

SHORT-TERM AIRCRAFT CHARTER AGREEMENT NO. PD/C---/--
BETWEEN
THE UNITED NATIONS
AND
CARRIER'S NAME

THIS AIRCRAFT CHARTER AGREEMENT is made this -- day of -- by and between THE UNITED NATIONS, an international inter-governmental organization with its Headquarters in New York, New York 10017, USA (hereinafter referred to as the "UN"), and --, a corporation incorporated under the laws of --, and having its office at --, with Air Operator Certificate No. -- expiring -- (hereinafter referred to as the "Carrier").

The UN and the Carrier are collectively hereinafter referred to as the "Parties".

WITNESSETH

In consideration of the mutual covenants and subject to the terms and conditions hereinafter set forth, the Parties agree as follows:

Article 1: Contract Documents

1.1 This document (hereinafter referred to as the "Basic Charter Agreement"), including all of its Annexes, and the following named documents, incorporated herein by reference, constitute the entire Aircraft Charter Agreement between the Parties (hereinafter referred to as the "Charter Agreement" or the "Agreement"):

- (a) The UN's Invitation to Bid (ITB) No. -- RSQN -- dated --
- (b) Carrier's bid dated --

1.2 The Annexes to this Charter Agreement are the following:

- (a) Annex A: Description of Air Transportation Services;
- (b) Annex B: Payment Schedule
- (c) Annex C: United Nations General Conditions for Aircraft Charter Agreements

1.3 In the event of any conflict or inconsistencies between or among any of the documents comprising this Agreement, then the following order of priority shall apply:

- (a) First, the Basic Charter Agreement and Annex C;
- (b) Second, the remaining Annexes to this Agreement;
- (c) Third, the UN's ITB;
- (d) Lastly, the Carrier's Bid.

Article 2: Definitions

2.1 For the purposes of this Charter Agreement, the expression:

(a) "Aircraft" shall have the meaning set forth in the Description of Air Transportation Services in Annex A, hereof.

(b) "Carrier" shall mean the entity performing the air transportation services required under this Charter Agreement, including Airlines, Governments and other air transport enterprises, and as such shall bear the responsibilities and liabilities applicable to carriers under regulations and rules governing carriage by air.

(c) "Charter" shall mean that the Carrier provides the Aircraft, equipped with crew and other necessary personnel, who shall remain the servants of the Carrier, for the use of the UN for the term of this Agreement, and the Carrier remains the owner and/or operator of the Aircraft and retains the risks and rewards of ownership and operation of the Aircraft.

Article 3: Price and Payment

3.1 In consideration of the complete and satisfactory provision by the Carrier of all of the services under this Agreement, the UN shall pay the Carrier the sums, in the manner and at the times, provided for in the Payment Schedule set forth in Annex B, hereto. The foregoing notwithstanding, in no event shall the UN pay the Carrier for all the services to be provided hereunder a total price in excess of US DOLLARS – HUNDRED THOUSAND HUNDRED AND (US\$ --), which shall constitute the maximum monetary liability of the UN to the Carrier under this Agreement.

3.2 The United Nations shall make payments to the Carrier under this Agreement within thirty (30) days after the UN's receipt of the Carrier's invoice and certification by the authorized UN official that the air transportation services have been satisfactorily performed. The Carrier shall forward the original plus one (1) copy of its invoice and packing list together with any other document required including shipping documents (if applicable) to: Accounts Payable Unit, Accounts Division, United Nations, 304 East 45th Street, Room FF-331, New York, N.Y. 10017, USA. The carrier shall forward one additional copy of all of the above documents to Chief, Movement Control Unit, LSD, at fax no. 1-917-367-2423. Payment(s) will be made and discounts, if any, will be computed from the date of receipt of goods/services AND ALL REQUIRED DOCUMENTS, WHICHEVER IS LATER.

Article 4: Services

4.1 The Carrier recognizes that the UN requires air transportation services to be performed in connection with the United Nations peacekeeping activities mandated by the Security Council. Those services may include cargo re-supply, troop movements, VIP transport, medical transport and reconnaissance flights. Due to the nature of peacekeeping missions, such air transportation services may involve operation into hostile areas or fields where there is no ground support or where airfield security cannot be guaranteed.

4.2 The Carrier agrees to provide to the UN the air transportation services, as more specifically described in Annex A hereof, the ITB and the Carrier's Bid. In particular, the Carrier shall provide to the UN the Aircraft, fit for the purpose for which they are required and properly equipped and maintained, and a flight crew and maintenance personnel who are qualified, competent, and fully licensed for the duties required under this Charter Agreement. The Carrier shall perform the services under this Charter Agreement in good faith and in compliance with the terms and conditions of this Agreement, and shall abide by all reasonable instructions of the UN.

4.3 The Carrier shall retain operational responsibility for the air transportation services under this Charter Agreement and shall ensure that those services will be performed strictly in accordance with all applicable national and international regulations, rules, standards and recommended practices. In particular, the Carrier shall:

(a) Maintain the Aircraft in a fully safe and operative condition, and completely airworthy for the duration of this Charter Agreement, in accordance with laws and regulations that conform to applicable international regulation, rules, standards and recommended practices, in particular, Annex 8 to the Convention on International Civil Aviation;

(b) Safely operate the Aircraft at all times in compliance with laws and regulations which conform to applicable international regulation, rules, standards and recommended practices, in particular, Annex 6 to the Convention on International Civil Aviation.

4.4 The Carrier shall ensure that it has obtained all necessary certifications and authorizations by appropriate governmental authorities to perform the air transportation services required under this Charter Agreement, and shall maintain such certifications and authorizations current and in good standing for the duration of this Agreement, and will avoid any actions which may lead to the cancellation of such certifications and authorizations. In addition, the Carrier shall ensure that the air transportation services under this Agreement do not violate the terms and conditions of any lease agreement, mortgage or other relevant agreement.

Article 5: Legal Status of Carrier

5.1 It is understood that the Carrier is an independent contractor, and shall remain in control of the Aircraft and shall be responsible for navigation, operation and maintenance of the Aircraft, and that the flight crew and maintenance personnel shall at all times remain the servants or agents of the Carrier. The UN shall have the right to provide reasonable instructions to the Carrier and shall provide to the Carrier the schedule of flights, as required. However, the pilot in command shall retain the right to make decisions as to the feasibility of a flight in the light of weather and other conditions, for the safety of the passengers.

5.2 In respect of the carriage of passengers under this Agreement, the Carrier agrees that the UN acts only as an agent of the passengers, who shall be regarded as having a direct contractual relationship with the Carrier, as principal, for purposes of all liability hereunder.

Article 6: Certifications, Licenses and Manuals

6.1 The Aircraft provided by the Carrier under this Charter Agreement shall carry valid Certificates of Registration issued by the appropriate air authority of the country of registration of the Aircraft showing, inter alia, the nationality or common mark and registration mark, the manufacturer, the serial number and the owner of the Aircraft. The Certificates of Registration shall be issued under laws and regulations which conform to applicable international regulations, rules, standards and recommended practices, in particular, Annex 7 to the Convention on International Civil Aviation.

6.2 The Aircraft provided by the Carrier shall also carry valid Certificates of Airworthiness issued by or rendered valid by the appropriate air authority of the country of registration of the Aircraft showing that the Aircraft complies with all appropriate airworthiness requirements. The Certificates of Airworthiness shall be issued or rendered valid under laws and regulations which conform to applicable international regulations, rules, standards and recommended practices, in particular, Annex 8 to the Convention on International Civil Aviation.

6.3 The Carrier shall possess and maintain a valid Air Operator Certificate or equivalent document issued by the appropriate governmental authority authorizing the Carrier to conduct air transport operations in the country and appropriate authorization to operate outside the country, in particular in the country or countries for which this Charter is intended and endorsed for the type and/or class of aircraft proposed. The Air Operator Certificate or equivalent document shall be issued under laws and regulations which conform to applicable international regulations, rules, standards and recommended practices, in particular, Annex 6 to the Convention on International Civil Aviation.

6.4 All flight crew and maintenance personnel for the Aircraft shall possess valid Certificates of Competency and Licenses issued or rendered valid by the licensing authority of the country of registration of the Aircraft under laws and regulations which conform to applicable international regulations, rules, standards and recommended practices, in particular, Annex 1 to the Convention on International Civil Aviation.

6.5 The Carrier shall possess an Operations Manual, for the use and guidance of its operations personnel, containing inter alia, instructions, checklists and other information relating to the operations of the Aircraft, in accordance with applicable international regulations, rules, standards and recommended practices, in particular, Annex 6 to the Convention on International Civil Aviation.

6.6 The Carrier shall also possess a Maintenance Manual, for the use and guidance of its maintenance personnel, setting forth, inter alia, procedures, frequency and methods for servicing and maintenance of the Aircraft, in accordance with applicable international regulations, rules, standards and recommended practices, in particular, Annex 6 to the Convention on International Civil Aviation.

6.7 The Carrier shall submit to the UN copies of the Certificates mentioned in Articles 6.1 to 6.3, hereof. Upon request by the UN, the Carrier shall submit to the UN copies of the Certificates and Licenses mentioned in Article 6.4, hereof. The UN shall have the right to inspect the Manuals mentioned in Articles 6.5 to 6.6, hereof.

Article 7: Aircraft and Crew and other Personnel

7.1 The Aircraft shall be properly equipped for the purposes for which it is being chartered.

7.2 The flight crew and maintenance and other personnel shall, inter alia, be medically fit and possess the necessary training know-how, skill and experience to perform the duties under this Charter Agreement, and shall be appropriately and uniformly attired at all times while on duty. In addition, the flight crew shall contain at least one pilot who is fully fluent in technical aviation English language.

Article 8: Insurance

8.1 The UN and the Carrier acknowledge and agree as follows:

(a) The Carrier represents and warrants that any and all Aircraft provided under this Agreement are fully airworthy, safe and certified for the air transportation of passengers, cargo or a combination of passengers and cargo in the designated area(s) of operation under this Agreement.

(b) The Carrier shall, at its sole cost and expense, indemnify, hold and save harmless, and defend the UN, its officials, agents, servants and employees from and against all suits, proceedings, claims, demands, losses and liability of any nature or kind, including, but not limited to, all litigation costs, attorneys' fees, settlement payments, damages, and all other related costs and expenses, based on, arising out of, related to, or in connection with any acts or omissions of the Carrier, or any personnel, employees, agents, servants, officials, sub-contractors, or representatives of the Carrier in the performance of any services under this Agreement as well as any liability whatsoever arising out of, or related to, the ownership or operation of Aircraft under this Agreement and the provision of any Aircraft that may have been rendered unsafe for any reason, including, but not limited to, defects in manufacture, or otherwise arising out of, or related to, the operation or maintenance of the Aircraft, or any certification or lack thereof, or arising out of, or related to, the breach of any warranty or representation set forth in this Agreement, annexed hereto or incorporated by reference. This provision shall extend, inter alia, to claims and liability in the nature of worker compensation, products liability and liability arising out of the use of patented inventions or devices, copyrighted material or other intellectual property by the Carrier, or any personnel, employees, agents, servants, officials, sub-contractors, or representatives of the Contractor. The obligations under this Article 8.1 do not lapse upon termination of this Agreement.

(c) The UN shall promptly advise the Carrier about any such suits, proceedings, claims, demands, losses or liability after receiving any notice thereof, and shall reasonably cooperate with the Carrier, at the Carrier's sole cost and expense, in the defense or settlement thereof, subject to the privileges and immunities of the United Nations. The Carrier shall have sole control of the defense of any such suit, proceeding, claim or demand and of all negotiations in connection with the settlement or compromise thereof, except with respect to the assertion or defense of the privileges and immunities of the United Nations or any matter relating thereto. The UN shall have the right to be represented in any suit or proceeding, at its own expense, by independent counsel of the UN's own choosing.

8.2 Prior to the commencement of any air charter services under this Agreement, the Carrier shall obtain, and shall provide and maintain, for the entire duration of this Agreement and from an insurance carrier acceptable to the UN, comprehensive insurance coverage to cover all of the Carrier's liability under this Agreement. Except as otherwise expressly provided herein, such insurance shall, at a minimum, consist of:

(a) Comprehensive third-party liability insurance, including passenger legal liability, sufficient to cover all persons and all cargo authorized by the UN to be transported on the Aircraft, and protecting the UN and the Carrier against claims for bodily injury or death and property damage up to a combined minimum of US \$50 million per occurrence. Notwithstanding the generality of the foregoing or the combined minimum limit of US \$50 million per occurrence, such insurance shall be sufficient to cover, at a minimum, passenger liability for death or bodily injury up to 100,000 SDR's (i.e., Special Drawing Rights by the International Bank for Reconstruction and Development), or the maximum limit set forth under the Warsaw Convention (as defined in Article 4 of the General Conditions for Aircraft Charter Agreement set forth in Annex C), whichever is greater, per passenger;

(b) Basic hull war risk and war risk liability insurance, including third party liability, for a minimum amount of fifty million dollars (US currency) (US\$50,000,000), based on endorsement number "AVN52E" as of 1 January 2002, or its current equivalent in the insurance marketplace, including hijacking and confiscation for the area of operations as described in Annex A, Paragraph 2;

(c) Full hull insurance, including all risk, both in flight and not in flight; and,

(d) Worker's compensation insurance.

8.3 It is agreed and understood by the Parties that the obligation of the Carrier to obtain and maintain insurance policies required in accordance with this Agreement is an essential term of this Agreement and that the UN relies on the Carrier to perform such obligation. The Parties further acknowledge and agree that the failure of the UN to require strict compliance with all the terms and conditions regarding insurance, as set forth in this Agreement, and as evidenced by any Certificates of Insurance, Slips and/or Binders, copies of insurance policies, or otherwise, shall not constitute a waiver or amendment of any of the terms, conditions and requirements of this Agreement regarding the provision of insurance coverage by the Carrier.

8.4 The insurance policies required in accordance with this Agreement shall:

(a) Name the UN as additional insured;

(b) Provide territorial limits as "worldwide" except that in respect of basic hull war risk and war risk liability, the insurance policy will clarify any territories that are excluded;

(c) Under "conditions" shall provide "All and every use incidental to the UN's operations";

(d) Include a waiver of subrogation of the Carrier's rights to the insurance carrier against the UN;

(e) Include an agreement by the insurer(s) that such insurance policies shall be primary, including in respect of any re-insurance, and without any right or obligation of contribution by any insurance policies that may be carried by the UN;

(f) Provide that the UN shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage and shall further provide that any act or omission of the Carrier affecting a cancellation of its insurance coverage will not apply as against the interests of the United Nations, as an additional insured, under such insurance policies without such thirty (30) day's prior notice to the UN; and,

(g) Specify the registration number of each Aircraft covered and the amount of third party liability coverage.

8.5 Prior to engaging in any air operations under this Agreement, the Carrier shall deliver to the UN Certificates of Insurance specifying amongst other things territorial limits, and within thirty (30) days following the signing of this Agreement by authorized representatives of both of the Parties, the Carrier shall deliver to the UN a Slip and/or Binder in respect of the insurance policies that the Carrier is required to obtain and maintain in accordance with this Agreement. The Certificates of Insurance required to be delivered to the UN in accordance with this Article 8.5 shall include an endorsement, which indicates that the Carrier has received the benefit of "AVN 2001" and "AVN 52D or 52E" coverage. Promptly after issuance, if not already provided in accordance with this Article 8.5, the Carrier shall deliver to the UN a copy of any endorsement issued by the Carrier's insurance underwriter(s) confirming the addition of the UN as an insured under such insurance policies. The UN, may at its sole election, require the Carrier to provide any Certificates of Insurance, Slips and/or Binders in accordance with the requirements of this Agreement, either before, during or after applicable periods of coverage.

8.6 The Carrier shall ensure that the air transportation services under this Agreement do not violate the terms and conditions of any insurance policy which is or may be provided by the Carrier hereunder, and that it shall take all measures necessary to avoid any actions which may lead to cancellation or voidance of such insurance policies.

8.7 (a) It is agreed that, in the event that war risk surcharges related to the hull war risk or war risk liability coverage are imposed by the insurer during the term of this Agreement, the Carrier shall immediately inform the UN in writing as to the amount of such surcharges. The UN shall not reimburse costs of war risk liability coverage in excess of the required minimum amount set forth in paragraph 8.2 above.

(b) It is further agreed that for any such war risk surcharges, the UN will reimburse to the Carrier the actual cost of the insurance paid by the Carrier to the insurance company, provided that such cost is reasonable, has been obtained on the best terms available from the insurer, and the Carrier has made all diligent efforts to obtain all possible rebates or refunds to which the Carrier is entitled in accordance with the insurance coverage, proof of which shall be provided to the UN, and that the Carrier provides the UN with the documentation referred to in Article 3.2 and Article 8.7(c), hereof.

(c) For purposes or reimbursement under Article 8.7(b), above, the Carrier shall submit to the UN, in addition to its invoices as provided in Article 3.2, hereof, the following documents:

- (i) a copy of the original invoice(s) of the insurance underwriter(s) setting out a detailed breakdown of the daily war risk surcharges for each flight, if available, the number of such flights, the location covered and commission(s), together with a letter from the Carrier's broker setting out in full the details of the invoice and the payments required, and the amended Slip and/or Binder confirming the insurance coverage and the war risk surcharges;

- (ii) proof of payment by the Carrier to the insurance company (e.g., official receipts from the insurance company, proof of payment by cheque or wire transfer), setting out the details of the surcharges and of the relevant insurance policy; and
- (iii) statement in writing by the Carrier confirming that the Carrier has made all diligent efforts to obtain all possible rebates or refunds, discounts or any lower price adjustments, including but not limited to any applicable no-claim bonuses, to which the Carrier is entitled in accordance with the insurance coverage and stating the amounts of such rebates, refunds, discounts or price adjustments, if any.

(d) Any rebates, refunds, discounts or any lower price adjustments associated with the war risk surcharges shall be extended to the UN and shall be deducted from the Carrier's invoices. If the Carrier has not deducted such rebates, refunds, discounts or lower price adjustments from its invoices at the time that the Carrier submits such invoices to the UN for reimbursement of the war risk surcharges, the UN reserves the right to deduct the amount of the rebates, refunds, discounts or lower price adjustments from the amounts reimbursed to the Carrier. The UN reserves the right to seek confirmation from independent sources that the war risk insurance has been obtained on the best terms available from the insurer and that all rebates, refunds, discounts or any lower price adjustments associated with the war risk insurance have been extended to the UN. The UN also reserves the right to take appropriate action against the Carrier, including but not limited to suspension from the roster of registered vendors, should the UN ascertain that the Carrier did not obtain the war risk surcharges on the best terms available from the insurer or that the Carrier did not extend any rebate, refunds, discounts or any lower price or adjustment associated with the war risk surcharges to the UN.

Article 9: Clearances

9.1 The Carrier shall be responsible for obtaining authorizations from governmental or other authorities and other documents necessary for the performance of the transportation under this Charter Agreement.

Article 10: Scheduling of flights

10.1 The flights under this Charter Agreement shall conform to a flight schedule agreed to by the Parties (Annex A). The flight schedule shall specify the dates and times of departure, originating airports, routes, number of passengers and/or total weight of cargo, type of Aircraft, estimated time of arrival.

10.2 The Carrier shall notify the UN of any delay in the performance of the flight(s) and the reasons for such delay.

10.3 If a flight is delayed, the Carrier shall use its best endeavors to provide alternate air transportation and shall bear any increased costs of such alternate air transportation.

Article 11: Facilities for Carrier's Operations (if applicable)

11.1 The Carrier may be provided such facilities as are necessary for the performance of services under this Agreement, as agreed by the Parties and specified in Annex A, hereof. These facilities are provided for the convenience of the Carrier and give rise to no liability on the part of the UN.

Article 12: Fitness

12.1 The UN shall have the right, but not the obligation, to inspect the Aircraft, and any document pertaining thereto, at any time, including upon arrival of the Aircraft at the operating bases, to ensure compliance with the specifications. Should there be, in the opinion of the UN, any deficiency which may affect the safety of the Aircraft and/or its passengers, the UN shall notify the Carrier in writing of the

deficiency, and the Carrier, at its sole cost and expense, shall remedy such deficiency without undue delay to the satisfaction of the UN, before tasking commencement. In the event the Carrier is unable to remedy such deficiency to the satisfaction of the UN, the Carrier shall, upon request from the UN, withdraw the Aircraft from the fleet of Aircraft provided under this Agreement. Any failure on the part of the UN to conduct such inspections or to observe any deficiencies shall not relieve the Carrier of any of its obligations hereunder.

12.2 In the event of any cancellation of flights or unavailability of Aircraft during the term of this Agreement due to any act or omission on the part of the Carrier, the UN shall be entitled to a proportionate reduction in both (i) the total price set forth in Article 3.1, hereof as well as (ii) the Payment Schedule contained in Annex B, hereof.

12.3 The UN may request, in writing, withdrawal and replacement of any of the Carrier's crew, maintenance personnel, and any other personnel and sub-contractors performing services under this Agreement. Replacement of any such personnel and sub-contractors shall be provided as quickly as is reasonably possible by the Carrier. All expenses related to the withdrawal or replacement of the Carrier's personnel and sub-contractors shall be borne by the Carrier.

Article 13: Reporting and Accidents

13.1 In the event of any accidents or incidents involving the Aircraft, the Carrier shall immediately report such accidents or incidents to the UN and all appropriate governmental authorities, and shall protect and preserve all evidence in connection with the accidents or incidents. In addition, the Carrier shall cooperate with all investigations into the accidents or incidents which may be instituted by the UN and/or governmental authorities, including the preparation of reports.

Article 14: Notices

14.1 All notices and other communications required or contemplated under this Charter Agreement shall be in writing and shall be delivered either by: (i) personal delivery; (ii) recognized overnight delivery service; (iii) postage prepaid, return receipt requested certified mail; (iv) electronic telefacsimile which must be confirmed by the addressee within twenty-four (24) hours of receipt by telefacsimile or telegram; or (v) telegram which must be confirmed by the addressee within twenty-four (24) hours of receipt by telefacsimile or telegram, addressed to the party or parties for whom intended at the address shown below or such other address as the intended recipient previously shall have designated by written notice previously given pursuant to this Charter Agreement:

TO THE CARRIER:

Attention: Mr.
Telephone No:
Facsimile No.:

TO THE UN:

UNITED NATIONS
304 East 45th Street, Room FF-202
New York, N.Y. 10017
Attention: _____, Chief
Procurement Division
Telephone No. (212) 963-4463
Facsimile No. (212) 963-9858 / 3503 / 9866 / 8911

WITH COPY TO:

UNITED NATIONS
42nd Street and First Avenue, Room S-2260H

New York, N.Y. 10017
Attention: Deputy Director
Logistics Services Division, DPKO
Facsimile No. (212) 963-0383

Notice by certified mail or recognized overnight delivery service shall be effective on the date it is officially recorded as delivered to (or refused by) the intended recipient by return receipt or equivalent. All notices and other communications required or contemplated by this Charter Agreement delivered in person, by telefacsimile, or by telegram shall be deemed to have been delivered to and received by the addressee and shall be effective on the date of actual receipt.

Article 15: Dates and Times of the Essence

15.1 The Carrier recognizes that, given the time constraints for the United Nations peacekeeping missions, the dates and times specified in this Agreement are of the essence.

IN WITNESS THEREOF, the Parties have signed this Charter Agreement No. PD/C--/-

CARRIER'S NAME

THE UNITED NATIONS

By: _____

By: _____

Name: _____

Name:

Title: _____

Title: Chief, Procurement Division,
Office of Central Support Services

Date: _____

Date: _____