

**NATIONAL MUSEUM OF THE UNITED STATES AIR FORCE (NMUSAF)  
STATIC DISPLAY PROGRAM**

**2015 LOAN AGREEMENT, SDA0274**

**1.0. Parties.** This Agreement is entered pursuant to Public Law 80-421 [10 United States Code (USC) §2572], and any amendments thereto, and is effective as of 1 April 2014 between the United States of America, or, "the Government," represented by the National Museum of the United States Air Force (NMUSAF), and collectively referred to hereinafter as "the Lender," and the CITY OF CROSSVILLE hereinafter called "the Borrower," incorporated and operating under the laws of the State/Country of TN and located at CROSSVILLE. The Government hereby establishes with the Borrower a loan agreement for U.S. Air Force (USAF) historical property for the period commencing 1 April 2015 and ending 31 March 2016. This agreement is not transferable.

**2.0. Borrower Obligations/Costs.** The Borrower has applied, in writing, for the loan of USAF historical property, and hereby agrees to be responsible for all arrangements and, in accordance with 10 USC §2572, is required to pay all costs, charges and expenses incident to the loan of this property, including, but not limited to, the cost of preparation, demilitarization, hazardous material removal, disassembly, packing, crating, handling, maintenance, repair, restoration, transportation and all other actions incidental to the use and/or movement of the loaned property to or from the Borrower's location.

**3.0. Loaned Property.** The NMUSAF shall loan to the Borrower the historical property identified in the inventory report, which has been included in the loan package and is incorporated into this Agreement by reference as if fully rewritten herein (hereinafter the "Property"). The Borrower accepts the Property on an "as is, where is" basis, and the Lender makes no warranties, expressed or implied, as to the Property's condition, fitness for any particular purpose, or other warranty of any kind.

**4.0 Loan Conditions.**

**4.1.** The Borrower agrees that the Property shall be used for static display purposes only. Loaned aerospace vehicles will not be flown or restored to flying condition under any circumstance, nor will they be licensed with the Federal Aviation Administration (FAA). The Borrower shall not remove any parts from loaned aircraft except as directed in paragraph 4.2. Relocation of the Property for temporary special events (parades, ceremonies, air shows, etc.) is not authorized under any circumstances. No decorations of any type, for any purpose (special event, seasonal display, ceremonies, etc.) are authorized to be displayed on any of the Property.

**4.2.** The Borrower agrees to allow the Lender to remove parts from loaned aerospace vehicles for NMUSAF or military requirements, upon written direction from the NMUSAF. Such parts are generally internal in nature and removal or replacement should not alter the external aesthetic appearance of the aerospace vehicle.

**4.3.** The Borrower shall not part with possession of the Property or any component of the Property in any manner to any third party either directly or indirectly. The Borrower shall not enter into any negotiations with a third party regarding any future disposition of the loaned material, in whole or in part.

**4.4.** The Borrower agrees to all of the following: to use the Property in a careful and prudent manner; to not modify the Property in any manner, without prior written permission of the Lender, which would alter the original form, design, or the historical significance of said Property; to perform routine maintenance to include (but not limited to) annual upkeep, periodic painting, repair of damage, day-to-day care and management of the Property, so as to provide an acceptable appearance and to not reflect negatively on the Lender; and to display and protect the Property in accordance with the instructions set forth in Attachments 1 and 2, which are incorporated into this Agreement by reference as if fully rewritten herein.

**4.5.** The Borrower agrees that any additions, modifications or alterations that improve the Property become part of said Property and are owned by the NMUSAF.

**4.6.** Interior access to loaned aerospace vehicles (cockpit, cargo areas, etc.) for purposes other than maintenance or restoration work by persons other than staff or authorized maintenance personnel is prohibited. This is to ensure not only the integrity and preservation of the aircraft, but more importantly, the safety and security of the public.

**5.0. Use as Security, Sale or Lease.** The Borrower agrees not to use the Property as security for any loan, and not to sell, lease, rent, lend, or exchange the Property under any circumstances.

**6.0. Professional Photography.** The Borrower shall not make or allow the use of the Property in any manner for commercial use, such as still or motion video production, without prior written approval from the Lender. Casual photography or motion video created by visitors for personal or non-promotional use is permitted.

**7.0. Incident Reporting.** The Borrower shall within one (1) working day of discovery, notify the Lender of any instance of loss, damage or destruction of the Property.

**8.0. Title.** The Borrower shall obtain no interest in the Property by reason of this Agreement and title shall remain in the Lender at all times.

## **9.0 Receipt, Custody & Liability.**

**9.1.** This Agreement shall be executed prior to the Borrower accepting physical custody of the Property on or before 1 April 2015.

**9.2.** The Borrower agrees to provide a receipt to the Lender at the time it assumes physical custody of the Property (unless the Property is already in its possession).

**9.3.** The Borrower agrees that it is strictly liable for up to the full replacement value (FRV) of the Property, as identified in the inventory report, and to accept such liability upon assuming physical custody of the Property or execution of this Agreement, whichever occurs first.

**9.4.** The Borrower agrees that the FRV of the Property is as identified in the inventory report and waives any right to contest the FRV in any legal proceeding. In the event any item of historical property does not have an FRV identified in the inventory report, the FRV shall be determined at the sole discretion of the NMUSAF.

**9.5.** The Borrower agrees that if the Property, or any portion thereof, has been irreparably damaged, destroyed or stolen the NMUSAF may direct the Borrower to either replace the Property with an historical item of equal value to the satisfaction of the NMUSAF or require monetary reimbursement equaling the FRV. In the event of less than total loss to the Property, or any portion thereof, the Borrower agrees to repair/replace the damage to the Property to the satisfaction of the NMUSAF or reimburse the NMUSAF for the full value of the damage, as determined by the NMUSAF. The election of a remedy under this subparagraph is at the sole discretion of the NMUSAF. This subparagraph is not intended to waive or limit the Government's rights and remedies, legal or equitable, and the Government reserves all such rights and remedies.

**9.6.** The Borrower agrees to place the Property on exhibit within ninety (90) days from the date it takes physical custody, or as otherwise mutually agreed upon.

## **10.0 Borrowers Responsibilities.**

**10.1** The Borrower agrees to indemnify, save harmless, and defend the Lender from and against all claims, demands, actions, liabilities, judgments, costs, and attorney's fees, arising out of, claimed on account of, or in any manner predicated upon personal injury, death, or property damage caused by or resulting from

possession and/or use of the Property.

**10.2** The Borrower agrees to report as requested to the Lender on the condition and location of the Property. Further, the Borrower agrees to allow authorized Department of Defense representatives access to the Borrower's records and facilities to assure accuracy of information provided by the Borrower and compliance with the terms of this Agreement.

**10.3** The Borrower agrees to return said Property to the Lender on termination of this Agreement or earlier, if it is determined that the Property is no longer required, at no expense to the Lender. In the event of a partial termination, the Borrower agrees to the return of all items of the Property subject to the partial termination, at no expense to the Lender.

#### **11.0 Initial Loan Agreement Requirements.**

**11.1** The Borrower agrees to furnish the Lender a CD/DVD containing digital images of the Property within fifteen (15) days of taking physical possession of the Property. The image file name must be the accession number for that item (i.e. SD-2000-0136.JPG). For aircraft and ballistic missiles, images will include views showing all external surfaces including tail number and all accessible interior areas including instrument panels, avionics racks and equipment, aircrew, passenger, cargo and payload compartments, wheel wells, and bomb bays. Digital images for all other artifacts will be of sufficient detail to insure positive identification of each object.

**11.2** The Borrower shall arrange insurance coverage for the Property on an all-risk, wall-to-wall basis, at a minimum, for an amount that equals the total agreed upon FRV for all items in the inventory report, plus any additional amount to cover the inventory that does not have an identified FRV, so long as the Property remains in its possession. The Borrower further agrees to furnish the Lender proof of said insurance. For Borrowers with private insurance coverage, proof shall constitute a copy of the insurance certificate from the commercial provider, noting any deductible, and showing coverage up to the FRV of the Property and any additional coverage for Property that does not have an FRV identified in the inventory report. For self-insured organizations, proof shall constitute a written and signed statement attesting to its ability to reimburse the Government for the FRV of the Property (as identified in the inventory report and/or as determined by the NMUSAF).

#### **12.0 Annual Loan Renewal Requirements.**

**12.1.** The Borrower agrees to furnish the Lender a CD/DVD containing digital images of the Property. The image name must be the accession number for that item (i.e. SD-2000-0136.JPG). Digital images of aircraft and missiles will provide general views to include sufficient detail to show the overall condition and tail number of the airframe. Digital images for all other artifacts will be of sufficient detail to insure positive identification of each object and its current condition.

**12.2.** The Borrower agrees to furnish a copy of the most recent annual financial statements to include revenue and expense reporting and a projected budget for the next operating year.

**12.3.** The Borrower agrees to furnish the Lender proof of insurance as required in subparagraph 11.2 for each renewal period.

**12.4.** The Borrower agrees to furnish a signed inventory as provided by the Lender with the annual renewal package, which accurately reflects the Property in its possession. Discrepancies in the inventory provided by the Lender shall be noted on the inventory report by the Borrower to the extent that such notes accurately reflect the current inventory held by the Borrower. In the event of a dispute, the Lender shall make the final determination of the current inventory on or near the renewal date and document the NMUSAF records accordingly.

### 13.0 Display/Maintenance Requirements.

13.1. No aircraft will be renovated, reconfigured, have markings changed, or tail number altered, or any parts added, removed, or replaced as part of a planned restoration effort without prior written approval from the NMUSAF.

13.2. The Borrower agrees that all aircraft, missiles and artifacts on display will have an identification sign adjacent to each display. For aircraft and missiles note the type, model, and serial number. If the aircraft or missile has been reconfigured, markings changed, or serial number altered after acquisition for display purposes, it will be stated on the sign and noted in all records as follows:

"The (item) on display is actually (nomenclature), Serial No. \_\_\_\_\_, but painted and marked to depict (nomenclature), Serial No. \_\_\_\_\_, assigned to the (unit and/or person) in (location or theater) during (year)".

13.3. The sign will state that the item is part of the NMUSAF collection as follows:

"This (artifact/object) is on loan from the National Museum of the United States Air Force."

13.4. For aircraft on which the serial number has been altered for display purposes with prior written approval, the model, design and series (i.e. F-100C or F-4C) along with the original serial number will be stenciled in two inch letters using contrasting paint colors on the fuselage under the horizontal stabilizers.

13.5. All record keeping will reflect the true serial number.

### 14.0 Radioactive Components.

14.1. Completion of Section 2 of Air Force Form 3580, (USAF Museum Aerospace Vehicle Static Display Acceptance Condition and Safety Certificate), or comparable certification indicating that a complete radioactive material survey has been accomplished shall be included in the official file.

14.2. In accordance with Attachment 1, ("NMUSAF Loan and Static Display Programs' Instructions for Preparation and Maintenance of Aerospace Vehicles"), if radioactive items are determined to have been installed or reinstalled during later inspections, the Borrower will pay the cost of removal of the radioactive items and any decontamination required.

### 15.0 Loan Termination.

15.1. **The failure of the Borrower to observe any of the conditions set forth in this Agreement and Attachments 1 and 2 thereto shall be sufficient cause for the Lender to terminate the loan and repossess the Property.** Repossession of all or any part of the Property by the Lender shall be made at no cost or expense to the Government; the Borrower shall be responsible for paying all maintenance, freight, storage, crating, handling, transportation and other costs or charges attributable to such repossession.

15.2. In the event the loan is terminated for any reason, the provisions of this Agreement will remain in effect until all of the Property, or in the event of a partial termination that portion of the Property at issue, has been relocated and in a condition that is satisfactory to the NMUSAF.

15.3. Termination of the loan and subsequent repossession of all or any part of the Property at the option of the Borrower shall require no less than thirty (30) days advance notice to the Lender in writing. This requirement may be waived by the Lender only through the provision of a written waiver to the Borrower prior to the return of the Property.

15.4. The Lender reserves the right not to renew this Agreement, in all or part, and to recall the Property if required by the Lender to meet the requirements of the NMUSAF, Wright-Patterson AFB, OH or for military

requirements. The Lender will provide a written thirty (30) day notice of intent to recall to the Borrower. In the event of recall, movement of the recalled Property from the Borrower's site will be accomplished at the Lender's expense.

**16.0. Dispute Resolution.** In the event a dispute arises between the parties over the terms and conditions of this Agreement reasonable attempts will be undertaken to resolve the matter through negotiation between the parties or persons appointed, in writing, by the parties. This Agreement shall be construed and interpreted in accordance with Federal law. If any provision herein is held unlawful or otherwise unenforceable by the Court any remaining provisions shall be considered divisible and remain in full force and effect. In the further event that negotiations fail to reach a resolution, the parties agree that the Federal District Court for the Southern District of Ohio, at Dayton, Ohio, will have exclusive jurisdiction over such disputes.

Executed on behalf of the Lender this Eleventh Day of December 2014 at Wright-Patterson AFB OH.

UNITED STATES OF AMERICA

By: PATRICIA A. OCHS  
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ACCEPTANCE

The Borrower, through its authorized representative hereby accepts responsibility of the loaned property subject to the terms and conditions contained in the Loan Agreement set forth above. The Borrower certifies that they have read, understand and acknowledge that concealing a material fact and/or making a fraudulent statement in dealing with the federal government may constitute a violation of federal law in accordance with 18 USC §1001.

Executed on behalf of the Borrower this \_\_\_\_\_ day of \_\_\_\_\_ 2015,

CITY OF CROSSVILLE, CROSSVILLE, TN  
(Name of Borrower/Organization)

By: \_\_\_\_\_  
(Signature)

(Typed or Printed Name & Title)

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Email: \_\_\_\_\_