

L I C E N S E

WHEREAS, the Governments of the United States and of the United Kingdom have agreed to set up a regime for the use in common of the Islands of Canton and Enderbury in the Phoenix Group and for the employment of these islands for purposes connected with international aviation and communication, with equal facilities for each party; and

WHEREAS, the Pan American Airways, Inc. has applied for permission to make use of a portion of Canton Island located in the Pacific Ocean approximately in the latitude 2° 49' S. and longitude 171° 45' W. from Greenwich, in connection with a commercial air transport service, and for such purpose to erect necessary structural and ground facilities;

NOW, THEREFORE, in consideration of the foregoing, the Pan American Airways, Inc. (hereinafter referred to as the licensee), is hereby granted permission by the Government of the United States to use, in connection with its air transport service, the areas on said Island of Canton, and adjacent waters, as shown by the map attached hereto and made a part hereof, as follows: (1) AREA "A", lying in the southwestern portion of the island between the lines marked "AA" and "BB", the northerly line being 350 feet south of the

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two markers designated "P.A.A."; (2) AREA "B", located in the northwestern part of the island, lying between the lines marked XX and YY and designated "Additional Runway" and "Projected Land Airport."

A more definite description of the aforementioned areas shall be furnished upon request of the Secretary of the Interior and upon approval the same shall become a part hereof.

In the use of said areas and adjacent waters the licensee may erect and install thereon necessary structural ground and water facilities, including piers and ramps into the lagoon.

This license is granted and issued subject to the following terms and conditions:

1. That the licensee and each of its officers and directors are citizens of the United States; that not less than three-fourths of its stock is held by citizens of the United States; and that all of its pilots, flight, operating and ground crews operating on, over or in the vicinity of Canton Island shall be citizens of the United States. The licensee agrees to submit to the Secretary of the Interior on or before June 30 of each year an affidavit as to the citizenship of its officers, directors and holders of not less than three-fourths of its stock, and such evidence of the citizenship of its pilots, flight, operating and ground crews as may be requested.

2. The licensee agrees to operate licensed aircraft of American registry in said air transport service and agrees not to permit the

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premises to be used for any unlawful purposes, nor for any purpose other than the operation of licensed aircraft of American registry in commercial air transport service except as hereinafter provided in paragraph 3.

3. The licensee agrees to permit an air transport company ^{or companies} satisfactory to the Government of the United Kingdom to use on an equal basis its facilities which are to be erected on the island, upon the payment of a fair and reasonable amount to the licensee based upon the cost of the installations and operation of such facilities: Provided, That in the event the two air transport companies are unable to agree upon the amount of such payment or the conditions of use, said matters shall be decided by mutual agreement between the Governments of the United States and of the United Kingdom.

4. The licensee agrees not to enter into any agreement or understanding with any person, company, corporation, or holding company covering the use of the areas or its facilities on the island, except as hereinabove provided in paragraph 3.

5. The use of said premises shall be subject to all regulations as may be prescribed for the government and administration of the island and adjacent waters.

6. In the event that it is found to be necessary or advisable at any time to require the relocation of any of the structures or facilities that are erected or installed on the island under the permission herein granted, the licensee shall, at its own expense relocate such structures and facilities, within a reasonable time after notification.

7. Nothing in this license and no act or acts hereunder shall be construed or considered as vesting any title or permanent interest in the said areas and adjacent waters in the licensee or other air transport company mentioned in paragraph 3 hereof, or anyone acting in their behalf.

8. This license shall not be assigned, transferred, or succeeded to.

9. No expense or liability whatsoever under or by reason of this license or by reason of anything contained herein shall be incurred by the Governments of the United States or of the United Kingdom, and the said licensee agrees to hold and save harmless the said Governments from any and all claims of any nature or kind that may arise from anything connected with or growing out of this license not attributable to any act of the officers or agents of the respective Governments.

10. The license issued by the Government of the United States to the licensee, dated March 31, 1938, is hereby revoked.

IN WITNESS WHEREOF, I have set my hand and affixed the official seal of the Department of the Interior on behalf of the United States of America this ____ day of _____, 193__.

UNITED STATES OF AMERICA

By:

Secretary of the Interior.

The Pan American Airways, Inc., the licensee mentioned in the foregoing license, hereby accepts the said license subject to the terms and