer. (For interpretation of the representation, including the term "bona fide employee", see Code of Federal Regulations, Title 44, Part 150.)
- That it operates as INDIVIDUAL PARTNERSHIP CORPORATION incorporated in the State of **California**

The Contractor agrees to furnish and deliver all the supplies and perform all the services set forth in the attached Schedule, for the consideration stated therein. The rights and obligations of the parties to this contract shall be subject to and governed by the Schedule and the General Provisions. In the event of any inconsistency between the Schedule or the General Provisions and any specifications or other provisions which are made a part of this contract, by reference or otherwise, the Schedule and the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

The total amount of this contract is \$ estimated at \$990,000

Air America, Inc. NAME OF CONTRACTOR	UNITED STATES OF AMERICA
By <u>Hugh L. Grundy</u> SIGNATURE	By <u>[Signature]</u> SIGNATURE OF CONTRACTING OFFICER
<u>156</u> DATE	<u>[Date]</u> DATE
TYPED NAME Hugh L Grundy	TYPED NAME OF CONTRACTING OFFICER JOHN F. PANGBORN
Title President	

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SHEET 1A
COVER PAGE CONTINUED

ADMINISTRATIVE OFFICE: Detachment 9, AMFPA
Box 36, APO 143

Copies of all contract modifications and all
correspondence pertinent to this contract will be
mailed directly to:

Capt A. Malinverni, 31515A
Administrative Contracting Officer
Box 54, MAAG, APO 152
San Francisco, California

FACILITY CAPABILITY REPORT (FCR) Identification: FCR exempted (AFPI 52-105
(a)(10))

PAYMENT TO BE MADE TO: Payment to be made in the form of check draft or other
instrument payable in United States Currency to the
First National City Bank of New York, 55 Wall Street,
New York City (15), New York, for deposit to the
account of Air America, Inc.

PURCHASE AUTHORITY: MILR MAAG 62-2

P/R INITIATOR: Chief MAAG, APO 152

NEGOTIATED PURSUANT TO 50 U.S. CODE 1431-1435
Executive Order 10789

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PART I. SERVICES TO BE PERFORMED:

a. The Contractor shall, during the period set forth in Part III hereof, furnish the following:

- Item 1. Flying services consisting of one each C-46 type aircraft, including all necessary supplies, services, personnel, and ground support equipment for the operation thereof, unless otherwise provided hereinafter, subject only to necessary absence of such aircraft for proper maintenance. The Contractor will base the aircraft at Base Point A as specified in order 62-1 pursuant to paragraph "i" hereinbelow, for the purpose of maintenance and operational control, performing flight operations from Base Point A until it becomes necessary to ferry the aircraft to Maintenance Point B for maintenance. The Contractor will be paid for a minimum of 200 flying hours each 90-day period. For the foregoing services, the Contractor shall be paid pursuant to the provisions of Part IV, hereof.
- Item 2. Flying services consisting of one each C-45 type aircraft, including all necessary supplies, services, personnel, and ground support equipment for the operation thereof, unless otherwise provided hereinafter, subject only to necessary absence of such aircraft for proper maintenance. The Contractor will base the aircraft at Base Point B as specified in order 62-1 pursuant to paragraph "i" hereinbelow, for the purpose of operational control, performing flying operations from Base Point B until it becomes necessary to ferry the aircraft to Maintenance Points A or B for maintenance. The Contractor will be paid for a minimum of 200 flying hours each 90-day period. For the foregoing services, the Contractor shall be paid pursuant to the provisions of Part IV, hereof.
- Item 3. Flying services consisting of one each C-47 type aircraft, including all necessary supplies, services, personnel, and ground support equipment for the operation thereof, unless otherwise provided hereinafter, subject only to necessary absence of such aircraft for necessary maintenance. The Contractor will base the aircraft at Base Point B as specified in order 62-1 pursuant to paragraph "i" hereinbelow, for the purpose of operational control, performing flying operations from Base Point B until it becomes necessary to ferry the aircraft to Maintenance Points A or B for maintenance. The Contractor will be paid for a minimum of 200 flying hours each 90-day period. For the foregoing services, the Contractor shall be paid pursuant to the provisions of Part IV, hereof.

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- Item 4. When requested by the Chief, MAAG, and subject to availability of Contractor aircraft, furnish additional flying services consisting of C-46, C-47, or DC-4 type aircraft, including all necessary supplies, services, personnel, and ground support equipment for the operation thereof, unless otherwise provided hereinafter, subject only to necessary absence of such aircraft for proper maintenance. The Contractor will base the aircraft at a place mutually agreed to between the Contractor and the Chief, MAAG, hereinafter referred to as the "Base Point" which shall be specified in the Call Order. When it is desired to change such "Base Point" the base point may be changed by mutual agreement between the Contractor and the Chief, MAAG, expressed in writing. Daily maintenance inspections are to be performed at the "Base Point" of such aircraft. Aircraft repairs, maintenance, and services beyond the Contractor's capability to perform at Maintenance Point A may be performed at Maintenance Point B. The aircraft will be operated between points mutually agreed to between the Contractor and the Chief, MAAG. The Contractor shall be paid for a minimum of 200 flying hours each 90-day period, or a pro-rata portion thereof for a part of a 90-day period, when such aircraft are furnished for less than 90 days pursuant to paragraph d of this Part I. For the foregoing services, the Contractor shall be paid pursuant to the provisions of Part IV, hereof.
- Item 5. Upon request of the Chief, MAAG, or when needed due to operating conditions or limitations, Contractor may provide additional (other than normal complement) flight crew personnel for its aircraft for which Contractor shall be paid pursuant to the rates set forth in Exhibit A and the provisions of Part IV, hereof.
- Item 6. The Contractor agrees to accomplish modification to its aircraft, requested by the Chief, MAAG and approved by the Contractor, to suit them for use by MAAG; provided, that if requested by the Contractor, the Contractor shall be reimbursed for such modification, and for restoring the aircraft to prior configuration upon release of the aircraft. However, such modified aircraft shall not be withdrawn during the period of assignment or call by the Contractor without prior approval of the Chief, MAAG. For the foregoing services, the Contractor shall be reimbursed pursuant to the provisions of Clause 4 of the General Provisions entitled "Payments" and paragraph "i" of Part IV, hereof.

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Item 7. Accomplish all necessary repairs to its aircraft determined by the Contracting Officer to have resulted from damage sustained to the Contractor's aircraft pursuant to the provisions of Part VII, hereof, entitled "Indemnification." However, the Contractor shall not proceed with any work pursuant to this Item 7 until such work is authorized by modification to this contract pursuant to Clause 2 of the General Provisions entitled "Changes." The Contractor shall notify the Contracting Officer, in writing, of the work that is required to be performed, the estimated number of manhours required to perform repairs, the estimated amount of funds required for necessary materials, the estimated date work shall commence and the estimated date of completion. For services performed pursuant to this Item 7, the Contractor shall be reimbursed in accordance with Clause 4 of the General Provisions and paragraph "i" of Part IV, hereof.

Item 8. Furnish parts and materials to the extent provided for in the contract schedule for Items 6 and 7. For Contractor furnished parts and materials furnished in the performance of this contract, the Contractor shall be reimbursed pursuant to the provisions of Clause 4 of the General Provisions hereof, entitled "Payments" and paragraph "i(1)" of Part IV, hereof.

b. Contractor shall furnish, subject to availability of Contractor aircraft therefor, C-46 type aircraft with "bucket" or "plush" seats as requested by Chief, MAAG.

c. The Contractor shall have complete authority and discretion to decide all matters of maintenance, the adequacy of clearances, permissions obtained, and operations insofar as the safety of the aircraft and its personnel are concerned, in accordance with established Contractor and industry standards.

d. In calling for aircraft which may be furnished pursuant to Item 4 of Part I hereof upon an as-available basis, the Chief, MAAG, which term shall include his authorized representative, shall notify the Contractor of the place at which the aircraft is required and the period of time for which such aircraft is desired. The Contractor shall respond by agreeing to furnish the aircraft in accordance with the terms requested, or will advise of non-availability of the aircraft, or advise the portions of the requested period during which the aircraft can be made available. Except in the event of non-availability, the Contractor's response shall state the place at which the aircraft will be made available, and such response shall

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be deemed an offer which offer may be accepted by the Chief, MAAG at any time before it is withdrawn. Acceptance of such offer by the Chief, MAAG shall be deemed a Call Order for the Contractor to furnish the aircraft at the place of availability as stated by the Contractor, and for the agreed period whereupon the aircraft shall be deemed to be called for hereunder.

e. The Chief, MAAG, and/or his duly authorized representative, shall issue operational orders in advance of all flights, and may issue changes, thereto, at any time and from time to time during the life of this contract. Such orders and changes thereto, shall be in writing, signed by the issuing officer, provided that such orders may be issued orally or by other means when the exigency of any situation precludes written operational orders or changes, and such oral orders shall be confirmed in writing within a reasonable time after performance of the services ordered. Such orders shall authorize the Contractor to perform the flights specified therein, and may designate the routes to be flown and the points from which and to which the flight shall be made.

f. Chief, MAAG, shall have the right to utilize a minimum of one-half of the Available Cabin Load (ACL) of Contractor C-47, C-46 and DC-4 aircraft under this contract while the aircraft are engaged in maintenance flights to and from Work Zone and Maintenance Point B. The United States Government shall pay for such service whether or not utilized at the hourly rates specified in Exhibit "A" for the hours flown by the respective aircraft for the maintenance flights. The Contractor shall have the right to utilize the remaining half of such ACL. Should the Contractor not elect to use any part of Contractor ACL, the Chief, MAAG, may use, without additional charge, any such ACL not utilized by the Contractor. The Contractor may use, without cost to the Contractor, any portion of the United States Government ACL not utilized by the Chief, MAAG.

g. Subject to the provisions of paragraph "b" of Part II hereof, upon request of the Chief, MAAG, a member of the aircraft crew will sign, when requested, for all specified cargo listed on the manifest, and obtain a receipt therefor at destination provided that the Contractor's personnel will not be responsible for cargo identification.

h. When an established operational and/or maintenance base is transferred, closed down, or otherwise evacuated, and a new base or bases are established at other locations, the United States Government will provide, at no cost to the Contractor, transportation for Contractor personnel and for Contractor and United States Government furnished property in possession of the Contractor for use in connection with services rendered under this contract.

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1. The Contracting Officer will issue orders specifying the following:
 1. The United States Government agency for which the services are to be performed.
 2. The United States Government agency responsible for technical surveillance and operational control.
 3. The United States Government agency designated to make payment, if any, under this contract.
 4. The designation of the following:
 - (a) Hazardous Area.
 - (b) Zone A.
 - (c) The Work Zone.
 - (d) Base Points A and B.
 - (e) Maintenance Points A and B.
 - (f) The names to be inserted in the blocks provided in General Provisions Clauses 17 and 22.
 - (g) Point of origin and tail numbers of aircraft already in place.

Except as pertains to the First Order Number 62-1 dated and effective 10 April 1962 and hereby made a part of this contract by reference, the Contractor will not be required to perform in any area other than designated in said Order Number 62-1 unless and until the written concurrence of the Contractor with such order shall have been obtained.

PART II. PERSONNEL TO BE FURNISHED:

- a. The Contractor shall provide, within the rates per flying hour provided for in Part IV below, necessary maintenance and operations personnel and normal complement flight crews for the aircraft furnished, hereunder, consisting of a pilot of American nationality, a co-pilot, and, at Contractor's option, a radio operator all of whom shall be duly qualified.
- b. The Chief, MAAG, shall furnish all personnel required to load, handle, and unload cargo. The Contractor shall be responsible, within the rates per flying hour provided for in Part IV below, for providing qualified personnel to supervise the placement and securing of cargo as well as the seating of passengers. The Contractor shall determine its own requirements for personnel to be assigned to the performance of this contract commensurate with operational and maintenance requirements hereunder.

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c. The Contractor will provide medical services, equipment, and materials as needed, for Contractor personnel except that to the extent medical facilities may be available to the United States Government to furnish to Contractor personnel requiring the use of such facilities, in which event such facilities shall be made available to Contractor personnel at the regular rates charged for such services. The assistance of the United States Government, as required, will be given to the Contractor for personnel who require medical evacuation, such medical evacuation being in accordance with prevailing practices and regulations governing MAAG personnel.

PART III. PERIOD OF PERFORMANCE:

The services called for under Part I, hereof, shall commence on 10 April 1962 and continue through 30 June 1962.

PART IV. CONSIDERATION AND PAYMENT:

a. The United States Government will pay the Contractor in accordance with Clause 4 of the General Provisions herein; upon satisfactory performance hereunder and at the appropriate rates set forth in Exhibits "A" and "B" hereof, as full payment for the services to be performed by the Contractor hereunder. For payment to the Contractor, there is hereby presently obligated to this contract the sum of Nine Hundred Ninety Thousand Dollars (\$990,000.00).

b. (1) As pertains to Items 1 through 4 of Part I, hereof, the Contractor shall be paid, upon the submission of proper invoices or vouchers, the rates stipulated in Exhibit "A" for services rendered and accepted, less deductions, if any herein provided. Unless otherwise specified payment will be made on partial deliveries accepted by the United States Government when the amount due on such deliveries so warrants; or, when requested by the Contractor, payment for accepted partial deliveries shall be made whenever such payment would equal or exceed either \$1,000.00 or 50 percent of the total amount of this contract.

(2) As pertains to Item 5 of Part I hereof, the Contractor shall be paid, upon the submission of proper invoices or vouchers, the rates stipulated in Exhibit "A" for services rendered and accepted, less deduction, if any, herein provided. The Contractor will be paid the appropriate hourly rates for each of the personnel and pro-rata amounts thereof for fractional parts of a flying hour, provided that the Contractor shall be paid at the rate for each such personnel at a minimum of 2.3 hours per day. The minimum of 2.3 flying hours per day will apply to all days that each such personnel are called for hereunder, and will include days required in positioning the personnel to the point of use and return of such personnel to their regular assigned contractor station upon release from services hereunder by the Chief, MAAG. In addition, the Contractor will be reimbursed at cost for all expenses of positioning and de-positioning such personnel.

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including, but not limited to, transportation costs, incidental expenses, and dead head pay.

c. In the event of an emergency wherein an aircraft is believed to be missing during the course of operations hereunder, or has made a landing at a location or in a manner whereby the aircraft and/or its flight crew and/or passengers are believed to be in imminent danger so that an air search or air rescue is deemed by the Contractor to be necessary or warranted, and provided that aircraft operated under this contract are unavailable, inadequate, or unsuitable to cope with such air search or air rescue as provided by paragraph "m" of Part V, hereof, the United States Government shall make available, without cost to the Contractor, suitable aircraft or aircraft flying services for such purpose. If the United States Government cannot furnish such aircraft or flying services, the Contractor shall be authorized to employ such other aircraft flying services as may be immediately available and suitable, or obtain the flying services of non-Contractor aircraft for such air search and/or air rescue, in which event the Contractor shall be reimbursed for any and all costs incurred by the Contractor in performing or obtaining said air search and/or air rescue services:

d. Flight time, actual flying time, and flying hour is the log time of each flight to the nearest minute from take-off to landing, plus five minutes for each flight for warm-up and taxi time.

e. The Contractor shall be paid for those personnel covered by Exhibit "B" at the hourly rates for hazardous area flying set forth in Exhibit "B" for each hour or pro-rata for a portion of an hour of hazardous area flying. The Chief, MAAG shall designate in writing those personnel authorized to certify certificates for hazardous area flight time as provided for in orders issued pursuant to Part I, paragraph "i". Flying time in a hazardous area will be determined in accordance with the definition and procedure set out in Order #62-1 issued pursuant to paragraph "i" of Part I. hereof.

f. The Contractor shall be paid for all hours flown hereunder by all aircraft furnished pursuant to Items 1 through 4 of Part I, including maintenance flight hours of such aircraft during the period(s) of their assignment or call hereunder, and shall be paid for the minimum flight hours for each aircraft furnished under this contract pursuant to Items 1 through 4 of Part I and for the additional hourly rates for hazardous area flying, where applicable, pursuant to paragraph e. of this Part IV. The United States Government shall pay for such minimum flight hours whether or not actually flown. Such minimum flight hours shall include all maintenance flight hours to and from Maintenance Point B. The minimum hours set forth herein shall apply from the moment the aircraft is ready to fly and is committed to use under this contract pursuant to a letter of assignment or a Call Order. Such minimum hours shall cease to apply

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

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(1) As pertains to Item Nr 8, hereof, the Contractor shall be reimbursed for all direct materials. Direct materials as used herein are defined as all items of materials and parts purchased, supplied, manufactured, or fabricated with the intention of entering them into, or making them a part of, the end product.

(i) The sums to be paid by the United States Government under this contract may include a tax levy by the Government of the Republic of China on Sales (known in Taiwan as a "business tax," which is composed of a business tax, a defense tax, and a stamp tax." Such taxes are considered as an allowable cost (in the absence of agreements providing exemption to the United States Government therefrom) under the provisions of Section XV, Part 2 of the Armed Services Procurement Regulation, in effect as of the date of this contract, and may be included in the fixed prices for labor utilized in Taiwan and in the allowable cost of materials and parts furnished by the Contractor hereunder. The prices for direct materials furnished by the Contractor also may include customs duties paid to the Government of the Republic of China, and customs duties are considered an allowable cost under the provisions of Section XV, Part 2 of the Armed Services Procurement Regulation (in the absence of agreements providing exemption to the United States Government therefrom.) In the event the assessed "business tax" or customs duties paid by the Contractor to the Government of the Republic of China under this contract should be recovered by the Contractor, the United States Government shall be reimbursed (at the current rate of exchange at the time of recovery) to the full extent of the tax or customs duties plus any interest thereon recovered. The Contractor agrees to exert all reasonable efforts, and, where required, will render assistance to the United States Government in the recovery of such taxes and/or customs duties.

(ii) For those parts and materials furnished by the Contractor for which, in accordance with the Contractor's established practices, the costs cannot be determined either by reference to a paid vendor's invoices or any other means, the method of pricing will be by utilization of the Current Market Price or the price set forth in the most recent available USAF Parts Catalog, whichever price is most advantageous to the United States Government. The Contractor will segregate all items falling in the above category and so identify in the invoice as a separate line item.

(iii) All of the Contractor's claims for reimbursement of the costs of items purchased directly for this contract must be supported by Contractor invoices approved by the ACO. This applies to all authorized cost reimbursable items including direct parts and materials furnished pursuant to Item Nos 6 and 7. Claims for reimbursement of costs for items withdrawn from the Contractor's stock must be supported by Contractor's invoices approved by the ACO.

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(iv) Procurement, delivery, and material handling expense (current landed costs) incurred by the Contractor to point of use will be considered as allowable elements of price for purpose of reimbursement under this contract. As pertains to landed costs, materials, and supplies which are used hereunder, which are transported to or enroute to the point of use on commercial flights, the Contractor shall be reimbursed at the commercial rates for such transportation in effect at the time the transportation is utilized.

(v) Where a statement of cost is to be submitted with an invoice for direct material payment, it will consist of a schedule in which the amount billed is analyzed by individual aircraft number and direct issue to United States Government Furnished Property, or by reference to a contract in the event of lease or rental. For audit purpose totals by aircraft can be cross checked with individual issue slips maintained by the Contractor for each item purchased.

(2) As pertains to Item 6 and 7, hereof, and subject to paragraph "i(1)" of this Part IV, the Contractor shall be reimbursed at cost excepting for direct skilled labor utilized to accomplish modification and repairs to Contractor aircraft for which the Contractor shall be paid \$2.34 outside the Work Zone and \$3.40 within the Work Zone for each hour of direct skilled labor required and expended by Contractor personnel.

j. "Direct Skilled Labor" as used herein includes that labor which can be performed only by individuals possessing the professional, specialized, and/or technical skills, knowledge, and capability to accomplish inspection, adjustments, repairs, tests, and similar operations; machine shop work, welding, electroplating, and similar operations on or incident to reconditioning, overhaul, and repair of aircraft or related components, accessories, or parts. "Direct Skilled Labor" includes only these skilled laboreres, artisans, craftsmen, and operators together with their leadmen and foremen, actually and directly employed in the performance of work and services as required under this contract. It does not include that labor which is performed in cleaning and polishing of aircraft, aircraft components and equipment, paint removal, assisting in heavy work, such as moving equipment or heavy components; generally, performing menial tasks and/or miscellaneous work of a nature which requires none of the technical skills, knowledge, or professions referred to in first portion of this paragraph "j." It also does not include work and labor performed by administrative personnel, corporate officers, supply personnel, all supervisory personnel above the foreman level, office personnel, time-keepers, watchmen, guards, and janitors.

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b. The Contractor shall not be responsible for non-completion or diversion of any flight from original point or destination due to causes beyond the control of the Contractor. The flying time for flights which are not completed or are diverted due to causes beyond the control of Contractor shall be considered as authorized flying time for payment under the terms of the contract. The Captain of the aircraft shall be the deciding authority on flight completion or diversion, or any other action deemed necessary in the interest of flight safety.

c. The Contractor may hire out or charter the aircraft made available pursuant to Item 4 of Part I, hereof, for its use hereunder to such other charterers or hirers, and under such terms and conditions as the Contractor may deem desirable, provided that such hire or charter shall not in any manner interfere with the full enjoyment by the Chief, MAAG, of the use of the aircraft made available under the terms of this contract. Prior to entering into any commitment for such charter or hire, the Contractor shall, through its local representative, request permission in writing from the Chief, MAAG, to make such commitment. Chief, MAAG, shall not unreasonably withhold such permission when requested. In the event of any such hire or charter the Contractor shall furnish the Chief, MAAG, with a certified statement of the flying hours on such charter and of the fuel and oil consumed, and shall reimburse in kind an amount of fuel and oil equivalent to that so consumed if such fuel and oil was furnished by the Chief, MAAG.

d. TAXES, DUTIES, AND OTHER CHARGES:

The Contractor shall be relieved, in connection with services and supplies furnished pursuant to the provisions of this contract, from any and all taxes, duties, levies, or assessments and other charges in the nature thereof, in accordance with existing and subsequent agreements between the United States Government and the governments of the countries involved. Such charges shall also include landing fees, airway's communications, and parking charges with respect to aircraft operated under this contract. In the event the United States Government is unable to obtain such relief, it is agreed that the Contractor shall be reimbursed at cost for any such costs incurred under this contract.

e. LANDING RIGHTS, CLEARANCES, AND OTHER PERMISSIONS:

It is understood that the United States Government will obtain from the governments of those countries in which services are to be performed, any necessary ground areas for operations, facilities, landing rights, flying rights, clearances, and any other permissions required for performance of contract services at points in the Work Zone pursuant to instructions from the Chief, MAAG. The Chief, MAAG, will render all possible assistance to the Contractor in obtaining exit/entry and other permits which may be required for Contractor personnel assigned to the performance of this contract. The Contractor agrees to cooperate fully with the Chief, MAAG, in obtaining such rights, clearances, and other necessary permissions.

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f. CONFORMANCE WITH APPLICABLE LAWS AND REGULATIONS:

The Contractor shall conform to applicable laws, regulations, and ordinances promulgated by legally constituted authorities of the countries in the Work Zone where operations under this contract take place, and shall promptly correct any variations thereof called to its attention. The Chief, MAAG, will render assistance as appropriate.

g. Contractor's employees and officers of the Contractor, or other persons or organizations employed by the Contractor in the performance of work or rendition of services under this contract, shall at all times be identified as the employees, officers, or agents of the Contractor, and shall not be considered as the employees, officers, or agents of the United States Government.

h. REMOVAL OF EMPLOYEES:

The Contracting Officer may, if he finds it to be in the best interests of the United States Government, direct the Contractor to remove, and the Contractor shall remove, any employee from assignment to perform services under this contract.

i. Subject to the provisions of paragraph "e" of this Part V, hereof, the Contractor will secure any and all business permits and licenses required in performance of this contract. The Contractor will obtain clearances, personnel passes, passports, visas, and other similar requirements for the performance of this contract, except that the Chief, MAAG, will render assistance to the Contractor when necessary.

j. Except as expressly provided in this contract, the United States Government shall have no responsibility to or for Contractor personnel engaged in the performance of services hereunder.

k. The Contractor shall furnish in writing to the Contracting Officer the name, personal history data, and any other pertinent information available to the Contractor, if requested by the Contracting Officer, in connection with all Contractor personnel assigned to this contract.

l. The Contractor shall make available to the Contracting Officer such copies of the Employment Contracts, if any, entered into with Contractor personnel engaged in performing the services to be rendered under this contract, as may be required by the Contracting Officer.

m. Additional flight requirements. The Contractor, subject to the prior approval of the Chief, MAAG, or without such prior approval where the exigencies of the situation makes such prior approval impractical, is authorized to make flights with the aircraft operated under this contract deemed necessary by it, to transport personnel, equipment, and parts to

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CONTRACTOR: Air America, Inc.

make serviceable or recover downed aircraft; or rescue downed flight crew members, to prevent loss of such downed aircraft or hardship to flight crews and/or aircraft passengers.

n. The United States Government will furnish all assistance necessary for the Contractor to obtain duty-free import and export of all aircraft parts, equipment, and supplies furnished by it in the performance of this contract, providing that all such parts and equipment and supplies are consigned by the Contractor to an appropriate United States Government agency, or as otherwise agreed by the Contractor and the Chief, MAAG. Upon completion of this contract, the Contractor agrees to export, at its own expense, Contractor-owned property, or in the case of sale, to pay the required duty and other taxes to the local governments on such equipment and supplies imported by the Contractor duty-free.

o. Chief, MAAG, shall provide at points where needed and without cost to the Contractor, all petroleum products, engine oil and lubricants (POL) necessary in the performance of this contract provided, however, in the event the United States Government is unable to do so, the Contractor may furnish such POL and shall be reimbursed therefor pursuant to Clause 4 provided, further that by mutual agreement between the Contractor and the Chief, MAAG, the Contractor may furnish flying services including POL, in which event the Contractor shall be paid at the applicable rates (CF-POL) set forth in Exhibit "A."

p. The provisions of Clause 26 of the General Provisions, titled "Nondiscrimination in Employment (Executive Order 10925)." shall apply only to American citizens, recruited in the United States for the purpose of performance of this contract.

q. The Contractor is authorized to transport Contractor personnel, parts, equipment and supplies, during performance of services hereunder, on a space available basis and may, if approved by the Chief, MAAG, transport such personnel, parts, equipment and supplies when space is not available.

PART VI. UNITED STATES GOVERNMENT FURNISHED PROPERTY:

At locations in the Work Zone except Base Point A, where the Contractor shall provide services hereunder, the United States Government will furnish at no cost to the Contractor adequate ground transportation and facilities including utilities, office space, supply, storage, and maintenance areas necessary for the proper accomplishment of the contract services, and will secure and provide sites (real estate) from which the Contractor will operate and perform the services required pursuant to the provisions of the contract.

SCHEDULE

CONTRACT: AF 62(531)-1583

CONTRACTOR: Air America, Inc.

PART VII. INDEMNIFICATION:

The indemnification provisions contained herein are applicable to the Contractor's operations conducted under and pursuant to this contract only.

a. The United States Government does hereby agree to indemnify the Contractor, within the limits of amounts appropriated, for losses, damages, or liability as set forth in subparagraph i and ii below, resulting from risks as defined in i(1) - (3), it being understood that the Contractor does not maintain insurance to cover such risks and that the cost thereof has not been included in the contract price.

i. Losses or damages to the Contractor's aircraft, to aircraft chartered by the Contractor for performance under this contract, to aircraft components, parts, accessories, carried in Contractor's aircraft or other aircraft performing under this contract, and to the Contractor's property located at locations in the Work Zone utilized as directed by the Chief, MAAG, due to or resulting from:

(1) Capture, seizure, arrest, restraint, or detention, or the consequences thereof, or of any attempt thereat, or any taking of the property or damage to or destruction thereof, by any Government or Governmental authority or agent (whether secret or otherwise) or by any military, naval, or usurped power, whether any of the foregoing be done by way of requisition or otherwise and whether in time of peace or war and whether lawful or unlawful.

(2) All consequences of hostilities or war - such as operations, invasion, civil war, revolution, rebellion, insurrection, whether there be a declaration of war or not.

(3) Strikes, riots, or civil commotion.

(4) Malicious mischief, sabotage, or any intentional injury or destruction (or attempt thereat and by any person whatsoever).

(5) Authorized or directed performance of services under this contract in or over Zone A as defined in Order 62-1.

(6) Authorized or directed performance of services under this contract in or over any other area in which combat operations are in progress or which is controlled or occupied by unfriendly forces.

(7) The performance by Contractor of air-supply missions in or over any territory agreed between the Contractor and the Chief, MAAG, to be hazardous, or in which aircraft employed by Contractor personnel for such missions transport explosives, or flammable, or volatile cargo as required or authorized by the Chief, MAAG.

SCHEDULE

CONTRACT: AF 62(531)-1683

CONTRACTOR: Air America, Inc.

(8) Air-drop missions.

ii. Liability of the Contractor in the event of death, detention, injury, or disability to the Contractor's personnel resulting from risks, as hereinabove defined in i(1) - (8), for any benefits which the Contractor may be obligated to pay to such personnel or their duly appointed personal representatives in accordance with the Contractor's current Personnel Manual or other contract benefits as approved by the Contracting Officer or legal action as a result of such death, detention, injury, or disability.

iii. In no event shall Contractor be indemnified under Part VII for such loss, damage, or liability compensated by Contractor's insurance, including any Government-approved program for self-insurance.

iv. The United States Government shall indemnify the Contractor to the extent and up to the amount that the Contractor would have been indemnified or protected had coverage for such risks been included in his insurance program.

5. The indemnification of losses, damages, or liability as defined in paragraphs a.i. and ii. above, shall only extend to and include payments made by the Contractor in accordance with the Contractor's approved Personnel Manual; and settlements including settlements and/or payment of judgment made with the written approval of the Contracting Officer. Losses, damages, or liability shall also be construed to include reasonable costs and expenses incident thereto approved by the Contracting Officer.

c. The Contractor shall give the Contracting Officer and the Chief, MAAG, immediate notice in writing of any claim within the scope of this indemnification.

PART VIII. OTHER INDEMNIFICATION:

a. To the extent that the Contractor is not covered by insurance, including United States Government-approved self-insurance, the United States Government does hereby agree to indemnify the Contractor and hold the Contractor harmless, within the limits of amounts appropriated, from any and all claims and damages with respect to cargo, to passengers and other persons including their baggage, except Contractor's personnel, carried by or with the consent or solicitation of the United States Government, and to third party personal injury and property damage claims resulting from services furnished pursuant to the provisions of this contract, it being understood that no costs for any insurance for the risks covered by this indemnification have been included in the contract price.

b. Paragraphs b and c of Part VII hereof are applicable to this Part VIII.

SCHEDULE

CONTRACT: AF 62(531)-1683

CONTRACTOR: Air America, Inc.

PART IX. SOVIET-CONTROLLED AREAS:

a. For the purpose of this contract, Soviet-controlled areas are the following:

Albania
Bulgaria
China, excluding Taiwan (Formosa), but including Manchuria, Inner Mongolia, the provinces of Tsinghai and Sikang, Sinkiang, Tibet, the former Kwantung Leased Territory, the present Port Arthur Naval Base Area, and Liaoning Province.
Communist-controlled area of Viet Nam and Communist-controlled area of Laos.
Czechoslovakia
East Germany (Soviet Zone of Germany and the Soviet Sector of Berlin)
Estonia
Hungary
Latvia
Lithuania
North Korea
Outer Mongolia
Poland and Danzig
Rumania
Union of Soviet Socialist Republics

PART X. OPTION TO EXTEND THE TERM OF THE CONTRACT:

a. Pursuant to General Provisions, Clause 24 entitled "Option to Extend the Term of the Contract" the United States Government may require the Contractor to continue, and the Contractor will perform any and all items of services under this contract for one additional year. The Contracting Officer may exercise this option no later than 1 July 1962.

b. In the event that the option is exercised, the rates in existence as of 30 June 1962 shall apply to the option period except as provided hereinbelow.

c. It is understood and agreed that within 62 days after exercise of the option, but in no event later than 31 August 1962, either party may request, in writing, the negotiation of revised rates which either consider in need of changing, it being understood that each party shall promptly proceed with the negotiation of revised fair and reasonable rates.

d. In the event either party serves written notice as provided for hereinabove, then, effective 1 September 1962 the rates in existence as of 30 June 1962 will become Billing Rates (Interim Rates) and the Billing Rates shall apply until the parties agree to mutually acceptable rates.

SCHEDULE

CONTRACT: AF 62(531)-1683

CONTRACTOR: Air America, Inc.

Failure of the parties to agree to mutually acceptable rates shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes," and the Contracting Officer shall promptly issue a decision thereunder.

e. Pursuant to paragraphs "c" and "d" hereinabove, and for the purpose of negotiating revised rates, the Contractor shall furnish: i. sufficient data to support the accuracy of its proposed rates; ii. an explanation of the difference between such rates and the rates prior negotiated; iii. any other relevant data which may reasonably be required by the Contracting Officer; iv. the Contractor shall maintain books, records, documents, and other evidence, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred and anticipated to be incurred in performance of this contract.

f. The exercise of this option will be at the sole discretion of the United States Government.

PART XI. CONTRACTUAL CONTENTS:

This contract consists of a cover page; cover page continuation sheet of one page; an Administrative Commitment Document of one page; a schedule of Parts I through XI on pages 1 through 18; an Exhibit "A" of one page; an Exhibit "B" of one page; General Provisions Clauses 1 through 29 on pages 1 through 23.

REF ID: A1 U.S. GOVERNMENT EXPENSE

EXHIBIT "A"
FLYING HOUR RATES

Type Aircraft	Rate Per Hour	
	GF-FOL	GF-FOL
C-46	\$244.57	\$205.00
C-47	\$213.92	\$163.00
C-45	\$136.52	\$116.00
DC-4	\$467.91	\$411.00

Rates for Additional Flight Personnel

	Rate Per Hour
Pilot	\$36.57
Co-Pilot	\$24.11
Navigator	\$27.44
Flight Engineer	\$23.68
Radio Operator	\$12.42
* Air Freight Splst	\$22.09
* Air Freight Dispatcher	\$ 4.09

Notwithstanding what is set forth in paragraph b. of Part II of the Schedule of the contract the Contractor will not furnish the services of Air Freight Specialists and Dispatcher without the written approval of the Chief, MAAG.

EXHIBIT "B"
HAZARDOUS FLYING RATES

Rate Per Hour

Pilot	\$10.00
Co-Pilot	\$ 5.00
Navigator	\$ 5.00
Flight Engineer	\$ 5.00
Radio Operator	\$ 5.00
Air Freight Specialist	\$ 5.00
Air Freight Dispatcher	\$ 1.20

RESERVED BY U.S. GOVERNMENT EXPENSE

GENERAL PROVISIONS
(Fixed-Price Non-Personal Service Contracts)

CLAUSE 1. DEFINITIONS (AFPI 7-4205.1, OCT 1957)

As used throughout this contract the following terms shall have the meanings set forth below:

(a) The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of the United States military department concerned; and the term "his duly authorized representative" means any person or persons (other than the Contracting Officer) authorized to act for the Secretary.

(b) The term "Contracting Officer" means the person executing this contract on behalf of the United States Government, or any other officer or civilian employee who is properly designated a Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of the Contracting Officer acting within the limits of his authority.

(c) The term "United States Government" means the United States of America.

(d) Except as otherwise provided in this contract, the term "Subcontracts" means any agreement, contract, subcontract or purchase order made by the Contractor with any other party in fulfillment of any part of this contract, and any agreement, contract, subcontract or purchase order thereunder.

CLAUSE 2. CHANGES (AFPI 7-4025, JULY 1955)

The Contracting Officer may, at any time, by a written order, and without notice to the sureties, if any, make changes in or additions to drawings and specifications, issue additional instructions, require modified or additional work or services within the general scope of the contract, change the place of delivery or method of shipment, or the amount of United States Government furnished property. If any such change causes an increase or decrease in the cost of, or in the time required for, performance of this contract, an equitable adjustment shall be made in the contract price, or time of performance, or both, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within sixty (60) days from the date of receipt by the Contractor of the notification of change: Provided, however, That the Contracting Officer, if he decides that the facts justify such action, may receive any act upon any such claim asserted at any time prior to final payment under this contract. Failure to agree to any adjustment shall be a dispute concerning a question of fact within

FFPL (NONPERSONAL) 20 JAN 62
PREVIOUS EDITIONS ARE OBSOLETE

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CHANGE ORDER
(OR ADMINISTRATIVE CHANGE)

FILE COPY

PAGE NO.

NO. OF PAGES

1

ACQUISITION NO./PURCHASE AUTHORITY

CONTRACT (Order) NO.

MODIFICATION NO.

HAAG FY63-3

AF62(531)-1683

1

TO: (Contractor's name and address)

ISSUED BY

Air America, Inc.
Field Executive Office
APO 239, San Francisco, California

Directorate of Proc. Prod
W/ Air Materiel Force Pacific Area
APO 323, San Francisco, California

Buyer: J. J. McGrath, AFPM

- PURSUANT TO THE "CHANGES" CLAUSE OF THE ABOVE-NUMBERED CONTRACT, THE FOLLOWING CHANGES ARE MADE THEREIN.
- THE ABOVE-NUMBERED CONTRACT IS MODIFIED TO REFLECT THE FOLLOWING ADMINISTRATIVE CHANGES.

Pursuant to Part I of the Schedule of the above numbered contract entitled "Option to Extend the Term of the Contract," the following changes are made:

1. By exercising the option granted in Part I of the Schedule to the contract and thereby extending the Period of Performance from 1 July 1962 through 30 June 1963.

2. By adding a sentence to paragraph a, Part IV of the Schedule to the Contract to read as follows:

"For payment to the Contractor, during the Period of Performance called for during the option period, there is hereby obligated to this contract the sum of \$3,900,000.00 chargeable to the funds set forth on the Administrative Commitment Document attached hereto."

By changing the dollar figure shown on the cover page of the Contract which reads, "Estimated at \$990,000.00 to read in lieu thereof; "Estimated at \$4,990,000.00."

4. By changing, effective 1 July 1962, all references throughout the Contract, which reads: "the Air Materiel Force Pacific Area" to read in lieu thereof; "the West Air Procurement Region (FLPM)"

5. This Change Order is subject to Clause 18, entitled "Approval of Contracts" which is a part of the General Provisions to the basic Contract.

Certified True Copy

DATE: Jun 18, 1962

James E. Spencer
JAMES E. SPENCER
IASC
Contracting Officer

S/R. G. FROST
W. G. FROST
Major General, USAF
Director of Procurement and
Production

Except as hereby modified, all terms and conditions of said contract as heretofore modified remain unchanged and in full force and effect.

UNITED STATES OF AMERICA

BY

James E. Spencer
SIGNATURE OF CONTRACTING OFFICER

PROCUREMENT
OFFICIAL COPY

JAMES E. SPENCER

TYPED NAME OF CONTRACTING OFFICER

REPRODUCED BY U.S. GOVERNMENT PRINTING OFFICE

CHANGE ORDER
(OR ADMINISTRATIVE CHANGE)

PAGE NO. 1
NO. OF PAGES 1

REQUISITION NO. / PURCHASE AUTHORITY
TWXs MLAF 4718
MGAD 9319
OSD/LSA P2723562

CONTRACT (Order) NO.
AF 62(531)-1683

MODIFICATION NO.
2

TO: (Contractor's name and address)
Air America, Inc.
Field Executive Office
APO 239, San Francisco, California

ISSUED BY
Hq, Air Procurement Region, Far East
(SMAMA), APO 323
San Francisco, California

Buyer: James E. Spencer

PURSUANT TO THE "CHANGES" CLAUSE OF THE ABOVE-NUMBERED CONTRACT, THE FOLLOWING CHANGES ARE MADE THEREIN.
 THE ABOVE-NUMBERED CONTRACT IS MODIFIED TO REFLECT THE FOLLOWING ADMINISTRATIVE CHANGES.

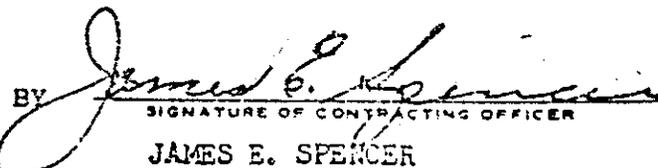
- A. By changing any reference in this contract which reads "Chief, MAAG" to read "Director, USAID".
- B. By changing that part of the signature page of the contract that reads "Payment will be made by the Disbursing Officer, MAAG, APO 152" to read "Payment will be made by the Disbursing Officer JUSMAG Thailand".

This change is effective at 0001 hours 7 Oct. 1962.

This confirms our Message SMFL 5061 of 3 Oct. 1962.

Except as hereby modified, all terms and conditions of said contract as heretofore modified remain unchanged and in full force and effect.

DATE 3 Oct. 1962

UNITED STATES OF AMERICA
BY 
SIGNATURE OF CONTRACTING OFFICER
JAMES E. SPENCER
TYPED NAME OF CONTRACTING OFFICER

U.S. GOVERNMENT PRINTING OFFICE

CHANGE ORDER
(OR ADMINISTRATIVE CHANGE)

PAGE NO.

NO. OF PAGES

1

1

ACQUISITION NO./PURCHASE AUTHORITY

CONTRACT (Order) NO.

MODIFICATION NO.

TXK SMFB 07553

AF 62(531)1683

3

TO: (Contractor's name and address)

Air America, Inc.
Field Executive Office
APO 239, San Francisco, California

ISSUED BY

Hq Air Procurement Region, Far East (SWAMP)
APO 323, San Francisco, California
Buyer: James S. Spencer

- PURSUANT TO THE "CHANGE" CLAUSE OF THE ABOVE-NUMBERED CONTRACT. THE FOLLOWING CHANGES ARE MADE THEREIN.
- THE ABOVE-NUMBERED CONTRACT IS MODIFIED TO REFLECT THE FOLLOWING ADMINISTRATIVE CHANGES.

A. By changing any reference in this contract which reads "Director, USAID" to read "Deputy Chief, JUSMAG, Thailand".

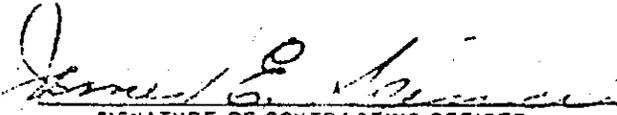
This change is effective at 0001 hours, 27 November 1962.

This confirms our messages SMFL-62-5111 of 24 November 1962 and SMFL-62-5113 of 26 November 1962.

Except as hereby modified, all terms and conditions of said contract as heretofore modified remain unchanged and in full force and effect.

UNITED STATES OF AMERICA

DATE 26 November 1962

BY 
SIGNATURE OF CONTRACTING OFFICER

JAMES S. SPENCER
TYPED NAME OF CONTRACTING OFFICER

DD FORM 1319
1 MAY 60

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SUPPLEMENTAL AGREEMENT

EFFECTIVE DATE

1 September 62

SE NO.

1

NO. OF PAGES

2

ACQUISITION NO. / PURCHASE AUTHORITY

CONTRACT (Order) NO.

MODIFICATION NO.

AF62(531)-1683

4

(Contractor's name and address)

Air America, Inc.
Field Executive Office
APO 239
San Francisco, California

ISSUED BY

Hq Air Procurement Region, Far East
(AFLC)
APO 323, San Francisco, California
Buyer: William S. McDuffee

ACCOUNTING AND APPROPRIATION DATA

Same as basic contract

The above-numbered contract is modified as follows:

1. WHEREAS, the Contractor and the Government have entered into Contract No. AF62(531)-1683 under date of 10 April 1962 which, together with any and all amendments, changes, modifications, and supplements thereto, is hereinafter referred to as "the contract"; and
2. WHEREAS, the contract provides for repricing in accordance with Part X of the schedule; and
3. WHEREAS, the contract provides that the performance of work thereunder may at the convenience or option of the Government be terminated by the Government in whole or from time to time, in part, whenever any such termination is determined to be for the best interest of the Government, and that the Contractor and Contracting Officer may agree upon the whole or any part of the amount or amounts to be paid to the Contractor by reason of such termination; and
4. WHEREAS, by the Notice of Termination dated 7 December 1962, the Government advised the Contractor of the partial termination of the contract for the convenience or at the option of the Government as of the date and to the extent provided in such Notice, to which reference is hereby made as to the part terminated, and said part is hereinafter referred to as "the terminated portion of the contract."
5. NOW, THEREFORE, the parties hereto agree as follows:
6. By adding Exhibits "A-1" and "B-1" which will be used in lieu of Exhibits "A" and "B" and represents the final repricing and acceptable rates as contemplated by

Except as hereby modified, all terms and conditions of said contract as heretofore modified remain unchanged and in full force and effect. This Supplemental Agreement is entered into pursuant to the authority of ~~XXXXXX~~ (IF APPLICABLE). Part X Contract Schedule and Clause 8 of the General Provisions

Air America, Inc.

NAME OF CONTRACTOR

Ronald E Lewis 12 Jun 63

SIGNATURE

DATE

RONALD E LEWIS

TYPED NAME

General Manager - Japan

TITLE

UNITED STATES OF AMERICA

James E Spencer 12 Jun 63

SIGNATURE OF CONTRACTING OFFICER

DATE

JAMES E. SPENCER

TYPED NAME OF CONTRACTING OFFICER

DD FORM 1320
1 MAY 60

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SUPPLEMENTAL AGREEMENT NR 4
(Continued)

Contract: AF62(531)-1683

Contractor: Air America, Inc.

the parties for the period 1 September 1962 through 30 June 1963.

7. By changing the rates set forth in Part IV. i. (2) to read \$2.25 in lieu of \$2.34 and \$4.24 in lieu of \$3.40 for the period 1 September 1962 through 30 June 1963.

8. The contractor hereby unconditionally waives any claim against the government arising under the terminated portion of the contract or by reason of its termination including, without limitation, all obligation of the government to make further payments or to carry out other undertakings in connection with said terminated portion, and the government acknowledges that the contractor has no obligation to perform further work or services or to make further deliveries of articles or materials under the terminated portion of the contract; provided, however, that nothing herein contained shall impair or affect in any way any other covenants, terms, or conditions of the contract.

9. This Supplemental Agreement shall be subject to the written approval of the Secretary of the Air Force or his duly authorized representative and shall not be binding until so approved.

10. Finalization of this repricing action was delayed due to partial termination action during the repricing period.

11. Any amount due the United States Government as a credit under this contract resulting from the repricing action set forth in this Supplemental Agreement shall be recovered by offsetting such amounts against current unpaid charges and future billings to be made by the contractor under this contract and in the event such amounts due the United States Government exceed such unpaid charges or future billings by the contractor such difference will be paid by the contractor by certified check or by any other method which is agreeable to both the contractor and the United States Government.

REFUNDABLE AI U.S. GOVERNMENT EXPENSE

EXHIBIT "A-1"

Flying Hour Rates

<u>Type Aircraft</u>	<u>Rates per Hour</u>	
	<u>CF-POL</u>	<u>GF-POL</u>
C-46	\$ 240.13	\$ 200.68
C-47	179.52	156.34
C-45	119.89	110.00
DC-4	341.17	283.75

Rates for Additional Flying Personnel

	<u>Rates per Hour</u>
Pilot	\$37.35
Co-Pilot A	27.09
Co-Pilot C	15.77
Navigator	29.00
Flight Engineer	27.97
Radio Operator	14.11
*Air Freight Specialist	25.93
*Air Freight Dispatcher	9.64

* Notwithstanding what is set forth in paragraph b. of Part II of the Schedule of the contract, the contractor will not furnish the services of Air Freight Specialists and Dispatchers without the written approval of the Deputy Chief, JUSMAG.

Contract AF62(531)-1683

EXHIBIT "B-1"
HAZARDOUS FLYING RATE

	<u>Rate per Hour</u>
Pilot	\$10.00
Co-Pilot A	5.00
Co-Pilot C	3.00
Navigator	5.00
Flight Engineer	5.00
Radio Operator	2.50
Air Freight Specialist	5.00
Air Freight Dispatcher	1.25

Contract AF62(531)-1683