

Guidebook

for MWR's Involvement in
Air Shows and
Other Open House Events



NAVY

**Morale,
Welfare &
Recreation**

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NOTE: These documents are constantly being reviewed and revised, therefore, please visit mwr.navy.mil for the latest version.

1.0. PURPOSE OF AN OPEN HOUSE AND MWR'S ROLE IN AN OPEN HOUSE

1.1. Open houses, such as air shows, festivals, concerts open to the general public, etc., are public affairs events. While Morale, Welfare and Recreation (MWR) plays a significant role in open houses, as do many command departments, MWR is not designed or intended to play the lead role. MWR's role is limited to providing the food, beverage, and entertainment portions of an open house. However, MWR may administer a small recreation open house event, such as a concert or race that is open to the public. All open houses must be approved by the commanding officer. Public affairs should be notified of all such events.

1.2. Open houses are typically designed to:

1.2.a. Educate the public about the mission of the local base;

1.2.b. Assist recruiting efforts;

1.2.c. Improve community relations; and

1.2.d. Promote pride and esprit de corps among military members, thereby positively affecting retention.

2.0. AUTHORITY FOR OPEN HOUSES

2.1. Open houses are permitted under the auspices of the Department of Defense. The Assistant Secretary of Defense (Public Affairs) {ASD(PA)}, in November 2001, issued Department of Defense Directive (DODD) 5410.18, Public Affairs Community Relations Policy, and Department of Defense Instruction (DODI) 5410.19, Public Affairs Community Relations Policy Implementation to regulate open house and community affairs events. The Chief of Naval Operations has also issued Administrative Message R 091241Z JUL 02 ZYB concerning General Public Visiting, which must be adhered to until rescinded or revised.

2.1.a. Paragraph 4.12.3 of DODD 5410.18 is general guidance concerning MWR's involvement in open houses. It states:

"Military open house programs are primarily public affairs activities. They are not

intended as Morale, Welfare and Recreation (MWR) fund-raising events. This does not prevent MWR involvement in those events as long as fund-raising does not take on the character of commercial events, carnivals, or fairs or give that impression."

- 2.1.b. While open houses do not exist as fundraisers for MWR, they also are not intended to be supported primarily by MWR. Public affairs events should be primarily funded with appropriated funds (APF) with nonappropriated funds (NAF) support for those items which MWR is authorized to provide; food, beverages, and entertainment. If the revenue generated by these three elements, along with commercial sponsorship raised for the MWR portion of the open house, is not sufficient to cover the NAF costs associated with the open house, MWR is not authorized to participate in the open house unless authorized by the regional or Echelon Two Commander.
- 2.1.c. Paragraph 4.1. permits commercial sponsorship of activities taking place at open houses. Commercial sponsorship activities must follow the guidelines used for MWR events as established in other DOD instructions and implemented by individual military services for MWR programs.
- 2.2. DODI 1015.10, Programs for Morale, Welfare and Recreation (MWR) and Bureau of Naval Personnel (BUPERSINST) Instruction 1710.11C, Operation of Morale, Welfare, and Recreation (MWR) Programs also contain guidance concerning MWR's involvement with open houses from an MWR perspective.
- 2.3. The guidance continued in this Guidebook is based on the above directives and instructions. In the case of conflict between this Guidebook and the above mentioned directives or instructions, the directives and instructions are to be followed.
- 2.4. The guidance in this Guidebook is for Navy MWR only. It does not grant any rights to any third parties and may not be used by any third parties as the basis for a dispute, claim, or lawsuit concerning anything written herein.

3.0. MANAGEMENT OF AN OPEN HOUSE

- 3.1. Since most open houses are public affairs events, the local MWR Department may not provide overall management for the open house, unless it is strictly an MWR function, e.g., 5K run, concert, etc.
- 3.2. The local MWR department may provide management for any element of an open house that MWR is authorized to pay for with MWR funds (see paragraph 6.0).

4.0. SPONSORSHIP SOLICITATION

- 4.1. Bases conducting an open house event that is not totally an MWR event (e.g., air show), must submit a request to their Regional Command requesting approval for MWR to solicit sponsorship for the event. The request should contain a description of the open house, i.e., dates of event, expected attendance, and other relative information pertaining to the event, including a description of the role of MWR.
- 4.2. Sponsorships must be conducted in accordance with the Navy's "A Practical Policy and Program Guidebook for Navy MWR Commercial Sponsorship and Partnership Opportunities."

5.0. ALCOHOLIC BEVERAGES AND SPONSORSHIPS

- 5.1. The Federal Alcohol Administration Act (Public Law 100-690, 27 U.S.C.205[b][3]) prohibits the giving of money to retailers (e.g., the MWR department) if such payment directly induces the retailer (i.e., MWR) to purchase that company's alcoholic beverage products to the exclusion in whole or in part of a competitor's alcoholic beverages.
- 5.2. To avoid conflicts with this act when selecting an alcoholic beverage for your event, the following must occur:
 - 5.2.a. Obtain written proposals from suppliers for the procurement of alcoholic beverages that may be sold during the event.
 - 5.2.b. Document your evaluation of the bids received.

- 5.2.c. Select and announce which alcoholic beverages you intend to offer for sale at the event.
(In selecting the alcoholic beverage products to be sold, no consideration can be given to the sponsorship potential of a supplier.)
- 5.3. Accepting unsolicited sponsorships. Only after selection and announcement is made known of the supplier of alcoholic beverages for an event, may you review and accept an unsolicited sponsorship offer proposal from an alcoholic beverage company.
- 5.4. Sponsorship offers prior to beverage selection for an event must be returned to the offeror by registered mail, with a letter explaining why you may not review or accept their offer until the decision is announced, as well as stating which alcoholic beverages will be sold at the event.
- 5.5. Alcoholic beverage product sampling is prohibited.
- 5.6. Solicitation of alcoholic beverage corporate sponsorship is prohibited.
- 5.7. Only MWR or an organization or company contracted by MWR may sell alcoholic beverages at an open house. Private organizations may not sell alcoholic beverages without prior approval of the Secretary of the Navy.

6.0. USE OF MWR FUNDS FOR OPEN HOUSES

- 6.1. The local MWR fund **may not** be financially liable for the expenses resulting from the operation of command sponsored events (including an air show) beyond those functions normally associated with the social and recreational element of the event, which is within MWR's mission.
- 6.2. Residual corporate sponsorship revenues will be deposited to the MWR Fund and may be used for any authorized expense of the local MWR program.
- 6.3. MWR funds **may** be used for:
 - 6.3.a. Paying of civilian performers and entertainment, including fuel if required by contract. Performers' meals and lodging may

be paid for with NAF as long as it is required by the contract and does not exceed the per diem rate for the local areas;

- 6.3.b. Bleacher/chair rental, provided the rental cost is recovered from appropriate patron charges for the service;
- 6.3.c. Appreciation party for volunteers who work during the event and corporate sponsors of the event;
- 6.3.d. Hosting a reception open to all hands to meet the performers, e.g., Blue Angels, concert artist, etc.;
- 6.3.e. Solicitation and administration of corporate sponsorship;
- 6.3.f. Direct set-up costs of vendor exhibits for trade show;
- 6.3.g. Event insurance (inclement weather or rain insurance, only for MWR portion of open house involvement, i.e., performers, programs, printing, etc.) authorized by this Guidebook;
- 6.3.h. Payment to volunteer organizations (e.g., Spouse's Club) for labor provided in support of concession operations (volunteer organization members are not volunteers to MWR and as such are not subject to the volunteer restrictions or protections of BUPERSINST 1710.11C);
- 6.3.i. Complimentary schedule of open house events;
- 6.3.j. Cost of producing souvenir programs and posters that are sold to event attendees and any poster that contains commercial sponsors' names or logos;
- 6.3.k. Food, beverage, and novelty concession expenses;
- 6.3.l. Marketing and publicity expenses for an open house, excluding any cost normally associated with public affairs' efforts, to inform the local public about the open house.

Advertising may be purchased or procured with in-kind sponsorship for the event; and

- 6.3.m. Announcers may be paid with NAF since they are considered a performer. If the announcer insists on using his/her own sound system by contract, it may also be paid for with NAF. Otherwise, a public address system is considered an APF expense.
- 6.4. MWR funds **may not** be used for (unless in-kind sponsorship is specifically available to cover cost):
 - 6.4.a. Free seating, i.e., for a major jet team, military, or city officials, etc.;
 - 6.4.b. Portable toilets (unless they are used in conjunction with a chalet.) They must be placed within the spaces provided for the chalets and not accessible by the general public.
 - 6.4.c. Socials/parties exclusively for VIPs. Parties for commercial sponsors are an exception, in view of their financial support of the event. Commanding officers' chalets are not authorized NAF support unless the chalet is used primarily for commercial sponsors of the event.
 - 6.4.d. Payment for any items which are provided by public works [e.g., gas for vehicles (except rental vehicles for civilian performers, entertainers), insect spraying, snow fencing for crowd or "foreign object damage" control (except when in-kind sponsorship is specifically available to cover the cost, e.g., sponsor wishes to provide snow fencing, etc.)];
 - 6.4.e. Base maintenance, including grounds preparation or other non-recreational costs associated with an open house;
 - 6.4.f. Transportation/fuel for military static displays; and
 - 6.4.g. Any cost that public affairs is authorized to pay with APF;

- 6.5. MWR Funds may not be used for any of the expenses listed above. If NAF is expended, it may be grounds for discipline for both military members and civilian employees of the Department of Defense under the NAF Anti-deficiency Act, 10 U.S.C. 2783.

7.0. CONTRACTING FOR PERFORMERS AND STATIC DISPLAYS

- 7.1. The commanding officer or his/her designated representative, e.g., executive officer, MWR director, or air boss, has the authority to sign aircraft performer and static display contracts.
- 7.2. The local MWR department may solicit and secure corporate sponsorship for non-military displays and performers if:
 - 7.2.a. Open house sponsorship is authorized by the Echelon II; and
 - 7.2.b. Solicited in accordance with the provisions of the Navy Corporate Sponsor and Partnership Policies and Procedures Guidebook.
- 7.3. Sponsorship agreements are reviewed by the local legal officer (JAG) or general counsel, signed by the commanding officer or his/her designated representative and the sponsoring company.
- 7.4. When a sponsored act is hired, the command must reach an agreement with the sponsor and not just the act. If an act has more than one significant primary sponsor which must be mentioned during the act's performance, then each sponsor that must be mentioned must sign an agreement with the command. If the sponsor only has a small tasteful decal on the act's plane, vehicle, clothing, etc., and there is no mention of the sponsor during the act or on printed or verbal announcements, advertisements, or posters, then no agreement is necessary.

8.0. VINTAGE AIRCRAFT AND STATIC DISPLAYS

- 8.1. Given the objectives of open house programs, such as air shows, owner/operators of vintage aircraft whose planes are displayed at an air show open house event may not charge admission to enter the aircraft.

- 8.2. Donations for tours and upkeep of aircraft may be solicited, if approved by the local command.
- 8.3. Souvenir booths are discouraged but not prohibited in the static display area. Souvenir booths/vending space outside the static display area may be purchased through existing command guidelines, based on availability. However, for those static displays that will not be able to attend the open house unless they may sell souvenirs to recoup their costs of attending the air show, a small tasteful display may be permitted by the commanding officer. If, however, the display is intended to generate excess funds over and above what is necessary to appear at the open house, the souvenirs should be sold in an area established for the general selling of such merchandise. This section should not be seen as a limitation on the practice of charging a reduction in appearance fee or no fee, but simply to expand the option for those static displays that are not paid for with NAF and are appearing on a voluntary basis.
- 8.4. No charge is permitted for pictures of attendees seated in DOD aircraft or equipment, to include flight suits or other military uniforms or paraphernalia.

9.0. EXCLUSIVITY CONTRACTS

- 9.1. To allow an opportunity for community participation in open houses, commanding officers must closely monitor concession exclusivity contracts with commercial firms. If exclusivity contracts are permitted, they should not include MWR food and beverage sales unless it is economically advantageous to include the MWR food and beverage and must be structured with due regard to their impact on other organizations involved in open houses. If an exclusivity contract is utilized, the contract provider must use at least 10 percent local subcontractors or providers. Local providers must not be required to purchase commercial sponsorship from either the contract provider or MWR.
- 9.2. Exclusive sponsorship contracts are allowed, however, only after all competing businesses have been offered the same opportunities, e.g., dealerships providing

vehicles, restaurants providing catering, etc. The exclusivity is valid for the intended event only.

10.0. CHARGING FOR ADMISSION, PARKING, OR SHUTTLE SERVICE

- 10.1. No charges or fees will be imposed on the general public for admission or parking.
- 10.2. Charges for shuttle service offered between remote parking facilities to the primary open house area may not exceed an amount necessary to recover all associated expenses of providing the service.
- 10.3. Donation buckets may not be passed around the crowd or placed in fixed locations to have members of the visiting public make donations to support the open house.

11.0. CHARGING FOR SEATING

- 11.1. Pay seating is authorized for open houses if the following conditions are satisfied:
 - 11.1.a. Offered on a first-come basis;
 - 11.1.b. The vast majority of the alternate seating is available at no cost to the attendee. Alternate seating is space for lawn chairs or blankets at or near the primary viewing area; and
 - 11.1.c. If bleacher or portable chair seating is provided, the user may be assessed a reasonable charge.

12.0. SELLING OF CHALETS (Reserved area with canopy or tent)

- 12.1. The selling of chalets by MWR is authorized on a first-come basis. Chalets may be sold separately or included as part of a sponsorship agreement.
- 12.2. Signs used to identify chalets should not be any larger than necessary to identify the chalet to its occupants.
- 12.3. Chalets may be located on the flight-line, but not at the center of the flight-line.
- 12.4. Chalets may not be sold by anyone but MWR. If a

buyer or commercial sponsor wishes to open his/her chalet to a restricted audience, that is permissible. However, a buyer or commercial sponsor may not sell the rights to their chalet to a third party nor may they charge admission to the chalet. They may charge for any food or other souvenirs that are furnished by the buyer or commercial sponsor but not for anything which is supplied by MWR or an MWR contractor as part of the purchase or commercial sponsorship price.

13.0. COMPLIMENTARY PROGRAM OF EVENTS

If souvenir open house programs are sold under the auspices of MWR, then a complimentary schedule of events must be available upon request.

14.0. MOBILE SELLING

The mobile, verbal selling (sometimes referred to as hawking) of souvenir programs and other items to promote sales must be done in a professional manner that will not detract from the primary objective of the open house, i.e., to improve community relations.

15.0. INSURANCE

- 15.1. MWR funds shall not be used to purchase personal injury or property damage insurance if the open house is conducted in CONUS, Alaska, Hawaii, or any territory covered by the Federal Tort Claims Act.
- 15.2. Overseas commands must consult with local judge advocate resources to determine if there are any local requirements for insurance that covers personal property damage, real estate, or personal injury liability. MWR funds may not be used to pay for any locally required and procured insurance.
- 15.3. An air show open house event containing "fly-bys" is not an MWR NAF function; it is an APF event. Mishaps arising from an APF event are covered by the Federal Tort Claims Act and any resulting liability settlements or judgments are paid with APF, not NAF.
- 15.4. MWR funds may be used to purchase event interruption insurance, such as rain or inclement weather insurance (see section 6.3.g).

- 15.5. Civilian performers shall be required to show proof of insurance, both liability and comprehensive, for at least the state minimum in which the air show is being conducted to be issued a rental vehicle. The performer may be required to have more insurance than the state minimum if the commanding officer deems the state minimum to be insufficient to cover potential liability.
- 15.6. Civilian performers are independent contractors, and as such must have at least \$500,000 per person, \$1,000,000 per occurrence, and \$100,000 property damage Comprehensive General Liability insurance, written by a commercial insurance company, which includes the MWR organization and the U.S. Navy as additional or named insured.
- 15.7. If sponsors, media personnel, or other individuals are permitted to fly or ride in a civilian performer's airplane or other vehicle of any kind, they must first sign a hold harmless agreement. See Appendix C for a sample of the agreement. They may be modified for local situations after consultation with local legal authorities. If this form is modified, please send a copy of it to the MWR Legal Counsel.

16.0. ACCOUNTING PROCEDURES AND FINANCIAL CONTROLS

- 16.1. A clear financial audit trail of MWR's involvement in an open house event must be established and maintained.
- 16.2. The audit trail should include all required approvals, authorizations, and source documents to support all accounting transactions.
- 16.3. All open house financial activities that MWR is directly involved in must be accounted for in accordance with nonappropriated fund financial policy guidance as directed by DOD 7000.14-R and the Recreation and Mess Central Accounting System (RAMCAS) User Handbook.
 - 16.3.a. By doing the above, the local command will obtain an accurate record of all expenses incurred and associated revenues earned by the MWR Department through open house participation. (This also provides the necessary audit trail.)

- 16.3.b. Amounts reported through RAMCAS must be supported by subsidiary ledgers and records. Reconciliation of RAMCAS account balances to the supporting records are required monthly with necessary adjustments processed as needed.
- 16.3.c. Business activity (e.g., concessions, food sales, souvenir sales, seating sales, insurance premiums, program sales, corporate sponsorship revenues, etc.) must be recorded through RAMCAS in Activity 81. All revenue and expenses related to MWR's participation in an open house event must be recorded to Activity 81.
- 16.3.d. When catering services are provided for an open house event (by the MWR Food and Beverage Department), the private party contract should be treated using the same procedures as any other catering event. Cost of food, beverage, laundry, and labor should be recorded (as purchased) to the activity providing the catering service (e.g., Officers' Club, All Hands Club, etc.). Upon completion of the open house event, the party contract should be forwarded to the Accounting Office on a Daily Activity Record. An appropriate amount of the proceeds from the open house event (e.g. corporate sponsorship monies, ticket sales, food sales, concession sales, etc.) should be credited to the activity providing the catering services. Likewise, if any MWR department or activity provides a "salable" service in support of the open house event, an appropriate amount of the open house event revenues should be credited to the activity or department providing the service (e.g., golf carts used during the event). Note: In cases where corporate sponsorship monies are used to offset services provided, revenues should be credited to the performing activity using the Commercial Sponsorship Revenue account (xx-571-xx).

The matching principle should be applied to ensure revenues are properly matched with expenses. Materiality should be reviewed to ensure the tracking of these revenues and expenses does not become burdensome and outweigh any benefit for reporting purposes.

16.3.e. In cases where the MWR department (or an individual MWR activity) procures goods/materials to be used in conjunction with the open house event, the associated expense (or cost of goods) should be charged to the open house event (Activity Code 81). Revenues should NOT be credited to the activity or facility providing the supplies/goods. For example, cost of posters and banners procured for the open house event should be charged to an appropriate expense account under Activity Code 81, even though the Information, Tickets and Tours (ITT) Office may have assisted in procuring them. Additionally, in cases where goods or services are provided where no incremental or additional costs (e.g., additional labor, supplies, etc.) are incurred by the MWR department/activity, the original expense should NOT be transferred or charged to Activity Code 81. Revenues should NOT be credited during an intra-activity transfer. If there is NO additional out-of-pocket cost, no entry is required. For example, the MWR marketing staff supports the open house event with marketing and publicity services. The labor expense of those staff members should NOT be transferred or charged to the open house event activity code. Likewise, if tables, chairs, canopies, etc., (MWR assets) are used during the open house event, an intra-activity rental fee should NOT be charged against the open house event nor should open house event revenues be credited to the activity issuing the assets.

16.3.f. In cases where employees are assigned to work before, during, or after an open

house event (specifically on producing the event), they must be paid in accordance with Navy pay policies. Where possible, NAF labor expenses should be transferred to the Open House Activity Code (81) in cases where employees are required to work directly on producing the event, staffing booths, selling programs, hosting chalets, providing security, cleanup, etc. For example, the entire accounting staff is asked to work on a Saturday (a non-work day) to help park cars for an open house event. The portion of the accounting staff labor expense associated with performing this work should be transferred to the open house event (Activity Code 81).

- 16.3.g. This does NOT apply to the food and beverage staff providing catering services under a private party contract. These labor expenses should remain within the activity (e.g., club) providing the catering service. Additionally, this does NOT apply to labor expenses where employees support the open house event in day-to-day functions such as procurement, promotion, accounting, sponsorship, reproduction, maintenance, etc.
- 16.3.h. All revenues and expenses should be matched in the period earned. If deposits are received or invoices are required to be paid in advance of the month of the open house, these deposits to vendors should be recorded as prepaid expenses (RAMCAS Account 00-168-00 or 00-162-00). These deposits (or expenditures) should be reclassified to current expenses during the month of the open house event. The Accounting Department should prepare a General Journal Voucher to reclassify these expenses to the appropriate expense account in the month of the open house event.
- 16.3.i. Conversely, all revenues (e.g., corporate sponsorship, advance chalet ticket sales, etc.) that are received in months prior

to the open house event should be recorded as Unearned Income (RAMCAS Account 00-251-00). These deposits (or expenditures) should be reclassified to current revenue during the month of the open house. The Accounting Department should prepare a General Journal Voucher to recall these revenues to the appropriate revenue account in the month of the open house.

- 16.3.j. Corporate sponsorship monies associated with open house events should be recorded as revenue in the open house event Activity Code (81). In some cases, a portion of sponsorship monies may be credited to another MWR Activity Code where services have been provided in support of the event (e.g., catering services provided by the Club). The commercial sponsorship account number should always be used to identify these funds (account xx-571-xx). Care should be taken to ensure the sponsorship funds are recorded as revenue in the month of the open house vice the month received. In some cases, sponsorship monies are received well in advance of open houses (requiring the receipt to be recorded as Unearned Income) and in other cases, sponsorship monies are received several months after the event (requiring the expected sponsorship revenue amount to be recorded as an Accounts Receivable in the month of the open house event).

17.0. INTERNAL CONTROL PROCEDURES

- 17.1. Open houses often produce a large amount of cash and require a large amount of resale inventory (e.g., food and beverage, souvenirs, etc.). Proper care should be taken to ensure adequate internal controls exist to safeguard cash and inventory. Note: For those open houses where a contractor provides concessionaire services, the contract should include provisions for control over cash and resale inventory. The contractor should ensure that during the performance of service, adequate internal controls are in place to protect cash and resale inventory.

- 17.1.a. In cases where an additional change fund is required, the MWR Department should ensure proper authorization is obtained prior to establishing the additional change funds necessary for some open house events. Change funds are to be authorized in writing by the commanding officer. The authorization should include the amount of the change fund, the time it is established (e.g., 17-19 July XX), and assign custodianship.
- 17.1.b. Where possible, the use of cash registers is encouraged. Procedures for cash handling and preparation of a Daily Activity Record (DAR) should follow policies set forth in DOD 7000.14-R and the RAMCAS User Handbook. Additionally, procedures for deposits should follow the policy guidance noted above as well as central cashiering and cash verification processes.

18.0. USES OF REVENUE GENERATED BY MWR FROM AN OPEN HOUSE

- 18.1. Revenue generated from an open house may be used to support any MWR program or event. However, if the event is a reoccurring event (such as an air show) a reserve shall be established to fund any subsequent similar event before any generated funds are used to support other MWR programs or events.
- 18.2. When a reserve fund is established, the reserve fund cannot be greater than the amount of NAF spent to conduct the open house event from which the funds were generated.
- 18.3. The reserve fund established in accordance with these provisions should be the total NAF spent before any commercial sponsorship funds were used to offset the NAF expenses.
 - 18.3.a. For example, if total NAF expended was \$50,000 and commercial sponsorship generated \$100,000, the reserve fund shall not be more than \$50,000.

18.3.b. If the commanding officer feels that the amount established under these provisions is insufficient, the commanding officer may ask the regional commander or Echelon Two Commander for permission to establish a higher amount. The higher amount must be justified in writing.

18.3.c. RAMCAS account 00-104-00 must be used to restrict funds for future operating needs.

19.0. REGIONALIZATION

19.1. The establishment of regional shore commands and the ensuing region-wide consolidation of MWR programs has resulted in a need for changes in authority and responsibility for the administration of base-level MWR programs. In some regions, regional commanders have assumed many of the responsibilities previously held by base commanding officers.

19.2. Accordingly, when the language in this guide makes a reference to the authority of the commanding officer, the intent of the term "commanding officer" shall be modified to mean that of the respective regional commander or responsible regional authority, as designated by the regional commander, as well as the traditional commanding officer.

20.0. RECRUITING ASSISTANCE

20.1. Because open house events, including air shows, provide recruiting opportunities for Navy recruiters, MWR should provide the Recruit Command personnel with reasonable support in addition to that authorized by the Command as part of the Command sponsored portion of the open house. For example, if there is a trade fair, MWR should not charge Recruit Command for a recruiting booth.

20.2. However, if the local Recruit Command personnel are using their booths as a fund raiser for the local office and selling such items as ball caps, T-shirts, etc., then they should be treated like any other entity and be charged for their booth. **IT IS**

ONLY WHEN PERFORMING THEIR OFFICIAL DUTIES AS RECRUITERS SHOULD THE RECRUIT COMMAND NOT BE CHARGED FOR USE OF THE BOOTH.

- 20.3. If priority seating or comparable amenities is offered to local tenant commands, then this same courtesy should be offered to the Recruit Command personnel when they are not actively recruiting. A separate section in priority seating may be established for recruiting purposes as discussed above.
- 20.4. Whenever possible, MWR, the Command, and the local Recruiting Command should work together to cover the cost of advertising and promotions not covered by commercial sponsorships. Recruiting is one of the principal reasons for conducting air shows and other open house events; therefore, they should pay their fair share of the recruiting costs and be encouraged to include the air show in their local promotions and advertisements.

21.0. PERFORMER AGREEMENTS, CONCESSIONAIRE CONTRACTS, AND HOLD HARMLESS AGREEMENTS

- 21.1. Model Performer and Concessionaire contracts are included in Appendix A and B. These contracts may be modified to reflect local requirements, but only after obtaining legal review by the local Judge Advocate or General Counsel. A copy of any contract modified under these provisions must be supplied to the MWR Legal Counsel.
- 21.2. A Hold Harmless agreement is furnished in Appendix C for use when publicity or guest flights with civilian performers are permitted. It is recommended that both MWR and the performer have the guest sign a hold harmless agreement. However, only MWR is required to have the agreement signed by the guest. The Performer, as an independent contractor, is responsible for requiring the guest to sign their agreement.

22.0. FOR MORE INFORMATION

For additional information about corporate sponsorship or MWR involvement in open houses events, please contact the MWR Legal Counsel, Mr. George Holz, at 901-874-6626 or DSN 882-6626 or e-mail p658L@persnet.navy.mil or write to:

Navy Personnel Command PERS-658L
Morale, Welfare and Recreation Division
5720 Integrity Drive
Millington, TN 38055-6580



The attached Air Show Agreement has been formulated to assist you in entering into an agreement with contractors who perform in the Air Show. This Agreement is executed by the HOST Commanding Officer (or authorized designee) and the Contractor. All appropriate clauses or provisions have been deemed to be included in the Agreement. NAF contract clauses contained in BUPERSINST 7043.1B, Appendix A & B are not required to be attached to this Agreement. Any significant deviations from this Agreement should be coordinated through George Holz, Legal Counsel, PERS-658L prior to execution (phone DSN 882-6626, Comm. 901-874-6626) or e-mail p658L@persnet.navy.mil.

AIR SHOW PERFORMER AGREEMENT

HOST is seeking to educate the public about the HOST mission, assist recruiting efforts, improve community relations, and promote pride and esprit de corps among military members, thereby positively affecting retention. To achieve these goals, HOST will conduct an Air Show at _____ (Name of Installation) hereinafter referred to as HOST, from _____ (Put Date in here). In support of the Air Show this Agreement is made and entered into this _____ day of _____, 20__ by and between the HOST and _____, hereinafter called the PERFORMER. The PERFORMER warrants that it has full rights and authority to represent the air show unit, and that every part thereof is free from any conflicting rights of others. The agreement will become effective upon signature by the HOST's Commanding Officer and the PERFORMER.

1. **EVENT.** The HOST shall put on the air show at _____ in _____ county, State of _____ from _____ to _____ hereafter referred to as AIR SHOW).

2. **PERFORMER OBLIGATIONS.** PERFORMER shall:

a. Perform _____ show(s) per day, at times designated by the HOST, for each of _____ days from _____ to _____. Duration of each show shall be approximately _____.

b. Arrive not later than _____ and be fully prepared to fly at the AIR SHOW. If in the reasonable opinion of the HOST, the PERFORMER is unable to perform because of safety consideration, health or equipment deficiencies, or misconduct, PERFORMER shall refund to the HOST all monies expended by the HOST to PERFORMER including, but not limited to, down payment, performance fee, and travel and transportation costs.

c. If requested by the HOST no later than _____, provide to the HOST no later than _____ press kits (to include _____) and video tapes of past performance for use as deemed fit by the HOST (all video tapes and unused press kits will be returned to PERFORMER).

d. Provide its own fuel and other material needs, if PERFORMER fails to notify the HOST of PERFORMER'S fuel and material needs by close of business on _____.

3. **HOST OBLIGATIONS.** The HOST will:

a. Provide adequate fuel and other material needs as indicated in Attachment 1, onsite, for PERFORMER's craft, in order to meet the obligations imposed upon PERFORMER by this Agreement. PERFORMER shall notify the HOST as to PERFORMER's needs no later than _____. Should PERFORMER fail to notify the HOST of its needs, the HOST is relieved of this obligation. PERFORMER, however, remains obligated to perform.

b. Provide PERFORMER with local transportation, to and from the AIR SHOW, and other transportation as indicated in Attachment 1.

SELECT EITHER C(1) OR C(2) BELOW!

c.(1) Pay PERFORMER a performance fee, the total amount of which is _____, hereafter referred to as PERFORMANCE FEE (this fee does not include travel costs), for PERFORMER'S participation in the AIR SHOW from _____ to _____. Payment to be made in the following manner:

c.(2) Pay PERFORMER a performance fee, to include all travel expenses, the total amount of which is _____, hereafter referred to as PERFORMANCE/TRAVEL FEE, for PERFORMER'S participation in the AIR SHOW from _____ to _____. Payment to be made in the following manner:

1. Down payment in the amount of _____ shall be received upon the execution of this Agreement or not later than _____.

2. Balance of _____ to be remitted not later than _____.

If any part of the PERFORMANCE FEE, or other costs, is provided by a sponsor of the PERFORMER, a second attachment (Attachment 2) becomes part of the Agreement. HOST and PERFORMER initial here if such is the case:

HOST _____ PERFORMER _____

d. All payments will be made with nonappropriated funds. No appropriated funds of the United States are obligated by this agreement.

e. Provide special credentials to PERFORMER and PERFORMER'S essential support personnel.

f. Provide a public announcement (P.A.) system.

4. **PERFORMER'S INABILITY TO PERFORM**

a. Should the PERFORMER not meet the requirements of this Agreement, PERFORMER shall be liable for all monies expended by the HOST in relation to PERFORMER'S commitment to participate. This includes, but is not limited to, down payment, PERFORMANCE FEE, advertising and printing costs.

b. Should the PERFORMER be unable to perform for reasons under its control, including, but not limited to, PERFORMER'S misconduct or mechanical difficulties, PERFORMANCE FEE and all associated costs, pro-rated, shall not be paid to PERFORMER for the day or days of non-performance. PERFORMER shall be deemed to have performed, however, if the first planned maneuver of a performance has been made. PERFORMER shall not be liable for any loss or claim of loss as a result of any non-performance.

c. Except as provided in Sections 5 and 6 below, should the PERFORMER be unable to perform for reasons not under its control, full payment of the PERFORMANCE FEE and associated travel costs incurred shall be tendered.

5. **AIR SHOW NON-PERFORMANCE.** Should the AIR SHOW be cancelled because of matters under the control of the HOST, the following amounts shall be payable:

a. If the HOST provides written notice of cancellation on or before _____, PERFORMER shall only be entitled to the down payment received.

b. If the HOST provides written notice of cancellation on and after _____ and before _____, PERFORMER shall be entitled to the down payment and _____ percent of its total PERFORMANCE FEE.

c. If the HOST provides notice later than that indicated in 5.b. above, the down payment and total PERFORMANCE FEE is payable.

d. Written notice shall be deemed to have been made on the date such notice is postmarked, or in the case of facsimile transmission, the date of evidence of receipt.

6. **FORCE MAJEURE**

SELECT EITHER 6.a. OR 6.b. BELOW!

a. If, on account of causes not due to the fault or negligence of either party, such as, but not limited to, national or military emergency, military operational necessity, disaster, terrorism, or an act of God, the AIR SHOW is abandoned, cancelled, or prevented, neither party hereto shall be liable to the other for any expense incurred in connection with the AIR SHOW except for the expenses paid.

b. If, on account of causes not due to the fault or negligence of either party, such as, but not limited to, national or military emergency, military operational necessity, disaster, terrorism, or an act of God, the AIR SHOW is abandoned, cancelled, or prevented, payables to the PERFORMER shall be as specified in paragraph 5.a through 5.b above.

7. **PROMOTIONAL LIMITATION ON USE OF TRADEMARKS.** For the purpose of promoting the AIR SHOW, HOST and PERFORMER hereby grant each other royalty-free, non-exclusive licenses to use and display the trademarks associated with the Air Show and PERFORMER. Such use is limited solely to the duration of this Agreement and the promotional and advertising activities related to the AIR SHOW. The parties are familiar with the quality of goods and services that bear the other's marks and agree to use the marks licensed hereunder in association with goods and services of similar quality. Should either party fail to use the marks in conjunction with goods and services of quality acceptable to the other, the owner of the trademark has the right to terminate this license by notice. The parties shall not use any of the trademarks in a way which would cause any person reasonably to infer, or would otherwise convey the impression, the other is in any way affiliated with or otherwise acting on behalf of any company, or which may be detrimental to the other's interest. The parties understand the provisions of this paragraph do not convey any right, title or ownership in the marks. Except as expressly provided above, neither party shall have the right to use in any way the corporate or tradename, trademarks, logos or other identification of the other party without their prior written consent.

8. **INDEPENDENT CONTRACTOR**

a. The HOST and PERFORMER shall be and act as independent parties, and under no circumstances shall this Agreement be

construed as one of agency, partnership or joint venture of employment between either.

b. None of the personnel under contract to, employed by, or volunteering for the HOST shall be deemed in any way to have any contractual relationship with the PERFORMER whatsoever. Each party shall be solely responsible for the conduct of its employees, personnel, and agents in connection with their performance of the HOST'S obligations hereunder.

9. **INSURANCE**

a. The PERFORMER shall, at their expense, procure and maintain, during the entire performance period of this agreement, insurance of at least the kinds and minimum amount set forth herein.

b. At all times during performance, the PERFORMER shall maintain with the contracting officer a current certificate of insurance showing at least the insurance required herein, and providing 30 days written notice to the HOST by the insurance company prior to cancellation or material change in policy coverage.

c. In implementation of the insurance clause above, the PERFORMER shall procure and maintain:

(1) Where applicable Workman's compensation as prescribed by the laws of the State in which the work will be performed and employer's liability insurance.

(2) General liability insurance wherein the NAFI and the United States Navy are included as named insured, stating that such insurance is primary (secondary to or contributory with no other insurance). Policy limits of \$500,000 per person - \$1,000,000 per occurrence for injury or death, and \$100,000 property damage per occurrence are required.

(3) The PERFORMER is responsible for damage or loss to his/her owned or leased equipment. Claims will be honored only if it can be shown that the NAFI was negligent and caused damage or loss to the PERFORMER'S equipment.

(4) If Performer is receiving an automobile from HOST, Performer must show proof of automobile insurance to at least the state insurance requirement of the state of _____ (State where air show is being performed.) That minimum is \$ _____. PERFORMER may not receive

an automobile until he/she presents a valid drivers license for all performers who will drive the HOST supplied vehicle in addition to proof of the coverage required herein.

10. **HOLD AND SAVE HARMLESS.** The PERFORMER shall indemnify, save harmless, and defend the NAFI, its outlets, and customers from any liability, claimed or established, for violation or infringement of any patent, copyright, or trademark right asserted by any third party with respect to goods hereby ordered or any part thereof. PERFORMER further agrees to hold the NAFI harmless from all claims or judgements for damages resulting from the use of products listed in this agreement, except for such claims or damages caused by or resulting from negligence of NAFI's employees, agents, or representatives. Also, the PERFORMER shall at all times hold and save harmless the NAFI, its agents, representatives, and employees from any and all suits and expenses which arise out of acts or omissions of the PERFORMER, its agents, representatives, or employees.

11. **NON-EXCLUSIVITY.** This Agreement does not confer upon the PERFORMER any exclusive right to advertise its product during the AIR SHOW. The HOST reserves the right to sponsor or advertise other similar competitive products during the AIR SHOW.

12. **DISPUTES.** Any dispute or claim concerning this Agreement which is not disposed of by agreement shall be decided by the HOST's Commanding Officer (or authorized designee), who shall state his/her decision in writing and mail or otherwise furnish a copy of it to the PERFORMER. Within 90 days from the date of receipt of such copy, the PERFORMER may appeal by mailing or otherwise furnishing to the HOST Commanding Officer (or authorized designee) a written appeal addressed to the immediate superior in command (ISIC) of the command, one level above the HOST's command. The decision of this authority shall be final and conclusive. The PERFORMER shall be afforded an opportunity to be heard and to offer evidence in support of any appeal under this provision. Pending final decision on such dispute, the PERFORMER shall proceed diligently with the performance of the Agreement and according to the decision of the HOST Commanding Officer (or authorized designee), unless directed to do otherwise by the HOST's Commanding Officer (or authorized designee).

13. **SEVERABILITY; GOVERNING LAW**

a. If any clause or provision herein shall be ruled invalid or unenforceable, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.

b. In any dispute arising out of this agreement, the decision of which requires consideration of law questions, the rights and obligations of the parties shall be interpreted and determined according to the substantive laws of the United States of America.

14. **CONFIDENTIALITY.** Navy MWR agrees that information about payment and in-kind support received from PERFORMER pursuant to this agreement is confidential and its disclosure would cause harm to PERFORMER's competitive position in the industry. Accordingly, MWR will treat the financial contents of this agreement as confidential in the event of any request by a third party for its release, including any request under the Freedom of Information Act (FOIA). PERFORMER understands MWR may be legally obligated to disclose all non-confidential information about this agreement in response to a FOIA request.

15. **DISCLAIMER.** This Agreement, nor the exchange of benefits described herein, does not constitute an official endorsement by either the U.S. Navy or any part of the federal government for the PERFORMER, its sponsors, products, or services.

16. **ASSIGNMENT.** This Agreement is not assignable in whole or in part by any party hereto in the absence of the prior written consent of the other party.

17. **NOTICES.** All notices required or permitted hereunder shall be deemed duly given if sent by certified mail, postage prepaid, addressed to the parties as described in the preamble of this Agreement. Advance communication of intended notification via facsimile or telephone is recommended but will not be used as a substitute for notification.

18. **TAX REPORTING RESPONSIBILITIES.** PERFORMER shall be responsible for providing accurate information concerning business status and personal data, including Social Security or Taxpayer Identification numbers. HOST shall use this information to submit Miscellaneous Income Form 1099 no later than December 31, 2004, and provide a copy of said form to the PERFORMER.

19. **VISUAL AND MEDIA RIGHTS.** HOST may use the visual image and sound of the PERFORMER, its people, act and equipment, for any promotional purpose. HOST may not sell any visual image of the PERFORMER without its prior written consent. The PERFORMER may provide and suggest materials for such promotions to the Air Show Director.

20. **COMPLIANCE WITH U.S. NAVY REGULATIONS.** PERFORMER understands its activities for the Air Show must comport with U.S. Navy regulations, policies and direction HOST may receive from higher authority and are therefore subject to modification by HOST upon notification to PERFORMER.

21. **ENTIRE AGREEMENT.** This Agreement contains the entire understanding between the parties hereto relating to the subject matter contained herein and supersedes any and all prior agreements, communications, or representations, whether oral or written. This Agreement may not be amended, altered, modified, or changed except in writing signed by both parties hereto.

Print Name of Commanding
Officer (or authorized designee)

Print Name of PERFORMER

Date

Date

Address & Phone Number:

Address & Phone Number:

Signature of Commanding
Officer (or authorized designee)

Signature of PERFORMER

ATTACHMENT 1

I. The HOST will provide PERFORMER with:

a. \$ _____ per mile from _____ to _____ (not more than _____ miles) for travel to AIR SHOW.

b. On-site fuels and other material needs as indicated below necessary for PERFORMER to perform:

_____ gallons diesel fuel	_____ gallons jet fuel
_____ aviation fuel (____ octane min)	_____ quarts oil (____ wt)
_____ gallons smoke oil	_____ storage and security
_____ other _____	

c. Lodging consisting of _____ rooms, at or close in proximity.

d. _____ vehicle(s) for transportation for PERFORMER and PERFORMER'S staff/support crew. If such transportation includes vehicles provided to PERFORMER for PERFORMER'S use, insurance for such vehicles (is) (is not) PERFORMER'S obligation.

II. PERFORMER will provide to the HOST:

a. Valid licenses, permits, and certificates necessary for PERFORMER to engage in performance and to engage in novelty sales.

b. Proof of general liability insurance written by a commercial company with policy limits of at least \$500,000 per person, \$1,000,000 per occurrence, and \$100,000 property damage and includes the MWR organization and the U.S. Navy as additional or named insured.

c. Proof of liability insurance covering PERFORMER'S performance on the days of performance which includes coverage for all aspects of the PERFORMER'S liability with respect to PERFORMER'S performance at the AIR SHOW in an amount no less than \$ _____.

d. Proof of adequate insurance for vehicles provided, if any, by the HOST and to limit those who may operate such vehicles to the following persons _____.

e. Press/promotion rides on either _____ or _____ as determined by the HOST.

f. Broadcast music and descriptive tapes or announcements during the performance and the equipment necessary to play such over the HOST'S public announcement (P.A.) system.

III. CORPORATE SPONSORSHIP (if applicable):

a. The HOST acknowledges that PERFORMER has a national sponsor which has underwritten a portion of the original performance fee, allowing the HOST to obtain the services of the PERFORMER at the reduced fee outlined in _____ . The HOST agrees to accord PERFORMER'S corporate sponsor such rights and privileges considered standard in the air show industry such to Federal Regulations. Included in such rights, if permitted by regulation, shall be access to VIP facilities and parking, full-page ad in the AIR SHOW program, P.A. system acknowledgements (with appropriate disclaimers,) and inclusion in social events, as appropriate.

b. The HOST understands and agrees should it receive a discounted performance price as a result of being designated a target market show, that PERFORMER reserves the right to acquire a local host sponsor, subject to the HOST'S prior approval to ensure that the proposed sponsorship complies with Navy policies on sponsorships and is not a breach of exclusive sponsorships previously executed, to help provide compensation to PERFORMER for its performance, and that the HOST will accord PERFORMER local host sponsor such rights as addressed above.

AIR SHOW CONCESSIONAIRE CONTRACT

WHEREAS _____, hereinafter referred to as HOST, will operate an Air Show on _____ (date), this concessionaire contract by and between _____, hereinafter referred to as the NONAPPROPRIATED FUND INSTRUMENTALITY (NAFI) and _____ hereinafter referred to as the CONCESSIONAIRE, is for the Concessionaire to provide to the NAFI the services hereinafter stipulated.

CONCESSIONAIRE WILL:

1. Exclusively provide all booths and concession equipment for food, soft drinks, beer, ice cream, novelty, and film (the exception being souvenir booths) for the Air Show, as set forth in Addendum 1. Booths shall be completely self-contained and will require no electricity.

NOTE: IN ALLOWING COMMUNITY PARTICIPATION IN OPEN HOUSES, COMMANDERS MUST CLOSELY MONITOR CONCESSION EXCLUSIVITY CONTRACTS WITH COMMERCIAL FIRMS. IF EXCLUSIVITY CONTRACTS ARE ALLOWED, THEY SHALL NOT INCLUDE MWR FOOD AND BEVERAGE SALES AND MUST BE STRUCTURED WITH DUE REGARD TO THEIR IMPACT ON OTHER ORGANIZATIONS INVOLVED IN OPEN HOUSES.

2. Assemble and take down all booths and concession equipment. The booths shall be operational by _____ hours on the day of the Air Show and removed no later than _____ hours on the final day of the Air Show. The booths shall be open for business from approximately _____ hours until approximately _____ hours each day of the Air Show. Booths and equipment will be cleaned by the NAFI sales team assigned to the booth.

3. Select and provide menu items which, in its opinion, shall best maximize revenues, based on regional tastes and seasonal weather factors. All condiments shall be provided as required to serve the menu.

4. Price all food and novelty items with regard to the percentage due the NAFI, local costs, and raw materials. Prices shall be consistent with those charged at Navy Air Shows performed during fiscal years _____ and _____, and any other air show within a 1,000 mile radius of the NAFI it has performed or is performing under contract during the _____ season. Comparable

price information shall be submitted to the NAFI no later than _____.

5. Use its best efforts to access local vendors for food products who offer comparable and reasonable pricing. The final decision on vendors shall be made by the NAFI.

6. Provide an on-site management team to execute the concessions program. The NAFI is not responsible for providing compensation to the on-site manager or to supervisors provided by the Concessionaire. Training of the NAFI sales force shall be conducted by the Concessionaire.

7. All employees of the Concessionaire will dress professionally and conduct themselves in a courteous manner.

8. Assume total responsibility and liability for compliance with all federal, state and local income tax laws applicable to transactions of the Concessionaire.

9. Provide proof of general liability insurance written by a commercial company, with policy limits of at least \$500,000 per person, \$1,000,000 per occurrence, and \$100,000 property damage and includes the MWR organization and the U.S. Navy as additional or named insured.

10. Be responsible for providing any and all local jurisdiction business licenses, alcoholic beverage sales licenses, health permits, and other permits to operate concessions.

11. Direct that all food, beverage, and merchandise products be sold by the Concessionaire to the Host and will be used for resale by the NAFI. The Host represents that the NAFI is exempt from state sales and use taxes. The NAFI will provide the Concessionaire with an appropriate tax exempt number. The sale and conveyance of title to the NAFI is made in consideration of sharing the gross sales receipts. The "sale" occurs when the food, beverage, and merchandise is sold by the booth workers. All items not sold remain the property of the Concessionaire.

OPTIONAL:

11. Shall maintain alcoholic beverage inventory controls and will submit to the NAFI the amount due the alcohol vendor. Concessionaire will charge a management fee equivalent to the amount listed in Addendum II, less the amount paid to the alcohol beverage vendors. This management fee is for equipment, supplies and supervisory personnel. Concessionaire will reimburse the NAFI through the final settlement for any payments by the NAFI to the alcoholic beverage vendor for product sold at the Air Show.

NAFI WILL:

1. Receive consideration based on gross sales of the following concession categories:

- A. Food, soft drinks, ice cream, and beer
- B. Novelty merchandise
- C. Film

The specific percentages due the NAFI are delineated in Addendum II.

For the consideration set forth in Addendum II, the NAFI will:

1. Operate the Air Show for a minimum of _____ hours. The gates will open no later than _____ hours and close no earlier than _____ hours. The jet demonstration team or feature act will begin its performance no earlier than _____ hours, unless forced to change by weather, safety, security, or mission requirements.

OPTIONAL: TO BE USED IF CONCESSIONAIRE PERFORMS CORPORATE SPONSORSHIP MARKETING DUTIES

2. Grant to the Concessionaire rights to all signage, sampling, advertising, and couponing rights except as specified in writing by the NAFI prior to execution of this contract.

3. Provide to the Concessionaire sufficient space in a position acceptable to the Concessionaire and the NAFI for the Concessionaire to assemble booths, tents, and food service equipment to service the Air Show. The NAFI will also provide access to the space for the Concessionaire's vehicles at least _____ hours prior to the Air Show, and will provide the Concessionaire access to the space for booth set up a minimum of _____ hours prior to show time.

4. Provide to the Concessionaire the required minimum NAFI sales force to operate the food, beverage and novelty booths per the specifications of the Concessionaire in Addendum I.

5. Use its best efforts to promote and publicize the Air Show in conjunction with any marketing support provided by the Concessionaire.

6. Supply access to minimum quantities of potable water.

7. Provide a specific point of contact for pre-event, on-field, and post-event communications between the Concessionaire and the NAFI.

8. Be responsible for clean-up and all trash removal of the concession area.

OPTIONAL

9. Be responsible for payment directly to the alcohol beverage vendor retained by the Concessionaire for the NAFI and secure any required licenses. The Concessionaire shall reimburse the NAFI at settlement for the sums due the alcohol vendor for all purchases specific to the Air Show.

10. The Concessionaire shall provide control sheets for each booth and cart for inventory and cash reconciliation. The NAFI will receive a copy of all inventory and cash transaction sales. All cash will be collected by the NAFI or its designated representative(s) for count and verification with a Concessionaire representative. All sales personnel will be briefed on cash control and operating procedures prior to the Air Show. After the cash is counted by the NAFI and the Concessionaire, it shall be transferred to a bank. The bank shall count the money and a Nonappropriated Fund Instrumentality of the United States Government ("NAFI") check shall be drafted in an amount approved by the NAFI and the Concessionaire in accordance with this Contract. Payment will be made from the NAFI to the Concessionaire within _____ hours after close of the Air Show.

11. The NAFI assumes all responsibility for the protection and handling of funds collected until such time as money due to the Concessionaire has been paid. The NAFI will be responsible for providing a secure cash counting area, volunteers to count cash and all necessary security.

12. If there are any shortages in conjunction with inventory and cash reconciliation, the Concessionaire shall use its best efforts to assist the NAFI in determining the cause of such shortage. All shortages will be deducted from amounts due the NAFI.

HOLD AND SAVE HARMLESS. The Concessionaire shall indemnify, save harmless, and defend the NAFI, its outlets, and customers from any liability, claimed or established, for violation or infringement of any patent, copyright, or trademark right

asserted by any third party with respect to goods hereby ordered or any part thereof. Contractor further agrees to hold the NAFI harmless from all claims or judgements for damages resulting from the use of products or services listed in this contract, except for such claims or damages caused by or resulting from negligence of NAFI customers, employees, agents, or representatives. Also, the contractor shall at all times hold and save harmless the NAFI, its agents, representatives, and employees from any and all suits and expenses which arise out of acts or omissions of the contractor, its agents, representatives, or employees.

INDEPENDENT CONCESSIONAIRE. The NAFI and CONCESSIONAIRE shall be and act as independent parties, and under no circumstances shall this Contract be construed as one of agency, partnership or joint venture of employment between either. None of the personnel under contract to, employed by it, or volunteering for the NAFI shall be deemed in anyway to have any contractual relationship with the CONCESSIONAIRE whatsoever. The NAFI shall be solely responsible for the conduct of its employees, personnel, and agents in connection with their performance of the NAFI's obligations hereunder.

TERMINATION

1. Notwithstanding the attached clause titled "Termination for Convenience," the NAFI recognizes that Concessionaire shall expend considerable sums of money to adequately perform this contract. As such, the NAFI shall compensate Concessionaire should the Air Show be canceled for any reason, other than weather, within _____ weeks of the scheduled date of the Show. Concessionaire will be reimbursed for substantiated expenses associated with the Air Show including labor, transportation, advertising, and other direct or indirect expenses directly applicable to the Air Show.

GOVERNING LAW

1. If any clause or provision herein shall be ruled invalid or unenforceable, it shall not affect the validity of any other clause or provision, which shall remain in full force and effect.

2. In any dispute arising out of this Contract, the decision of which requires consideration of law questions, the rights and obligations of the parties shall be interpreted and determined according to the substantive laws of the United States of America.

Print Name Of Contracting
Officer

Print Name of Concessionaire

Signature of Contracting
Officer

Signature of Concessionaire

Date

Date

Address & Phone Number

Address & Phone Number

ADDENDUM I (SAMPLE)

BOOTH AND MANPOWER REQUIREMENTS

Number Booths	Booth Type	Volunteer Requirements	Total Volunteers Per Day
15	Food & Soft Drinks	12	180
4	Novelties	7	28
6	Beer	6	36
3	Ice Cream & Coffee	6	18
6	Ice Cream Carts	2	12
3	Film	2	6
	TOTAL VOLUNTEERS REQUIRED PER DAY		280

ADDENDUM II

1. Concessionaire's Percentage Due the NAFI;

- a. As to Food, Soft drinks and Beer;
_____% of gross sales at the Air Show up to \$_____.
_____% of gross sales at the Air Show over \$_____.
- b. As to Novelty Merchandise;
_____% of gross sales at the Air Show
- c. As to Film;
_____% of gross sales at Air Show

2. Concessionaire's Revenue Guarantee. Concessionaire guarantees that the NAFI shall receive a minimum of \$_____ in cash, provided the NAFI is in compliance with all aspects of the contract including, but not limited to, providing the minimum staffing for booths, as well as insuring that the jet demonstration team performs on the date and at the time specified herein. Such revenues shall be due and payable to the NAFI no later than _____ (date).

INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

In exchange for a ride in an aircraft or other vehicle in connection with the 20____ Naval Air Station XXXXX, I agree to indemnify and hold harmless, and to release, acquit and covenant not to sue, the United States government and MWR, a nonappropriated fund instrumentality of the U.S. Navy, and their members, agents, offices and employees, from any loss, expense, damage, injury death, action, claim, suit or judgment (including administrative action) arising out of, resulting from, or in any way relating to, said flight.

Signature of Rider

Printed Full Name of Rider