

CONTRACT AF62(531)-1674

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

Contractor: Air America, Inc.

Effective Date: 1 July 1961

Purchase request by: Chief MAAG, APO 152

Contract Amount: \$2,500,889.25

Coverage: The contractor shall provide, establish, manage, operate and maintain a complete flying and maintenance service, inclusive of all facilities, supplies, materials, and support services not furnished by the United States Government of a quantity of six (6) to twenty (20) each helicopter aircraft... , the Contractor will provide the following:

Flying personnel

Non-flying personnel

Flying services in and over hazardous areas

Direct parts and materials for aircraft and supplies in support of aircraft

Other parts, materials, utilities, facilities and services

Helicopter flight and maintenance training to students presented by the Chief, MAAG, when the aircraft are not performing other operations or undergoing necessary maintenance.

The contract was extended through 30 June 1963 and the value increased to \$7,387,500.00.

Martin L. Kaufman

MARTIN L. KAUFMAN, Colonel, USAF 17 April 1991

Former Contracting Officer

USAF Air America Project 1968-1973

1 July 1961

OFFICE OF PROCUREMENT & PROTECTION
Material Force Pacific Area
San Francisco, California
Major J. J. McGrath, AFM1

DISCOUNT TERMS
None
AF 62(531)-1674
MAIL ORDERS TO SUPPLIERS (OR SERVICE) SHIP-
ping documents used as invoices) will be
addressed to the accounting and finance
office referred to below and mailed accord-
ing to the instructions received from the
Contracting officer assigned to administer
the contract.

CONTRACTOR (Name and address)
Air America, Inc.
Field Executive Office
APO 239, San Francisco, California

PAYMENT WILL BE MADE BY
The Disbursing Officer
MAG, APO 152

SHIP TO (Contractor's address)
Certified True Copy
Not Applicable
JUL 16 1961
JAMES L. BROWN
DAFC

DELIVERY
P.O.B. DESTINATION OTHER (See Schedule)
DELIVERY DATE(S)
See Schedule s/t R. E. RUMIG
Major General, USAF
Director of Procurement
and Protection

Contract For: H-34 Operation and Maintenance
ACCOUNTING AND APPROPRIATION DATA

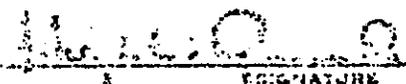
See attached Administrative Commitment Document.

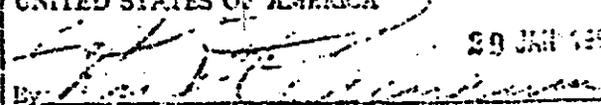
CONTRACTOR REPRESENTS

- That it is a small business concern. Generally, a small business concern for the purpose of Government procurement is a concern that (a) is not organized in its field of operation and, with its auxiliary employees fewer than 500 employees, or (b) is organized as a small business concern by the Small Business Administration. (See Code of Federal Regulations, Title 13, Part 121, as amended, which contains the detailed definition and related provisions.) If the contract, however, is not the manufacture of the supplies covered by this contract, it is the responsibility of the contractor to be furnished however 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 individual person (other than a full-time bona fide employee working solely for the contractor) to solicit or secure this contract, and 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 full definition of the representation, including the term "bona fide employee", see Code of Federal Regulations, Title 41, Part 150.)
- That it operates as INDIVIDUAL PARTNERSHIP CORPORATION incorporated in the State of _____

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. To the extent 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 \$2,500,000.25.

Air America, Inc.
NAME OF CONTRACTOR
By: 
SIGNATURE
Hugh L. Grunty
TYPED NAME
Title: President

UNITED STATES OF AMERICA
By: 
SIGNATURE OF CONTRACTING OFFICER
JOHN F. PAKENHAM
TYPED NAME OF CONTRACTING OFFICER
29 JUN 1961
DATE

FORM 100-100-1

OFFICIAL USE ONLY

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CONTRACTOR: Air America, Inc.

SHEET 1A
COVER PAGE CONTINUED

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

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

Capt A. Malinverol, 31515A
Administrative Contracting Officer
Box 54, MPO, 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: MIPR MAAG 62-1

P/R INITIATOR: Chief MAAG, APO 152

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

ADMINISTRATIVE COMMITMENT DOCUMENT

TO: AMI Office	Processing Office MAG APO 142	DATE 12 Dec 61	CONTRACTUAL INSTRUMENT NUMBER AF (21531)-1674 (Definitive Contract)
W/AFRO:	Doc 9 (Saigon Air Proc. Office) Doc 26, APO 142		CONTRACTOR Air America, Inc.

LINE	CONT. ITEM NO.	CONTRACT QUANTITY	PR OR MFR NUMBER AND ACCOUNTING CLASSIFICATION	UNIT PRICE	TOTAL COST
1	5	Open End Contract	Purchase Request Nr. MPR MAG 62-1 FY 62 MAP CSH 441-09992 Program Deviation 61-45114-24 applies 57-1121080.001 263-3020 P441-09992 \$595300 2500 This ACD supersedes ACD of 24 October 1961 obligating \$1,899,000.00.	N/A	\$2,500,889.25(0)
					\$2,500,889.25(0)

/s/ Joseph J. McMath
 ACCOUNTING OFFICER
 M. 112-1080, 215316

The supplies and services to be obtained by this instrument are authorized by, use for the purpose set forth in, and are chargeable to allotments enumerated above, the available balance of which is sufficient to cover the cost in an amount not to exceed \$ 2,500,889.25

12 Dec 1961
 DATE

/s/ Truman Otake, DAFO
 SIGNATURE (Accounting Officer)

This is a copy of the original document.

SCHEDULE

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CONTRACTOR: Air America, Inc.

PART I. SERVICES TO BE PERFORMED:

1. The Contractor shall, during the period set forth in Part II hereof, provide, establish, manage, operate, and maintain a complete flying and maintenance service, inclusive of all facilities, supplies, materials, equipment, and support services not furnished by the United States Government, including required maintenance and referred to as the contract services, to permit utilization by the United States Government of a quantity of six (6) to twenty (20) each helicopter aircraft dependent upon the Contractor's capability to perform as such may be affected by the result of hostile acts or other unforeseen circumstances beyond the control of the Contractor during performance hereunder. The aircraft are to be operated in the Work Zone as set forth in orders issued pursuant to paragraph "f" hereinbelow and at points in the Work Zone designated by the Chief, MAAG. The contract services shall be rendered at airports or other locations in a specified area made effectively available by the United States Government and designated in writing to the Contractor by the Chief, MAAG. Pursuant to the services called for herein, the Contractor will provide the following:

- Item Nr 1. Flying personnel consisting of, but not limited to, the classifications set forth in Exhibit "C" hereof.
- Item Nr 2. Non-flying personnel consisting of, but not limited to, the classifications set forth in Exhibit "D" hereof.
- Item Nr 3. Flying services required herein in and over hazardous areas in accordance with paragraph "b.(iv)" of Part IV hereof.
- Item Nr 4. Furnish direct parts and materials:

For parts and materials (aircraft): The Contractor shall be reimbursed for the costs of parts and materials to be utilized in the repair and maintenance of the aircraft pursuant to the provisions of Clause 4 of the General Provisions, entitled "Payments" and paragraph "(h)(1)" of Part IV. The Contractor shall furnish if available:

a. The supplies coded CP (Central Procurement) in support of the aircraft set forth in Exhibit "B" hereto, to the extent the United States Government is unable to furnish same, provided the need for the Contractor to furnish such supplies is approved by the Chief, MAAG. Supplies so furnished shall be chargeable to this contract Item 4.a, and the Contractor's invoices or vouchers submitted for payment shall contain the following statement: "All parts, equipment, and materials listed on this invoice (voucher) are coded CP (Central Procurement) and are furnished pursuant to the terms of Item Nr 4.a."

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b. Direct materials that normally are provided by the Contractor such as Base Procurement Items (BP and GSEF, etc., materials). Supplies so furnished shall be chargeable to this contract Item 4.b, and the Contractor's invoices or vouchers submitted for payment shall contain the following statement: "All parts, equipment, and materials listed on this invoice (voucher) are coded BP (Base Procurement) and are furnished pursuant to the terms of Item Nr 4.b."

Item Nr 5. Furnish parts, materials, utilities, facilities, and services to the extent provided for in the contract schedule excepting Items 1. through 4. above in accordance with Part VI of this Schedule.

For Contractor furnished parts, all materials including expendable supplies, utilities, facilities, services, etc. whether acquired through purchase, lease, construction, or otherwise furnished in the performance of this contract, the Contractor shall be reimbursed pursuant to the provisions of Clause 4 of the General Provisions, entitled "Payments" and paragraph "(h)(2)" of Part IV.

b. The Contractor shall also provide helicopter flight and maintenance training to such students as are presented by Chief, MMAG, at time or times when the aircraft are not performing other operations hereunder or undergoing necessary maintenance.

c. The Contractor will, within the classifications set forth in Exhibits "C" and "D" hereof, and subject to the prior written approval of the Chief, MMAG, assign such personnel as the Contractor determines to be required to provide the contract services directed by the Chief, MMAG.

d. The Chief, MMAG, may elect to provide personnel, in addition to those personnel provided by the Contractor, if required, to support the contract services. In such case, the United States Government will pay all salaries and other costs for such personnel furnished by it, but such personnel will be responsible to the Contractor for the performance of duty when such duties are within the scope of the provisions of this contract.

e. 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 the prevailing practices and regulations governing MMAG personnel.

f. Consistent with the provisions of paragraph a. hereinabove wherein the Chief, MMAG, is authorized to designate in writing to the Contractor the services to be performed, the Contracting Officer will issue orders to the Contractor designating the "Work Zone" at which the services provided for

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herein will be performed, to be hereinafter referred to as the "Work Zone". Such orders will further specify the U.S. Government agency for whom the Contractor will render the services and which U.S. Government agency will be responsible for technical surveillance and operational control. Except as pertains to the First Order #62-1 dated and effective 1 July 1961 and hereby made a part of this contract by reference, the Contractor will not be required to perform in any area other than that designated in said First Order #62-1 unless and until the written concurrence of the Contractor with such order shall have been obtained.

PART II. PERIOD OF PERFORMANCE:

The services called for under Part I hereof shall commence on 1 July 1961 and continue through 30 June 1962.

PART III. TECHNICAL SURVEILLANCE AND OPERATIONAL CONTROL:

The Chief, MAAG, and/or his duly authorized representative, shall provide technical surveillance, supervision, and operational control necessary to assure that the Contractor performs the services in accordance with the provisions of the contract; provided that such services will be commensurate with the rated capabilities of the aircraft, reasonable professional standards, and the qualifications of the Contractor's personnel. The Contractor will have final authority to decide all matters in connection with the services involving safety of operation and will maintain the aircraft in accordance with the Contractor's standards, applicable aircraft handbooks, and related Technical Orders furnished pursuant to Part V. hereof.

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 as set forth in Exhibit "C", "D", and "E" 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 Two Million, Five Hundred Thousand, Eight Hundred Eighty Nine Dollars, Twenty Five Cents (\$2,500,889.25).

b. As pertains to Items 1 and 2 in Part I above, the Contractor will maintain a daily roster of personnel authorized and assigned for the performance of contract services under this contract which will include full name, classification (as per Exhibits "C" and "D") and location. Billings and payments will be made in accordance with such rosters. The roster will not include personnel who are not actually assigned to this contract, and who are not located in the Work Zone. As pertains to Items 1 through 3 of Part I above, the Contractor shall be paid upon the submission of proper invoices or vouchers, the rates stipulated herein for services rendered and accepted, less deductions, if any herein provided.

(i) It is understood that payment to the Contractor as provided in Exhibit "C" for personnel furnished hereunder shall accrue from the date such personnel are made available at their place of duty in the Work Zone for the purpose of performing the services hereunder. It is understood that the time necessary for the Contractor's personnel to proceed to the work site and from the work site to areas outside of the Work Zone shall not be considered as time spent in performance of the services hereunder. However, it is understood that the time necessary for the transfer of Contractor personnel between the different work sites as directed by the Chief, MAAG, shall be considered as time spent in performance of the services hereunder.

(ii) All flight time in the performance of this contract shall be paid for at the applicable rate or rates per hour or pro rata for a portion of an hour as set forth in Exhibit "C", provided that the Contractor shall be paid for each pilot, flight mechanic, and assistant chief pilot position hereunder a minimum of 70 hours per month at the non-hazardous rate for such personnel as set forth in Exhibit "C" hereof. However, it is understood that the guaranteed minimum number of flying hours applicable to flying personnel shall relate to a 24 day period and that in the event proration of such minimum guarantee becomes necessary proration will be accomplished at the rate of 2.92 flying hours for each day of such 24 day period.

(iii) The Contractor shall be paid for those personnel covered by Exhibit "D" at the man-day rates set forth in Exhibit "D" for each work day or fraction thereof. A work day shall consist of 8 hours of presence and availability for work assignments in each 24 hour day. The Contractor will not be paid for more than 24 working days for each individual in a calendar month excepting individuals in the "D" category. For individuals in the "D" category Contractor will not be paid for more than 25.42 days for each individual in a calendar month. The Contractor at its discretion may require his personnel assigned hereunder to work longer than 8 hours in a 24 hour work day and later allow equal compensatory time off during subsequent days, and such compensatory time shall be considered time spent in performance of services hereunder. The rates set forth herein include full compensation to the Contractor for all leave including Sundays and Holidays.

(iv) The Contractor shall be paid for those personnel covered by Exhibit "E" at the hourly rates for hazardous area flying set forth in Exhibit "E" for each hour or pro rata for a portion of an hour of hazardous area flying. Flying time in a hazardous area to be determined in accordance with the definition and procedure set out in order #62-1 issued pursuant to paragraph f. of Part I. hereof.

(v) 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 or 50% of the total amount of this contract.

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c. 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 Government furnished property in possession of the Contractor for use in connection with services rendered under this contract.

d. In the event of an emergency wherein an aircraft is believed to be missing during the course of operation hereunder, or has made a landing at a location or in a manner whereby the aircraft and/or its flight crew and/or passengers is 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 "k" of Part XI, 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 it may have immediately available and may be 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.

e. The terms "Flight Hour," "Flight Time," and "Flying Time" as used in this contract for determination of payment due the Contractor for services rendered as synonymous and shall for rotor wing aircraft commence upon engagement of the rotors for the purpose of taking-off and shall continue until the aircraft returns to the ground and the rotors are disengaged and shall include time at intermediate stops when the rotor is engaged and the pilot remains at the controls while loads are being discharged or taken aboard, plus five (5) minutes for each separate flight as recorded in the aircraft log book.

f. 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 f.

g. In consideration for furnishing the services provided under this contract, the Contractor shall be paid in accordance with the provisions of this contract upon the Contractor presenting to the Chief, MAAG, an original plus four copies of Contractor's invoices certified by the Contractor as follows:

"I certify that the above bill is just and correct and payment therefor has not been received."

The Chief, MAAG, will cause to be affixed on each copy of the Contractor's invoice the following statement:

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"I certify that the services covered by this invoice have been satisfactorily performed and/or the materials and/or supplies listed therein have been received and accepted for the United States Government in accordance with the terms and provisions of the contract."

The Chief, MAAC, will sign this statement appearing on the original and three copies of the Contractor's invoice.

h. Reimbursement pursuant to the provisions of Items 4 and 5 shall be subject to the following:

(1) As pertains to Item Nr 4 hereof, the Contractor shall be reimbursed for all direct materials. Direct materials as used herein are defined as all items of materials purchased, supplied, manufactured, or fabricated with the intention of entering them into, or making them a part of, the end product. For the purpose of this contract cleaning, brightening, polishing compounds, packing and packaging materials, PGL (petroleum oil lubricants) necessary to operate only those GPP, ground powered equipment, and other materials, used or consumed directly on the aircraft or component parts thereof, shall be direct materials. The Contractor, when billing for GP items (Item 4.(a)) and LP stock listed material (Item 4.(b)), must clearly identify such material with the contract item number provided for that purpose.

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 where required to render assistance to the United States Government in the recovery of such taxes and/or customs duties.

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ii. For those parts and materials furnished by the Contractor for which, in accordance with the Contractor's established practice, the costs cannot be determined either by reference to a paid vendor's invoice 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 AEA 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 Nr 4 hereof, and parts, materials, utilities, facilities, and services furnished pursuant to Item Nr 5 hereof. Claims for reimbursement of costs for items withdrawn from the Contractor's stock must be supported by Contractor's invoices approved by the ACO.

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 or 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 5 hereof, and subject to subparagraphs i - v of paragraph h(1) of this Part IV, the Contractor shall be reimbursed at cost excepting:

i. Transportation furnished pursuant to paragraph "i" of this Part IV.

ii. For repair, fabrication, maintenance, overhaul, and testing of aircraft, and aircraft parts, components, and equipment requiring skilled labor beyond the capacity of personnel otherwise assigned to this contract, for which the Contractor shall be paid \$2.31 outside the Work Zone, and \$3.40 within the Work Zone for each hour of such direct skilled labor required and expended.

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iii. For the construction, alteration, fabrication, maintenance, and repair of Government furnished property exceeding Item ii, immediately above which is beyond the capacity of personnel otherwise assigned to this contract for which the Contractor will be reimbursed actual cost not otherwise covered in this contract, to the extent directed by the Chief, MAAG, and approved by the ACO, plus \$2.34 outside of the Work Zone and \$3.40 within the Work Zone for each hour of direct skilled labor required and expended by the Contractor personnel not assigned to this contract.

i. All transportation authorized for the accomplishment of the work and services provided for in this contract, with the exception of that required for Contractor personnel to arrive at their initial station of assignment hereunder, and return to their normal Contractor stations upon their release or transfer from performance hereunder, shall be furnished by the U.S. Government at no cost to the Contractor or upon direction of the Chief, MAAG and approval of the Contracting Officer, shall be furnished by the Contractor within its capability. The Contractor will be reimbursed for such transportation including handling and packaging at its usual rates therefor, for which the Contractor is not otherwise expressly reimbursed hereunder.

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 those skilled laborers, artisans, craftsmen and operator, 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.

k. (i) It is estimated that the total cost to the United States Government for the performance of this contract will not exceed the amount set forth in the Schedule. If at any time the Contractor has reason to believe that the costs which it expects to incur in the performance of this contract in the next succeeding thirty (30) days, when added to all other costs previously incurred will exceed eighty-five (85%) of the estimated cost then set forth in the Schedule, the Contractor shall notify the Contracting Officer to that effect giving its revised estimate of total cost

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For the performance of this contract, if at any time during the performance of this contract, the Contractor has reason to believe that the total obligations of the United States Government for the performance of this contract will be substantially greater or less than the then stated estimated cost thereof, the Contractor shall so notify the Contracting Officer, giving its revised estimate of total cost for the performance of this contract.

(ii) The United States Government shall not be obligated to pay the Contractor any amount in excess of the estimated amount set forth in the Schedule and the Contractor shall not be obligated to continue performance by virtue of which the United States Government's obligation hereunder would exceed the estimated amount set forth in the Schedule, unless and until the Contracting Officer shall have notified the Contractor in writing that such estimated cost has been increased and shall have specified in such notice a revised estimated cost which shall thereupon constitute the estimated cost of performance of this contract. When and to the extent that the estimated cost set forth in the Schedule has been increased, any expenses incurred by the Contractor in excess of such estimated cost prior to the increase shall be allowable to the same extent as if such expenses has been incurred after such increase in the estimated cost.

PART V. UNITED STATES GOVERNMENT FURNISHED PROPERTY, FACILITIES, SERVICES ETC.

a. At any location where the Contractor shall, by direction of the Chief, MAAG, provide services hereunder, the U.S. Government will make available in a timely manner, in specific area at such locations, at no charge to the Contractor, adequate equipment, materials, and facilities necessary for the proper accomplishment of the contract services. Said equipment and facilities shall consist of, but not necessarily be limited to, the items set forth in Exhibit "A" and the following:

- (1) The aircraft set forth in Exhibit "E" hereto.
- (2) Facilities; ground handling equipment, ground servicing equipment, spare parts, special tools, test equipment, and other items as may be reasonably required. ✓

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- (3) FGL storage facilities at operating sites.
- (4) Teletype and telephone facilities at the main operating site.
- (5) Vehicles, including trucks, jeeps, FGL trucks, ambulances, fire trucks, etc. as may be reasonably required.
- (6) Air transportation for Contractor personnel and supplies within the operating areas.
- (7) Utilities consisting of power and water at operation sites.
- (8) Personnel facilities including equipment for messing, billeting, recreation facilities and limited medical care.
- (9) Technical data required by the Contractor for operation and maintenance of all G.F.P.
- (10) Office space and facilities including toilets, office furniture, equipment, and materials for operations, maintenance, supply, and other Contractor activities, in areas as conveniently located as practicable with respect to the aircraft maintenance, parking, and departure and arrival areas.
- (11) Warehouse space, adequate for the storage of all parts, materials, and tools required for use on the G.F.P. Such facilities will be provided with suitable racks and shelving and provide shelter from the elements as well as reasonable security against theft.
- (12) Covered space for equipment such as ground radios, generators, and compressors where required.
- (13) Aircraft maintenance area consisting of a hangar with paved flooring of sufficient size to house at least two aircraft, and a paved area near the hangar of sufficient size to park at least three additional aircraft.
- (14) Ground communication facilities, adequate to establish point to point communications between the various operations, maintenance, supply, and control center locations, and to establish air to ground and ground to air communications for flight watch and other purposes. Such facilities shall be complete including power sources, transmitting and receiving equipment, and necessary back-up equipment.
- (15) All aircraft spare parts.

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(16) All spare parts and materials required for the maintenance and repair of Government furnished ground handling equipment, ground servicing equipment, communications equipment, vehicles, ground powered equipment, etc.

(17) Survival equipment and personal gear.

b. United States Government will secure and provide sites (real estate) on which the Contractor will operate and perform the services required pursuant to the provisions of the contract.

PART VI. CONTRACTOR FURNISHED PROPERTY:

a. Notwithstanding other provisions in this contract, in the event the U.S. Government cannot provide any of the facilities, materials, or property set forth in Part V above, the Contractor agrees, subject to the written approval of the Chief, MAG, and within its capability to undertake to obtain by purchase, manufacture, lease, rental, or otherwise, and furnish at point of use, such equipment for which the Contractor will be reimbursed pursuant to the provisions of Part IV above. Prior to furnishing any items pursuant to the provisions of this Part VI, the written approval of the Chief, MAG, will be obtained in accordance with Exhibit "F".

b. The Contractor will furnish and/or bear the costs for all necessary common hand-tools required for the performance of maintenance hereunder.

PART VII. SUPPLY PROCEDURES:

a. System

The Contractor will operate and maintain a supply system in consonance with Air Force Manual 67-1 and pursuant to the provisions of Clause 23, entitled "United States Government Furnished Property," of the General Provisions hereof.

b. Requisitioning Procedures For Follow-On Spares

The U.S. Government will furnish all spare parts to the Contractor pursuant to the following procedures:

(1) The Contractor will forward all follow-on requisitions by routine precedence message direct to NSD, Yokosuka, with information to AMFPA (PFNEB) and COMFAIRLESWPAC, Atsugi NAS. It is permissible to include as many requisitions as desired in one message; however, each line item must be assigned an individual CSDN. Use the following sample format, including the letters preceding each line:

ACCP/ANFE/CRITICAL REQUIREMENTS

- A. OASN 1149XXXXXXXXXX001.
- B. Pri 10.
- C. DESI 5-10-51.
- D. RMI560-524-8337-ASKY, PACKING, 10 ea, P/N S1635-64072.

Reference See B. pg 2 (or IFB reference if non Sec B item).

- E. Air Ship. ADBSHIPDA or Pass Action.
- F. (Use this paragraph for additional information)

(NOTE: D should contain at least the stock number and/or part number if other data is not available. E and F need be shown only once on multiple requisitions messages.) If Yokosuka fills a requisition, they will prepare a DD Form 1149. If item is extracted to COMUS, Navy message will contain information equivalent to that contained in 1149. In either case, the form will consist of standard data plus data from Contractor's message, with AFPA and USAFPO AIRAM included in distribution of copies.

(2) ACCP/ANFE and highly critical requirements will be by AIRAM priority message to NSD Yokosuka with information to AFPA. Format for messages from AIRAM will be similar to that described in Paragraph 1 above, excepting B and C which should read: B. Pri 5 ACCP HOS-1 BuNo KXXXX; C. DESI past. (NOTE: On this type of requirement, include only one line item in one message.) Navy supply actions and citing of funds will be the same as in paragraphs 1 and 2 above.

(3) The Navy agency supplying the item will include the Contractor, AFPA, and AFPA in distribution of copies of shipping documents or any other documents related to supply actions.

(4) Follow-up, when required, will be by Contractor message to NSD, Yokosuka, or latest extract USN addressee with information to AFPA. One ACCP/ANFE/Critical requirements, follow-up will not be earlier than 4 days after release of requirement by the Contractor or 4 days after receipt of latest status by the Contractor. On other requirements, follow-up period will be no earlier than 10 days after requisitioning or 14 days after receipt of latest status.

(5) Contractor will continue using block of OSDN's already allotted by AFPA.

c. Authorization For LP and LI

The Contractor will purchase LP items and locally manufacture items as required and authorized by appropriate technical orders and may purchase or manufacture other items as required due to emergency needs when approved by the Chief, MMAG.

d. Work Stoppage Items

As pertains to work stoppage items, subject to the approval of the Chief, MMAG, and for the purpose of relieving or preventing an emergency situation, the Contractor may purchase, repair, or overhaul any replacement item or component for use on an item requiring repair beyond the limits imposed by field level maintenance restrictions, in order to return the item to a serviceable condition.

e. Disposition Instructions

(1) Reparables. Unless directed otherwise, all reparable (recoverable) items not authorized for Contractor repair will be prepared for shipment and delivered by Government furnished transportation for disposition to the Chief, MMAG.

(2) Serviceable Excesses. Unless directed otherwise, all serviceable excesses will be prepared for shipment and delivered by the Government furnished transportation for disposition to the Chief, MMAG.

PART VIII. MAINTENANCE OF AIRCRAFT:

a. The Contractor will accomplish all scheduled and unscheduled aircraft maintenance and repair except IMAN. The Contractor will accomplish the maintenance and repair of all components within the limits of organizational and field level maintenance. Repair of crashed or battle damaged aircraft shall be subject to the prior approval of the Chief, MMAG, and all aircraft repair shall be subject to the Contractor's ability to gain removable access to the aircraft. Transportation of such aircraft, components, and equipment from the operating site to the maintenance facility to be utilized and return will be provided by the U.S. Government at no cost to the Contractor or will be provided by the Contractor within its capability pursuant to paragraph "i" of Part IV hereof.

b. The Contractor will maintain the aircraft and aircraft forms and records in consonance with applicable aircraft handbooks and related technical orders.

PART IX. INDEMNIFICATION (WAR RISK):

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 subparagraphs i and ii below, resulting from war risks as defined in i(1) - (4), it being understood that the Contractor does not maintain insurance to cover such risks and that the cost therefor 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 Southeast Asia 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).

ii. Liability of the Contractor in the event of death, detention, injury, or disability to the Contractor's personnel resulting from war risks, as hereinabove defined in i(1) - (4), 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.

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

iv. The U.S. Government shall indemnify the Contractor to the extent and up to the amount that the Contractor would have been indemnified or protected had "war risk" coverage been included in his insurance program.

b. The indemnification of losses, damages, or liability as defined in paragraphs a.i. and ii. above, shall only extend to and include settlement, 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 X. INDEMNIFICATION:

To the extent that the Contractor is not covered by insurance, including 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, 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. Paragraphs B. and c. of Part IX hereof are applicable to this Part X.

PART XI. SPECIAL PROVISIONS:

a. Marking of Aircraft and Operation

The aircraft shall bear the identification and shall be operated subject to Part III hereof, in the manner prescribed by the Chief, MAAG, provided that the Chief, MAAG, shall bear the responsibility for the propriety of the use of such numbers, insignia, and markings.

b. 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 U.S. Government and the Governments of the countries involved. Such charges

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shall also include landing fees, airway's communications, and parking charges with respect to aircraft operated under this contract. In the event the U.S. 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.

c. Landing Rights, Clearances, and Other Permissions

It is understood that the U.S. Government will obtain from the Governments of those countries in which services are to be performed, any necessary areas for operations, facilities, landing 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 landing rights, clearance, and other necessary permissions.

d. 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.

e. 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 U.S. Government.

f. Removal of Employees

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

g. Subject to the provisions of Part Vb. and Part Xic. hereof, the Contractor will secure any and all business permits and licenses required in performance of this contract. The Contractor will obtain clearances, personal 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.

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

i. 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.

j. 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.

k. 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 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.

l. The U.S. 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 U.S. 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.

m. Notwithstanding what is set forth elsewhere herein, MAAG shall provide at points where needed and without cost to the Contractor, all petroleum products, engine oil, and lubricants necessary for the performance of this contract.

n. The provisions of Clause 25 of the General Provisions, entitled "Non-discrimination in Employment" shall apply only to American citizens, recruited in the U.S. for the purpose of performance of this contract.

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CONTRACTOR: Air America, Inc.

PART III. PROVISIONS APPLICABLE TO GOVERNMENT FURNISHED AIRCRAFT AND RELATED
PROPERTY AND SUPPORT EQUIPMENT

- a. The aircraft shall be delivered to the Contractor in a serviceable condition by OEM standards (Technical Order 00-25-1), but are furnished without any warranty expressed or implied, as to their serviceability or fitness for use for the purpose intended by the Contractor. For the purpose of this paragraph, serviceability of the aircraft shall be determined by the United States Government prior to delivery of the aircraft and prior to any flights or maintenance which may be accomplished pursuant to the provisions hereof, subject only to safe arrival of the aircraft at the delivery point provided for herein.
- b. The aircraft furnished pursuant to the provisions of this contract may be used by the Contractor in accordance with the criteria, limitations, rights, and privileges as are specified in this contract. The aircraft shall not be used except as set forth in this contract, except that, prior to delivery of the aircraft the Contractor's pilots and mechanic personnel may be given flight and maintenance training in/on said aircraft at such time, place, and by such other personnel as shall be designated by the appropriate U.S. Government authority.
- c. Except for gross and willful failure on the part of the Contractor's officers or directors to comply with the provisions of this contract, the Contractor shall not be liable for any loss, damage, or destruction of said aircraft or related property support equipment or aircraft spares furnished pursuant to the provisions of this contract including the period of training provided in paragraph "b" above, or for expenses incidental to such loss, damage, or destruction.
- d. In the event of major damage to or loss or destruction of the U.S. Government furnished aircraft and/or related property and support equipment, the Contractor shall notify the Contracting Officer as soon as possible after the occurrence thereof. This preliminary report shall be followed by a complete written report of the accident, documented with copies of all reports, and/or photographs available to the Contractor which detail the extent of the damage to the U.S. Government property.
- e. All repairs to and restoration of the U.S. Government property shall be in accordance with the provisions of this contract.
- f. The U.S. Government shall have no obligation to replace the aircraft and/or related property in the event of damage, destruction, or loss. However, the U.S. Government may, at its option, replace such property with similar property. The quantity of the aircraft may be increased upon prior agreement with the Contractor.
- g. The U.S. Government shall at all times have reasonable access to the premises wherein the aircraft and related property are located for the

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CONTRACTOR: Air America, Inc.

purpose of inspection or inventory or for the purpose of removing the property upon the expiration or termination of this contract.

h. Upon the expiration or termination of the contract, the aircraft then remaining in the Contractor's possession shall be returned to the Government in whatever condition then obtains, at a point in the Work Zone to be designated by the Chief, WAG, provided, that sufficient prior notice of termination of this contract shall be given to the Contractor to enable it to return said property, or the Contractor shall be relieved from obligation to effect return of such property as it reasonably is unable to return within such period of notice.

PART XIII. CALIBRATION:

All United States Government owned test tools, gages, and equipment furnished to the Contractor for use under this contract shall be calibrated by the United States Government if it is beyond the Contractor's and/or intracountry capabilities. Shipping and delivery point for those United States Government owned tools, gages and equipment requiring calibration, if needed to be shipped outside the Work Zone, will be F.O.B. at the facility utilized by the Contractor at the Work Zone. The method of transportation including packing of those United States Government owned test tools, gages, and equipment requiring calibration shall be as determined by the Administrative Contracting Officer and costs of transportation thereto to ship outside the Work Zone shall be borne by the United States Government. Those Contractor owned test tools, gages, and equipment that cannot be calibrated locally in the Work Zone area, shall be also calibrated by the United States Government, provided that those items are delivered to the United States Government calibration facility at Headquarters Air Materiel Force Pacific Area, WFO 323, by the Contractor. The calibration of those contractor-owned test tools, gages, and equipment shall be at no additional cost to the Contractor and the Contractor represents that the contract price does not include any charge or reserve for calibration which is to be accomplished by the United States Government hereunder. Prior to shipping those items for calibration, the Contractor shall make necessary arrangement through the Administrative Contracting Officer. The Contractor's test tools, gages and equipment to be calibrated under this contract shall be those items listed in Exhibit "A" to this contract, a copy of which is attached hereto and made a part hereof.

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

a. Pursuant to General Provisions, Clause 29 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 not 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. 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.

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CONTRACTOR: Air America, Inc.

PART XV. PRIOR INCUMBENT SCHEDULES:

This is the definite contract contemplated by Letter Contract dated 1 July 1951 and designated Contract No AF 62(531)-1674 and Amendments 1, 2, 3, 4, 5 and 6 thereof, and supersedes Letter Contract AF 62(531)-1674 excepting amendments number seven (7) and eight (8) thereto. Amendment No 5 was not used. Any costs incurred or payments made thereunder will be considered to have been made under this definitive contract.

PART XVI. SOVIET-CONTROLLED AREAS:

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 XVII. CONTRACTUAL CONTENTS:

This contract consists of a Cover Page of one page; a Continuation Sheet of one page; an Administrative Commitment Document of one page; a Schedule consisting of Parts I through XVII on pages 1 through 8, page 8a and page 9 through 20; an Exhibit "A" of 11 pages, an Exhibit "B" of one page; an Exhibit "C" of one page; an Exhibit "D" of two pages; an Exhibit "E" of one page; an Exhibit "F" of one page; General Provisions clauses 1 through 29 on pages 1 through 17, 17a, 17b, 18 through 20.

EXHIBIT - "A"
 UNITED STATES GOVERNMENT FURNISHED PROPERTY

EXHIBIT.

	STOCK NO. & DESCRIPTION	QUANTITY
1	3510-351-9922 LAUNDRY UNIT TRAINED 187244	1
2	3510-351-9924 LAUNDRY UNIT TRAINED 178307	1
3	3595-252-6896 REFR. UNIT RL-31-B	1
4	5180-293-2877 TOOL KIT CARPENTER	1
5	5180-637-2667 TOOL KIT, SERVICE REFRIGERATING UNIT	1
6	5805-503-2560 SWITCHBOARD 3B-22/PT 3465	1
7	5805-257-3602 SWITCHBOARD SB-36/P	1
8	5820-505-1827 RADIO SET AM/ERC-10	1
9	5820-505-1827 RADIO SET AM/ERC-10	1
10	5805-642-9873 TELEPHONE, FIELD PB-8	44
11	5820-194-9923 RADIO SET AM/ERC-6 19394	1
12	5820-194-9923 RADIO SET AM/ERC-6 19253	1
13	5820-194-9923 RADIO SET AM/ERC-6 19292	1
14	5820-194-9923 RADIO SET AM/ERC-6 19255	1
15	5820-194-9923 RADIO SET AM/ERC-6 19367	1
16	5820-194-9928 RADIO SET AM/ERC-6 19294	1
17	5820-194-9928 RADIO SET AM/ERC-6 19096	1
18	4110-289-7966 REFRIGERATOR, PREFAB. 100 Cu.Ft. 6813226	1
19	4110-289-7966 REFRIGERATOR, PREFAB. 100 Cu.Ft. 6813121	1
20	4110-289-7966 REFRIGERATOR, PREFAB. 100 Cu.Ft. 681343	1
21	4110-289-7966 REFRIGERATOR, PREFAB. 100 Cu.Ft.	1
22	4110-289-7965 REFRIGERATING UNIT RL-10 754	1
23	4110-289-7965 REFRIGERATING UNIT RL-10 1165	1

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1

253	7510-711-3322	ROCK SERT #2	1
254	C 4900-030-2106	LUBRICATION TRAILER $\frac{1}{2}$ tn M-250 SER # 97-08785	1
255	C 2310-835-8064	TRUCK CARGO 4x6 M-211 SER # 96-20829	1
256	C 2320-835-8319	TRUCK CARGO 4x4 M38A1 SER # 94-33854	1
257	C 2320-835-8319	TRUCK CARGO 4x4 M38A1 SER # 94-33713	1
258	C 2320-835-8319	TRUCK CARGO 4x4 M38A1 SER # 94-33870	1
259	C 2320-835-3339	TRUCK DUMP M-215 SER # 96-21429	1
260	C 2320-835-8044	TRUCK TANK WATER M-222 SER # 96-18558	1
261	C 2320-835-8322	TRUCK CARGO 3/4 TN. M-37 SER # 94-33858	1
262	C 2310-835-8516	TRUCK AMBULANCE 3/4 TN M-43 SER # 94-03765	1
263	C 4210-627-4064	TRUCK CRASH, FIRE RESCUE SER # 71-01231	1
264	C 4210-627-4064	TRUCK CRASH, FIRE RESCUE SER # 71-01222	1
265		ELEVATED PLATFORMS WITH INTERCONNECTING WALKWAYS	12
266		RENOVATED BUILDINGS 24' x 120'	2
267		MAJOR TRANSPORT REPAIR SHOP AND GREASE RAMP	1
268		GENERAL PURPOSE TERT FRAMES WITH SCREENED	45
269		OPEN SIDED BUILDINGS	7
270		ELEVATED, SCREENED LATRINE BUILDINGS	11
271		STRAND WIREMESH SECURITY FENCE ENCLONG MAIN CAMP	1
272		MESS HALL SCULLERY BUILDING	1
273		WATER TOWERS	2

LISTING OF U.S. GOVERNMENT FURNISHED AIRCRAFT:

<u>AIRLINE</u>	<u>TYPE</u>	<u>AIRCRAFT SERIAL NO.</u>	<u>REG. NO.</u>
1	H-34	✓ 55-5241	143975
2	"	55-5243	144641
3	"	✓ 55-5244	144647
4	"	✓ 55-5245	145745
5	"	55-5246	140956
6	"	55-5249	144643
7	"	✓ 55-5250	144643
8	"	✓ 55-5251	144649
9	"	✓ 55-5252	144653
10	"	✓ 55-5253	145700
11	"	✓ 55-5255	145733
12	"	✓ 55-5256	145755
13	"	✓ 55-5257	145741
14	"	55-5258	145746
15	"	✓ 55-5259	140973
16	"	55-5261	142933
17	"	✓ 60-6913	144657
18	"	61-4100	148300
19	"	61-4409	148025
20	"	61-4400	143006
21	"	61-4491	148397

EXHIBIT "C"

FLYING HOUR RATES, FCR
 CONTRACTOR-FURNISHED FLYING PERSONNEL

	<u>Estimated Hours</u>	<u>Classification</u>	<u>Rate For Flying Hour</u>
1.	1	Project Chief Pilot (Asst. Chief Pilot)	\$87.16
2.	40	Pilot	\$34.46
3.	34	Flight Mechanic	
		Category A	\$23.45
		Category B	\$13.63
		Category C	\$ 8.64

Exhibit "C" is
 Contract No. F 62 (531)-1674

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EXHIBIT "D"

MAN-DAY RATES FOR CONTRACTOR-FURNISHED NON-FLYING PERSONNEL:

Slot No.	Classification	Estimated Quantity	Category	Man-Day Rates
1.	Project Manager	1	A	\$95.70
2.	Asst. Project Manager	1	A	65.27
3.	Project Chief of Oper	1	A	64.10
4.	Flight Oper Mgr	2	A	* 83.42
4A.	Operations Dispatcher		C	* 42.52
			C	* 35.21
5.	Oper. Clerk	4	D	* 22.84
			C	* 40.10
6.	Communications Supv.	1	D	* 23.17
7.	Radio Oper.	3	C	* 43.52
8.	Switchboard Oper.	3	C	* 42.76
9.	Clerk	3	D	5.46
10.	Navig. and Attend.	2	D	6.03
11.	Ground Transp. Supv.	1	C	15.07
12.	Driver	23	C	19.06
13.	Personnel Admin.	1	D	2.70
14.	Personnel Clerk	2	C	31.92
15.	Doctor	1	C	19.63
16.	Medical Attend.	2	C	31.35
17.	Accounting Supv.	1	D	10.31
18.	Accountant	3	A	69.76
19.	Security Guard Supv.	1	C	23.61
20.	Security Guard Leadman	3	C	19.77
21.	Security Guard	12	D	6.12
22.	Clerk Typist	4	D	4.69
23.	Secretary	1	D	7.74
24.	Tech Services Mgr.	1	C	21.38
25.	Tech Services Clerk	2	A	71.71
26.	Planning Supt.	1	C	19.89
			A	68.35
			B	31.77
27.	Planning Clerk	4	C	25.21
			B	23.98
28.	Supply Supt.	1	C	19.89
			A	68.35
			B	31.77
29.	Supply Supv.	3	C	25.21
			A	60.44
			B	22.96
30.	Storekeeper	7	C	20.46
			B	22.25
			C	10.80
31.	Clerk	5	D	6.82
			D	6.82

Exhibit "D" to
Contract Nr AF 62(531)-1674

<u>Slot No.</u>	<u>Classification</u>	<u>Estimated Quantity</u>	<u>Category</u>	<u>Man-Day Rates</u>
32.	Maint. Supt.	3	A	\$60.85
			B	40.63
			C	25.21
33.	Maint. Supv.	2	A	50.62
			B	29.42
			C	24.37
34.	Crew Chief	3	A	57.57
			B	29.42
			C	23.04
35.	Leadman	16	A	60.50
			B	29.65
			C	21.30
36.	Mechanic	77	A	59.46
			B	23.27
			C	18.05
37.	Artisan	5	D	7.21
			C	15.07
			D	2.89
38.	Fireman Leader	1	A	58.06
			B	21.52
			C	16.89
39.	Fireman	10	B	20.13
			C	15.89
			D	4.69
40.	Senior Inspector	1	A	63.78
			B	29.21
			C	21.30
41.	Inspector	6	A	53.74
			B	21.29
			C	12.05
42.	Laborer Supv.	1	D	6.12
43.	Laborer Leadman	1	D	4.69
44.	Laborer	30	D	2.41

"If more than ten (10) employees, in the aggregate are assigned to the classifications designated by asterisk hereinabove the amounts which the Contractor shall be paid as provided for in the Schedule hereof will be reduced by \$18.15 per day for each employee in excess of an aggregate of ten (10) employees.

Exhibit "B" to
Contract Nr AF 62(531)-1674

Sheet 2 of 2 Sheets

EXHIBIT "E"

FLIGHT PERSONNEL ONLY

Hazardous Area Flying Hour Rates:

<u>Classification</u>	<u>Rate Per Flying Hour</u>
1. Project Chief Pilot (Asst. Chief Pilot)	\$10.00
2. Pilot	10.00
3. Flight Mechanic, Category A	5.00
4. " " Category B	5.00
5. " " Category C	5.00
6. Project Manager	5.00
7. Asst. Project Manager and/or Station Manager	5.00
8. Project Chief of Operations	5.00
9. Flight Operations Manager	5.00
10. Operations Clerk	5.00
11. Communications Supervisor	5.00
12. Radio Operator	5.00
13. Ground Transportation Supervisor	5.00
14. Personnel Administrator	5.00
15. Doctor	5.00
16. Medical Attendant	5.00
17. Accounting Supervisor	5.00
18. Security Guard Supervisor	5.00
19. Technical Service Manager	5.00
20. Planning Superintendent	5.00
21. Supply Superintendent	5.00
22. Supply Supervisor	5.00
23. Maintenance Superintendent	5.00
24. Maintenance Supervisor	5.00
25. Crew Chief	5.00
26. Leadman	5.00
27. Mechanic	5.00
28. Artisan	5.00
29. Senior Inspector	5.00
30. Inspector	5.00
31. Labor Supervisor	5.00

Exhibit "E" to
Contract Nr AF 62(531)-1674

13 October 1961

SUBJECT: Negotiation Memorandum

A. It is to be noted that the following memorandum takes into consideration problems concerning both the H-34 requirement, Letter Contract AF62(531)-1674, and the proposed Air Force Fixed Wing Letter Contract AF62(531)-1673. Common problems to both contracts are indemnification provisions, review of Contractor's Personnel Manual, etc. It should also be noted that this negotiation took place at mid-point in the transition of the Air Base at Udorn from USMC to the Contractor.

B. Negotiations were conducted with Contractor personnel at 0830 hours, 12 October 1961, at the Procurement Division Conference Room, Headquarters, AMPPA.

Present for the USAF

Mr. John F. Pakenham, Deputy Chief, Procurement Division
Mr. James S. Spencer, Contracting Officer
Mr. Joseph J. McGrath, Contract Negotiator

Present for Air America, Inc.

Mr. Clyde Carter, Secretary and Legal Counsel
Mr. E. C. Kirkpatrick, Director Flying Contracts

(1) The negotiations opened with a question on the part of the Contractor relative to spare support for other than aircraft at Udorn. Mr. Pakenham commented that during his recent trip to the United States he had been advised that such GFP support would be provided through Navy supply channels at Yokosuka, the same as for aircraft spares.

(2) Contractor personnel pointed out that the company had still not taken over the Udorn operation completely, and that not enough cost data had been accumulated to provide the USAF Auditor with adequate historical information. Consequently, it would be impossible for negotiations to be concluded in time for preparation of definitized contract by 1 November 1961 as originally planned.

(3) Accordingly, it was determined that an amendment to the Letter Contract would be executed. This amendment would specify 29 December 1961 as the required definitization date, and would add \$633,000 in funds to permit continued operations. Contractor personnel agreed to issuance of this document and terms outlined above.

(4) The next subject for negotiations was the language of the War Risk Indemnification Clause. The Contractor's legal representative insisted that the word "current" appearing before "Personnel Manual" should be

deleted and, further, that the word "other" appearing between the words "and" and "legal" in paragraph (ii) should also be deleted. The FCO advised that since this clause had been furnished for use in this contract by Hq. USAF, any change would require the prior approval of Hq. USAF.

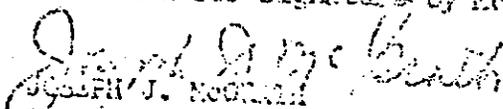
(5) Considerable discussion then developed regarding the Contractor's Personnel Manual. Contractor representatives stated that all personnel of Air America were covered by the "Air Asia" Personnel Manual and, further, that any personnel recruited for services on this contract, or transferred from one of the other companies in the group for services under this contract, including CAT or Air America, would be considered to be covered by the Air Asia Personnel Manual. It was then agreed that the Contracting Officer would review and approve each page of the Contractor's Personnel Manual which in any way relates to the U.S. Government indemnification obligation pertinent to benefits to be paid resulting from death, disability, capture, etc.; in short, the risks covered by the "War Risk and Indemnification clauses."

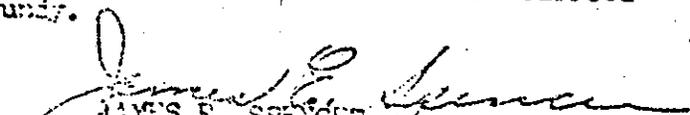
It was further agreed that each time a change is made to the Contractor's Personnel Manual which affects the provisions related to the Government Indemnification Clause, the changed page would be forwarded by the Contractor to the Contracting Officer for approval.

Considerable discussion on these points followed, and the Contracting Officer made every effort to maintain the existing wording of the Indemnification Clauses. The FCO pointed out that the language of the proposed clause in no way was intended to restrict the Contractor's right to make changes in its Personnel Manual. He also pointed out the fact that there would be no loss of protection under existing approved provisions should the Contractor make changes to his Personnel Manual provisions since the Contractor would retain the protection of the prior language until the new provisions could be approved by the Contracting Officer. Because the efforts of the Contracting Officer, the Contractor's representatives still insisted upon the changes requested heretofore. The FCO agreed to submit the requested changes to Hq. USAF, for approval.

(6) The Contractor was then requested to sign Amendment No. 4 to Letter Contract AF62(531)-1674, however, the Contractor refused to sign this amendment since he felt that the amendment, as written (calling for Contractor to accept aircraft under Lease Agreement 40813) provided no liability protection to the Contractor.

(7) Negotiations resumed on 13 October at 0630. Some participants were present. Discussion on language for Amendment No. 4 to Letter Contract AF62(531)-1674 continued. The Contractor's Legal Representative reluctantly agreed to sign a revised Amendment #4 which he hand-carried to Taiwan for signature by Mr. Grundy.


JOSEPH J. McGRATH
Contract Negotiator


JAMES E. SPENCER
Contracting Officer

18 October 1961

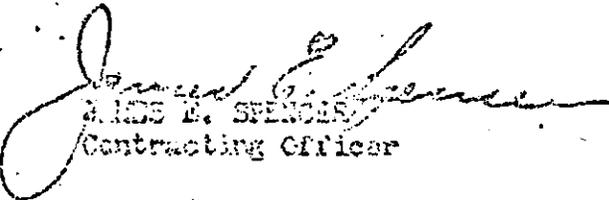
SUBJECT: Review and Approval of Contractor's Personnel Manual

Meetings were held with Air America personnel at Taipei Headquarters of the company at 1400 hours, 18 October 1961.

Present for the Meetings

Mr. James E. Spencer, FCC
Mr. Clyde Carter, Secretary - Counsel, Air America
Mr. Jerry Fink, Asst Legal Counsel

(1) Mr. Fink presented the "Air Asia" Personnel Manual and a list of items which the company felt should be approved relative to the indemnification provisions. On 19 October the Contracting Officer completed the review and approved sheets of the Company Personnel Manual indicating that, for the purpose of indemnification of the Contractor for liability under the War Risk or Indemnification Clause of this contract, these pages would apply. The signature of the Contracting Officer and the dates of such approval were affixed to the appropriate sheets of the Contractor's Personnel Manual.


JAMES E. SPENCER
Contracting Officer

CONTRACT No. AF 62(531)- 1674