

ORIGINAL DOCUMENTS IN SAFE

261-322

Case No. 261

Date of filing: 20/9/01

** AWARD - Type of Award Agreed Award
- Date of Award 20/9/01
8 pages in English 7 pages in Farsi

** DECISION - Date of Decision _____
_____ pages in English _____ pages in Farsi

** CONCURRING OPINION of _____
- Date _____
_____ pages in English _____ pages in Farsi

** SEPARATE OPINION of _____
- Date _____
_____ pages in English _____ pages in Farsi

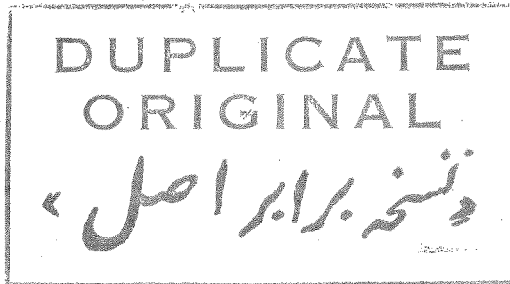
** DISSENTING OPINION of _____
- Date _____
_____ pages in English _____ pages in Farsi

** OTHER; Nature of document: _____

- Date _____
_____ pages in English _____ pages in Farsi

IRAN-UNITED STATES CLAIMS TRIBUNAL

دیوان داوری دعاوی ایران - ایالات متحدہ



CASE NO. 261

CHAMBER THREE

AWARD NO. 599-261-3

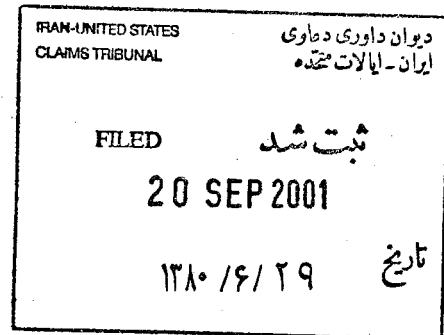
AVCO CORPORATION

Claimant,

and

IRAN AIRCRAFT INDUSTRIES and
THE ISLAMIC REPUBLIC OF IRAN,

Respondents.

AWARD ON AGREED TERMS

1. On 14 January 1982, the Claimant, Avco Corporation ("Avco"), filed a Statement of Claim against Iran Aircraft Industries ("IACI"), Iran Helicopter Support and Renewal Company ("IHSRC"), National Iranian Oil Company ("NIOC") and the Islamic Republic of Iran ("Iran"). On 14 June 1982, IACI and NIOC filed their Statements of Defence and Counterclaims. IHSRC and Iran filed their Statements on 25 June and 2 August 1982, respectively.

2. On 18 July 1988 the Tribunal rendered a Partial Award in this Case in which all of the claims and, except for one, all of the counterclaims were decided. See Avco Corporation and Iran Aircraft Industries, et al., Award No. 377-261-3 (18 July 1988), reprinted in 19 Iran - U.S. C.T.R. 200. The remaining counterclaim, asserted by IACI, sought the return of IACI's equipment held by Avco pursuant to the Engine Overhaul/Repair Agreement, entered into by Avco and IACI on 24 May 1976, under which Avco agreed to perform various repairs, modifications and maintenance services for aircraft engines, accessories, parts and components owned by IACI.

3. In its 1988 Partial Award the Tribunal ordered that:

The Claimant Avco Corporation and the Respondent Iran Aircraft Industries shall meet to negotiate an agreement covering the exact inventory of Iran Aircraft Industries's parts held by Avco Corporation and the ways and the means for the Claimant to deliver these parts to Iran Aircraft Industries, or otherwise to dispose of them. If the Parties are not able to arrive at an agreement they may by 4 November 1988 at the latest, apply jointly or separately,

to the Tribunal, which will decide upon the issues not settled by the Parties.

Avco Corporation, *supra*, para. 2, at para. 145(b), 19 Iran-U.S. C.T.R. at 230.

4. Pursuant to Article 34, paragraph 1, of the Tribunal Rules, a Joint Request for an Arbitral Award on Agreed Terms (the "Joint Request") was filed on 27 August 2001 by Avco, hereafter referred to as Claimant, and IACI and Iran, hereafter together referred to as Respondents (and collectively hereafter referred to as Parties). Attached thereto the Parties submitted a Settlement Agreement dated 31 May 2001, signed by a representative of the Claimant, on the one side, and by the Counsel to the Deputy Minister of Defence in Legal Affairs of the Islamic Republic of Iran for the Respondents, on the other side. The Parties jointly request that the Tribunal render an Award on Agreed Terms embodying the terms of the Settlement Agreement.

5. Copies of the Joint Request and Settlement Agreement are attached hereto and incorporated herein by reference.

6. The Settlement Agreement provides in Article 1:

The scope and subject matter of this Agreement are:

(a) To settle, dismiss and terminate forever and with prejudice all disputes, differences, claims and matters directly or indirectly raised or capable of arising out of the relationships, occurrences, contracts, transactions, rights and interests related to the subject matter of the Statement of Claim and the Counterclaims and/or any past dealings between the Claimant and the Respondents in Case No. 261, including, but not limited to, the Partial Award in Case No. 261, subject to terms of Article 2(a);

(b) To arrange for continued storage or disposition or transfer to Respondents of

possession of, and all possessory or other rights in, the Settlement Equipment, as defined in Article 3(a) below;

(c) To release and forever discharge Respondents from liability for the costs and other charges associated with the Settlement Equipment including storage, repair, maintenance, transport and other expenses and to release and forever discharge Claimant from any liability for any cost, loss, damages or charges arising from or relating to the storage, repair, maintenance or possession of the Settlement Equipment by Claimant, except liability for any breach of the obligations set forth in Article 3(b), 3(c) and 3(d) below;

(d) To provide for the payment of a sum of money by Claimant to Respondents (the "Settlement Amount" as provided in Article 4).

According to Article 2(b) of the Settlement Agreement:

In full, complete and final settlement of all disputes, differences and claims arising out of the rights, interests, relationships and occurrences related to the subject matter of the Statement of Claim and the Counterclaims in Case No. 261, and in consideration of the covenants, promises, waivers, withdrawals, and other agreements contained herein, the Parties have accepted the obligations undertaken in this Agreement.

7. Article 4 of the Settlement Agreement provides:

Claimant will pay to Respondents, by a bank cheque made to the order of Agent Bureau of the Embassy of the Islamic Republic of Iran, the amount of one million two hundred thousand United States dollars (U.S.\$1,200,000). Such bank cheque will be delivered to Respondents as specified in Article 2(a)(ii), above.

8. In Article 3(a)(i), the Settlement Agreement defines the Settlement Equipment to consist

of those aircraft engines and parts that are listed on Exhibit A hereto. Only the Settlement Equipment, and no other parts or engines, will be subject to the delivery, storage and other provisions of Article 3(b), below. Exhibit A consists of all parts or engines (identified by Part number, quantity and status) now in Claimant's possession that, before January 19, 1981, and in accordance with established practice, either were received by Claimant from Respondents for repair or were manufactured or were purchased by Claimant on behalf of Respondents. No payment obligations remain with respect to any item of equipment listed on Exhibit A. Furthermore, Claimant hereby waives and discharges all possessory rights in the Settlement Equipment, except as otherwise provided in this Agreement.

Claimant further acknowledges that seven specified engines "were taken by the United States government in 1985." Article 3(a)(iii).

9. Article 3(b) of the Settlement Agreement deals with the delivery of the Settlement Equipment to Respondents and, in case Claimant does not obtain all required licences for the delivery from the United States government, with its continued storage. According to Article 3(b)(iv), should Claimant be unable

within six years from issuance of the Award on Agreed Terms to deliver the Equipment to the place designated by Respondents, then Respondents shall instruct Claimant, subject to receipt of all required licences, either to dispose of the Equipment or to transfer it to the Victory Van Warehouse or to any other designated location within U.S. territory, at the expense of Respondents. (...) If for any reason Victory Van Warehouse, or its successor,

will not accept transfer of the Settlement Equipment, then Claimant shall have no further obligations with respect to the Settlement Equipment and shall be free to make such disposition of the Equipment as it may desire.

Paragraphs (c) and (d) of Article 3 deal with "The Condition of the Settlement Equipment" and the "Review of the Equipment", respectively.

10. The Settlement Agreement further states in Article 9:

Nothing in this Agreement shall be relied upon or construed as relevant to or to affect in any way any argument that Claimant or Respondents have raised or may raise concerning jurisdiction or the merits of this case or any other case, whether before the Tribunal or any other forum, provided however that nothing in this Article 9 shall prejudice the rights of the parties with respect to the enforcement of this Agreement. Nothing in this Agreement shall be considered as a waiver of, or construed as relevant to, or affect in any manner any claims based on or claimed to be a violation of the Algiers Declarations made by the Islamic Republic of Iran and its affiliates against the Government of the United States of America and its affiliates, including but not limited to Case No. B61. Nothing in this Agreement shall constitute an admission by either Claimant or Respondents of any liability with respect to the Statement of Claim and the Counterclaims in Case No. 261, any other submissions in that case, or any events related thereto.

11. Considering that the conditions for the issuance of an Arbitral Award on Agreed Terms are met, the Tribunal accepts and records the Settlement Agreement in accordance with Article 34, paragraph 1 of the Tribunal Rules.

12. Based on the foregoing,

THE TRIBUNAL AWARDS AS FOLLOWS:

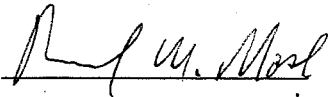
- (a) The Settlement Agreement filed with the Joint Request and incorporated in its entirety, as stated in para. 5 supra, in the present Award, is hereby recorded as an Award on Agreed Terms binding on Avco Corporation and Iran Aircraft Industries and the Islamic Republic of Iran in complete, full and final settlement of the Case.
- (b) In conformity with Article 4 of the Agreement, Claimant will pay to Respondents, by a bank cheque made to the order of Agent Bureau of the Embassy of the Islamic Republic of Iran, the amount of one million two hundred thousand United States dollars (U.S.\$1,200,000). Such bank cheque will be delivered to the Agent of the Islamic Republic of Iran in The Hague, The Netherlands as specified in Article 2(a)(ii) of the Agreement.
- (c) The proceedings in this Case shall finally be terminated as soon as the Agent of the Islamic Republic of Iran receives the payment of the Settlement Amount in accordance with the pertinent provisions in the Settlement Agreement.

Dated, The Hague
20 September 2001



Gaetano Arangio-Ruiz
Chairman
Chamber Three

In the Name of God



Richard M. Mosk*



Mohsen Aghahosseini

*Concurs in the Award on Agreed Terms based on the terms of the Settlement Agreement, which agreement is incorporated into the Award on Agreed Terms.

IRAN-UNITED STATES CLAIMS TRIBUNAL
The Hague, The Netherlands

Avco Corporation,
Claimant,
and
Iran Aircraft Industries,
Respondent.

Case 261

Chamber 3

IRAN-UNITED STATES CLAIMS TRIBUNAL	دیوان داورى دماوى ایران - ایالات متحده
FILED	ثبت شد
DATE	27 AUG 2001
	تاریخ ۱۳۸۰/۶/۵

JOINT REQUEST FOR ARBITRAL AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal Rules, Avco Corporation ("Claimant"), on the one part, and Iran Aircraft Industries and The Islamic Republic of Iran ("Respondents"), on the other part, jointly request that the Tribunal issue an Arbitral Award on Agreed Terms that will record and give effect to the Settlement Agreement reached among them on 31 May 2001, pursuant to Article 2(a)(i) and (ii) thereof, a copy of which is attached hereto.

Respectfully submitted,

Claimant

Avco Corporation

By: Donald E. Galt

Date: 1 June 2001

Respondents

Islamic Republic of Iran (acting through
the Counsel to the Deputy Minister
of Defense in Legal Affairs)
Iran Aircraft Industries

By: J. M. M.

Date: 16 June 2001

SETTLEMENT AGREEMENT OF CASE NO. 261

This Settlement Agreement is made this 31st day of May 2001, by and between the Islamic Republic of Iran ("Iran") and Iran Aircraft Industries ("IACI") (the foregoing being collectively referred to hereinafter as "Respondents"), on the one part, and Avco Corporation, a company organized and existing under the laws of the State of Delaware, U.S.A. (hereinafter referred to as "Claimant"), on the other part.

WHEREAS, Claimant filed certain claims in its Statement of Claim and other submissions (hereinafter referred to as the "Statement of Claim") with the Iran-United States Claims Tribunal (hereinafter referred to as the "Tribunal") in Case No. 261 against Respondents;

WHEREAS, Respondents in responding to the Statement of Claim filed their Statements of Defense and counterclaims (hereinafter referred to as the "Counterclaims") against Claimant;

WHEREAS, on July 18, 1988, the Tribunal rendered a Partial Award in Case No. 261 (the Partial Award), which among other things made a monetary award in favor of Respondent IACI and former respondent IHSRC, and which resolved all issues in the case except for those relating to the inventory of IACI parts held by Claimant, which issues were reserved by the Tribunal, in Paragraph 145(b) of the Partial Award, for settlement or further proceedings;

WHEREAS, as a result of a decision by the U.S. Court of Appeals for the 2d Circuit, Respondent IACI and former respondent IHSRC have been and are unable to enforce the monetary award of the Partial Award in their favor in the United States;

WHEREAS, the Islamic Republic of Iran filed case No. A-27 before the Iran-United States Claims Tribunal against the U.S. government, and the Tribunal issued Award No.

586-A27-FT, in favor of Iran, and made the U.S. government liable for payment of the awarded amount, and that award has been paid by the U.S. government;

WHEREAS, the United States government has imposed an embargo against Iran and has taken the position that export of the Settlement Equipment, as defined in Article 3(a) below, to Iran is violative of U.S. law and, accordingly, Claimant could not ship the Settlement Equipment to Iran, and that transfer of the Settlement Equipment within the United States requires authorization and/or licenses from the United States government, and therefore the Settlement Equipment has been held by Claimant;

WHEREAS, Claimant cannot make the Settlement Equipment freely available to Respondents and may only retain it in its control or, at the request of Respondents, deliver it to a third party location within the United States subject to approval by the U.S. government;¹

WHEREAS, the Respondents fully reserve their rights with respect to the Settlement Equipment at issue in Case B61 pending before the Tribunal against the United States government, for the Respondents have not received any consideration for the value of the Settlement Equipment or for the losses to Iran on January 19, 1981 or thereafter as far as the promises exchanged or compensations agreed upon for the purposes of this Agreement are concerned; nor is any language used in this Agreement in any manner intended to adversely affect Iran's rights in that case;

WHEREAS, the Parties (the "Parties" being defined as Claimant and Respondents) have agreed to settle all of their remaining claims, disputes and differences

¹ Iran's Note: In order to mitigate losses and preserve the status quo ante litem until Case B61 and other relevant cases are decided by the Iran-U.S. Claims Tribunal, Iran has no choice but to consent to storing the Settlement Equipment within U.S. territory.

outstanding or capable of arising between them arising from or stated in the Statement of Claim and the Counterclaims in Case No. 261;

NOW THEREFORE, in consideration of the promises and mutual covenants set forth herein, and intending to be bound by this Agreement, the Parties agree as follows:

Article 1 – Scope and Subject Matter

The scope and subject matter of this Agreement are:

(a) To settle, dismiss and terminate forever and with prejudice all disputes, differences, claims and matters directly or indirectly raised or capable of arising out of the relationships, occurrences, contracts, transactions, rights and interests related to the subject matter of the Statement of Claim and the Counterclaims and/or any past dealings between the Claimant and the Respondents in Case No. 261, including, but not limited to, the Partial Award in Case No. 261, subject to the terms of Article 2(a);

(b) To arrange for continued storage or disposition or transfer to Respondents of possession of, and all possessory or other rights in, the Settlement Equipment, as defined in Article 3(a) below;

(c) To release and forever discharge Respondents from liability for the costs and other charges associated with the Settlement Equipment including storage, repair, maintenance, transport and other expenses and to release and forever discharge Claimant from any liability for any cost, loss, damages or charges arising from or relating to the storage, repair, maintenance or possession of the Settlement Equipment by Claimant, except liability for any breach of the obligations set forth in Article 3(b), 3(c) and 3(d) below;

(d) To provide for the payment of a sum of money by Claimant to Respondents (the "Settlement Amount" as provided in Article 4).

Article 2 – Implementation

(a) Submission to Tribunal; Award on Agreed Terms.

The Parties agree that this Agreement will be submitted to the Tribunal for the issuance of an Award on Agreed Terms and payment of the Settlement Amount in the following order:

(i) The executed Settlement Agreement (including its exhibits) together with an executed joint motion requesting the Tribunal to record and give effect to the provisions of this Agreement as an Award on Agreed Terms (collectively the "Settlement Documents") will be delivered by the parties to the Iranian Agent to the Tribunal immediately after the parties have executed the Settlement Documents.

(ii) Upon the issuance of the Award on Agreed Terms, the Claimant shall deliver, through the U.S. Agent, to the Iranian Agent a bank cheque in the amount and form specified in Article 4 below. In the event the said cheque is not delivered to the Iranian Agent immediately (in no event more than three business days) following the issuance of the Award on Agreed Terms, or the issuing bank fails to make the payment thereof for any reason whatsoever, including reasons beyond its control, or the payment is not received by the Respondents or their agents within 60 days of the delivery of the above-referenced cheque, the Settlement Agreement shall be null and void, and therefore the decision of the Tribunal on the Award on Agreed Terms would not enjoy preclusive effect and the Tribunal shall resume proceedings on the request of the Respondents.

(b) Full Settlement.

In full, complete and final settlement of all disputes, differences and claims arising out of the rights, interests, relationships and occurrences related to the subject matter of the Statement of Claim and the Counterclaims in Case No. 261, and in consideration of the

covenants, promises, waivers, withdrawals, and other agreements contained herein, the Parties have accepted the obligations undertaken in this Agreement.

(c) **Agreement as Self-Executing.**

Upon payment and receipt of the amount specified in Article 4 hereof, the releases, indemnities and waivers contained herein shall become immediately effective, and no further documents need be executed in implementation of the provisions of this Agreement, except as otherwise expressly stated herein.

Article 3 – The Settlement Equipment

(a) **Definition.**

(i) The Settlement Equipment ("Settlement Equipment" or "Equipment") consists of those aircraft engines and parts that are listed on Exhibit A hereto. Only the Settlement Equipment, and no other parts or engines, will be subject to the delivery, storage and other provisions of Article 3(b), below. Exhibit A consists of all parts or engines (identified by Part number, quantity and status) now in Claimant's possession that, before January 19, 1981, and in accordance with established practice, either were received by Claimant from Respondents for repair or were manufactured or were purchased by Claimant on behalf of Respondents. No payment obligations remain with respect to any item of equipment listed on Exhibit A. Furthermore, Claimant hereby waives and discharges all possessory rights in the Settlement Equipment, except as otherwise provided in this Agreement.

(ii) Exhibit B hereto lists certain parts that, according to Claimant's records, were shipped by Respondents to Claimant for repair and subsequently scrapped by Claimant in the normal course of business in accordance with Claimant's standards and specifications.

(iii) Claimant acknowledges that seven (7) LTC 4B-8D engines, Line Item No. 102 of Exhibit A, were taken by the United States government in 1985. In the light of the foregoing, the lead counsel for Avco gave an affidavit to this effect which is attached hereto as Exhibit C.

(iv) Exhibit C reflects the compulsory instructions of the United States government to Avco for the shipment of the above seven (7) engines to the designated location, the shipping document and the receipt of those seven (7) engines by Corpus Christi Army Depot.

(b) Options of Respondents for the Settlement Equipment:

(i) Application of Article 3(b).

The provisions of this Article 3(b) shall apply only to the Settlement Equipment.

(ii) Delivery.

Following issuance of the Award on Agreed Terms, and upon a request by the Respondents, Claimant will use its best efforts to obtain all required licenses for the delivery of the Equipment to Respondents at a place designated by them. If such delivery can be made, it shall be made FOB Bridgeport, Connecticut. If the United States government refuses to grant the requested licenses, Claimant shall promptly so advise Respondents.

(iii) Continued Storage.

If Claimant is unable to deliver the Settlement Equipment to the place designated by Respondents, it undertakes to continue to store the Equipment at Bridgeport, Connecticut, free of charge, for a period of four years beginning on the issuance of the Award on Agreed Terms. At the expiration of such four years, if no instructions have been given by Respondents, Claimant shall agree to continue the storage of the Settlement Equipment for

another two years, provided that Respondents pay 50% of the invoiced standard costs within 90 days of receipt of annual statements therefor.

(iv) **Disposition or Transfer.**

If Claimant is unable within six years from issuance of the Award on Agreed Terms to deliver the Equipment to the place designated by Respondents, then Respondents shall instruct Claimant, subject to receipt of all required licenses, either to dispose of the Equipment or to transfer it to the Victory Van Warehouse or to any other designated location within U.S. territory, at the expense of Respondents. Seventy-one months after the issuance of the Award on Agreed Terms, the Parties shall negotiate the terms and conditions for final disposition or transfer of the Equipment. If no agreement is reached within 30 days of such date, Claimant shall use its best efforts to transfer the Equipment to the Victory Van Warehouse, or to its successor, if any, at the expense of Respondents. If for any reason Victory Van Warehouse, or its successor, will not accept transfer of the Settlement Equipment, then Claimant shall have no further obligations with respect to the Settlement Equipment and shall be free to make such disposition of the Equipment as it may desire.

(c) **The Condition of the Settlement Equipment.**

Claimant acknowledges that the Settlement Equipment was either received from Iran and was repairable, or was newly manufactured or purchased as new on behalf of Iran, before January 19, 1981. The Settlement Equipment shall be delivered in the same status as it was on or before 19 January 1981 as characterized in Exhibit A unless the deterioration (if any) is the inevitable result of passage of time. Respondents reserve their rights to pursue and claim against the United States government in any forum for any losses, damages, risks, costs, interests or any other costs or damages resulting from any past or future use, etc., related to the Settlement Equipment.

(d) **Review of the Equipment.**

At any time within a period of one year following the entry of the Final Award, if the Equipment still remains at the Bridgeport Warehouse, or any other warehouse in which Avco may store the Settlement Equipment, at Respondents' request Claimant will allow representatives of Respondents, subject to any necessary United States government approvals, reasonable access to the Warehouse to make any analysis or review of the Equipment that Respondents wish to make. Claimant will supply reasonable assistance to Respondents in the performance of this review. All costs associated with the review in excess of \$5,000 (or, if there is more than one review, all costs in excess of \$5,000 in the aggregate for all such reviews) shall be paid by Respondents, and Claimant will be responsible for such costs below \$5,000.

Article 4 -- Payment

Claimant will pay to Respondents, by a bank cheque made to the order of Agent Bureau of the Embassy of the Islamic Republic of Iran, the amount of one million two hundred thousand United States dollars (U.S.\$1,200,000). Such bank cheque will be delivered to Respondents as specified in Article 2(a)(ii), above.

Article 5 -- Release and Discharge

(a) **By Claimant.**

In consideration of the covenants, promises, transfers, waivers and other agreements contained herein, Claimant shall release and forever discharge Respondents and their affiliates from any claims, rights, interests and obligations, past, present or future, that have been raised, that may in the future be raised or that could have been raised in connection with disputes, differences, claims and matters related to the subject matter of the Statement of Claim, the Counterclaims, other submissions in Case No. 261, the Equipment, the parts listed on

Exhibit B hereto, and/or any past dealings between Claimant and Respondents related thereto, including any and all costs and charges associated with the storage, repair, maintenance, transport or other expenses associated with the Equipment, except as otherwise specifically provided herein.

(b) By Respondents.

In consideration of the covenants, promises, transfers, waivers and other agreements contained herein, Respondents shall release and forever discharge Claimant and its affiliates from any claims, rights, interests and obligations, past, present or future, that have been raised, that may in the future be raised or that could have been raised in connection with disputes, differences, claims and matters related to the subject matter of the Statement of Claim, the Counterclaims, other submissions in Case No. 261, the Equipment (including the Equipment's condition, value, suitability for use, or marketability in any way related to the Equipment), the parts listed on Exhibit B, and/or any past dealings between Claimant and Respondents related thereto, except any claims that may arise for breach of the obligations set forth in Article 3(b), 3(c) and 3(d) above. Respondents do not by this Agreement waive or otherwise compromise any claims they may have against the United States government with respect to the subject matter of this Agreement.

Article 6 - Indemnities

(a) By Claimant.

Claimant shall indemnify and hold Respondents and their affiliates harmless against any claim that Claimant or its affiliates may raise or take against any of the Respondents or their affiliates in connection with any of the matters released and discharged by this Agreement.

(b) **By Respondents.**

The Respondents shall indemnify and hold Claimant and its affiliates harmless against any claim that any of the Respondents or their affiliates may raise or take against the Claimant or its affiliates in connection with any of the matters released and discharged by this Agreement. This provision has no effect on any claims Respondents may have against the United States government.

Article 7 – Waiver of Costs

Claimant and Respondents hereby waive and release each other from any and all claims for costs (including attorney's fees) arising out of or related to the arbitration, prosecution or defense of the claims asserted before the Tribunal, United States courts or elsewhere with respect to matters involved in the Statement of Claim or Counterclaims in Case No. 261 and/or matters that are the subject matter of this Agreement.

Article 8 – Notices

All notices to the Claimant and to the Respondents, pursuant to this Agreement shall be in writing or by facsimile where specified and shall be sufficient if delivered as follows:

(a) If to Claimant, to:

Nancy Cassidy, Esq.
Textron Inc.
40 Westminster Street
Providence, Rhode Island 02903
Telephone: 1 401 457-2237
Facsimile: 1 401 457-3696

(b) If to Respondents, to:

Deputy Minister of Defense in Legal Affairs
PO Box 16765-1475
Tehran, Iran
Telephone: 009821-869528/8601207
Facsimile: 009821-863542/P

Article 9 – Matters Excluded from Agreement

Nothing in this Agreement shall be relied upon or construed as relevant to or to affect in any way any argument that Claimant or Respondents have raised or may raise concerning jurisdiction or the merits of this case or any other case, whether before the Tribunal or any other forum, provided however that nothing in this Article 9 shall prejudice the rights of the parties with respect to the enforcement of this Agreement. Nothing in this Agreement shall be considered as a waiver of, or construed as relevant to, or affect in any manner any claims based on or claimed to be a violation of the Algiers Declarations made by the Islamic Republic of Iran and its affiliates against the Government of the United States of America and its affiliates, including but not limited to Case No. B61. Nothing in this Agreement shall constitute an admission by either Claimant or Respondents of any liability with respect to the Statement of Claim and the Counterclaims in Case No. 261, any other submissions in that case, or any events related thereto.

Article 10 – Authority of Parties and Signatories

The Parties and each of their representatives expressly declare, represent and warrant that each of the representatives of each of the Parties that has signed this Agreement is fully empowered to sign this Agreement on behalf of the entity for which his signature appears below, and that his signature commits such entity to fulfillment of its obligations under this

Agreement. Copies of signed powers of attorney are attached as Exhibit D-1 for Claimant and Exhibit D-2 for Respondents.

Article 11 - Interpretation

For the purpose of construction and interpretation of this Agreement, the entire Agreement, including exhibits A, B, C, D-1 and D-2 shall be read and construed as a whole. Claimant and Respondents each declare that the other Parties have not made any representations, promises or undertakings, other than those contained in this Agreement, that form part of this Agreement or that were relied upon by either party in deciding to conclude this Agreement. This Agreement represents and embodies the entire agreement between the Parties.

This Agreement may be modified or amended only by a written further agreement authorized by and signed on behalf of all the Parties.

Article 12 - Language of Agreement

This Agreement has been written in the English and Persian languages in five original copies in each language and signed by the fully authorized representatives of the Parties. Both the English and Persian versions are equally valid.

Done at The Hague, The Netherlands, -

Claimant

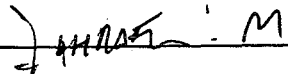
Avco Corporation

By: 

Date: 31 May 2001

Respondents

Islamic Republic of Iran (acting through
the Counsel to the Deputy Minister of
Defense in Legal Affairs)
Iran Aircraft Industries

By: 

Date: 26 June 2001

EXHIBIT A

No.	Part Number	Qty	Status ¹
1.	1-030-340-04	2	N
2.	1-060-220-03	3	2 S, 1 N
3.	1-070-210-01/-220-01	9	S
4.	1-100-034-01	1	N
5.	1-100-189-02	1	N
6.	1-110-162-05	1	N
7.	1-110-230-08	2	S
8.	1-110-520-09	8	S
9.	1-120-000-06,14	5	4 S, 1 N
10.	1-140-470-05	15	9 S, 6 N
11.	1-140-590-04	2	S
12.	1-150-100-01	1	N
13.	1-160-850-08,16,13	25	S
14.	1-170-240-21,47,52	30	S
15.	1-190-000-09	10	S
16.	1-300-191-02	1	N
17.	1-300-212-04,01	2	1 S, 1 N
18.	2-060-102-11	8	N
19.	2-060-110-16	13	N
20.	2-060-261-03	1	N
21.	2-061-250-06	1	S
22.	2-070-010-07	3	N
23.	2-080-000-22	1	S
24.	2-080-000-24	2	S
25.	2-080-013-03	1	N
26.	2-080-069-03	25	N
27.	2-100-021-15	419	N
28.	2-100-022-08	400	N
29.	2-100-023-09	590	N
30.	2-100-038-02	22	N
31.	2-100-039-03	1	N
32.	2-100-041-04	24	N
33.	2-100-050-21	3	N
34.	2-100-075-17	7	N
35.	2-100-081-04	124	N
36.	2-100-090-21	37	N
37.	2-100-124-03	2	N
38.	2-100-129-03	10	N
39.	2-100-130-10	1	N
40.	2-100-134-11	74	N
41.	2-100-196-01	31	N
42.	2-100-250-07	21	N
43.	2-100-280-05	9	N
44.	2-120-001-89	217	N

¹ "N" means new before January 19, 1981, and "S" means serviceable before January 19, 1981.

No.	Part Number	Qty	Status ¹
45.	2-120-003-24	24	N
46.	2-120-013-31	8	N
47.	2-120-039-02	4988	N
48.	2-120-041-01	101	N
49.	2-120-044-01	7440	N
50.	2-120-046-04	81	N
51.	2-120-049-04	1000	N
52.	2-120-050-46	28	N
53.	2-120-051-01	67	N
54.	2-120-054-02	7	N
55.	2-120-055-02	64	N
56.	2-120-057-02	143	N
57.	2-121-039-08	68	N
58.	2-121-100-12	1	S
59.	2-121-133-19	1	N
60.	2-131-053-05	4985	N
61.	2-131-133-01	16	N
62.	2-140-000-35	1	S
63.	2-140-002-47	1062	N
64.	2-140-004-10	8	N
65.	2-140-012-31	3	N
66.	2-140-034-13	10	N
67.	2-140-051-13	9	N
68.	2-140-056-16	75	N
69.	2-140-075-03	31	N
70.	2-140-081-04	2	N
71.	2-140-107-15	20	N
72.	2-140-131-03	14	N
73.	2-140-133-05	16	N
74.	2-140-138-01	3040	N
75.	2-140-139-01	1	N
76.	2-140-190-05	2	N
77.	2-140-240-01	43	N
78.	2-140-270-01	2	N
79.	2-141-140-16	2	N
80.	2-141-460-03	1	S
81.	2-150-001-05	32	N
82.	2-150-005-03	132	N
83.	2-150-006-02	656	N
84.	2-150-007-02	321	N
85.	2-150-008-02	55	N
86.	2-150-009-12	103	N
87.	2-150-010-16	50	1 S, 49 N
88.	2-150-011-02	54	N
89.	2-150-012-02	44	N
90.	2-150-013-02	74	N
91.	2-150-024-04	16	N
92.	2-150-090-04	66	N

No.	Part Number	Qty	Status ¹
93.	2-150-106-04	23	N
94.	2-160-010-17	2	S
95.	2-160-350-15	42	32 S, 10 N
96.	2-160-620-20,21	13	S
97.	2-161-450-08,11	4	S
98.	2-161-620-11	8	6 S, 2 N
99.	2-200-070-56	0	-
100.	2-300-155-04,05	14	S
101.	2-300-299-01,301,384-01	18	S
102.	ENGINE LTC4B8D	21 ²	S
103.	ENGINE T55-L11, L11A	9	S
104.	MS124817	5	N
105.	2-080-000-34,35 (Accessory Gearbox)	7	S
106.	2-121-100-12 (Nozzle Assembly)	1	S
107.	2-300-217-02 (Ignitor Box)	1	S
108.	2-300-272-01,02 (Harness)	1	S
TOTAL		27301	

² Seven of these LTC4B8D engines were taken by the U.S. Government and are not in Avco's possession, except for certain parts listed as nos. 105 through 108 above.

EXHIBIT B

Part Number	Qty	Serial Number
1-030-181-01	2	1K-019,9F086
1-030-182-03	3	1K-019,9F086,3G011
1-030-340-04	1	4H010
1-060-220-03	1	A5557
1-070-210-01	1	27916-X4-3
1-080-310-01	2	9B019,N/A
1-100-820-06	4	750,M71808,66120,M252056
1-110-520-19	7	3M0017,1F1187,3M0027,5H-0067,3B0090,0B154,CT623
1-200-000-06,-14	15	3A0093,8D206,P1060,9B160,1K195,1E1258,2M0006,205,2B1160,2F0383,3K0051,2J0037,2J0047,N46,4M0038
1-190-000-09	4	X3179,9B360,0B-042,1K006
1-300-347-01	4	EKMF,CA29,WS91,HAP6-
1-300-363-03	1	335148
2-150-010-16	1	5C-003
2-160-350-15	12	XRC1-128,XRC1-12,XRC1-191,XRC1-160,XRC1-123,XRC2-16,XRC1-156,XRC1-97,XRC1-60,XRC1-17,XRC1-2,XRC1-66
2-300-299-01	1	3070546

AFFIDAVIT

Brice M. Clagett, being first duly sworn, deposes and says as follows:

1. I am, and for some years have been, lead counsel to Avco Corporation, Claimant in Case No. 261 before the Iran-United States Claims Tribunal, *Avco Corporation v. Islamic Republic of Iran et al.* I submit this sworn statement to be attached to the Settlement Agreement between the parties in the above-referenced case.

2. Seven LTC4B8D helicopter engines that were in Avco's possession in 1981, in connection with Avco's work under contract for an entity of the Government of Iran (IACI), are no longer in Avco's possession. I have received from IACI an Off-Load Order reflecting the shipment of these engines by Iran to Avco in 1978 for special investigation and testing and repair or overhaul. The Off-Load Order is attached as Annex A to this Affidavit. The Off-Load Order describes the seven engines as "Government of Iran (GOI) property." On the basis of the Off-Load Order, I believe that the seven engines were the property of IACI.

3. We were informed years ago that after 1981 these seven engines were, on the instruction of the U.S. Government, delivered by Avco to the U.S. Government by shipment to Corpus Christi Army Depot, Corpus Christi, Texas. I have caused diligent searches to be made in Avco's files for documents reflecting such instructions and shipment, but the searches were unsuccessful. Such documents as Avco once had concerning this transaction were presumably destroyed in the normal course of business.

4. On July 21, 2000, I obtained from Alec I. Ugol, Attorney-Adviser, U.S. Department of State, a copy of a document that was located in the files of the U.S. Government and which is attached as Annex B to this affidavit. The document is a Government Form DD (Defense Department) 1149, and records the shipment of the seven engines by Avco, via

P. 3

IRAN AIRCRAFT INDUSTRIES
 8096-2001/1 PAVLAN AVE.
 P.O. BOX 12-177 TEL. 34401-28
 TELEX AIC-22641 PAGE IR, CAEELS, KARMAN
 TEHRAN IRAN
 NO. 550 STREET IRAN STREET, NEW YORK OFFICE, U.S.A.

OFF-LOAD ORDER

000052

ردیف سفارش بار
 NO: INCI-AL-5763
 DATE: 02 OCT 1977

ITEM NO.	JOB NO.	PART NUMBER	SERIAL NO.	DESCRIPTION AND TASK DEFINITION	P.R. NO.
				<p>FORM-60 EXPORT (FORM) (REV. 11/65)</p> <p>1. OFFER ATTACHED CUSTOMER WORK REQUIREMENTS.</p> <p>2. IN FORM 200 SERIES, ACCORDING TO SANITIZATION INSTRUCTIONS, THEY ACCOMPLISHED & PRESERVED REQUIRED.</p> <p>3. RETURN OF INSTRUMENTAL.</p>	677-3
1	127	2-000-000-27	LE 3109	<p>THIS ORDER IS ISSUED FOR PERSONS SPECIAL INVESTIGATION & TESTING (Approved on memo) 30-1/20-06-77) AND RETURN OF ORIGINAL INSTRUMENT IS NOT NECESSARY. FORM 60 EXPORT IS NECESSARY WITH ATTACHED T.O. & COMPLY WITH ALL CUSTOMERS INSTRUCTIONS. NO ALSO TRACKING AND RETURN SHIPMENT TO INCL.</p> <p>ULTIMATE USE DESTROYED PROPERTY FOR EXPORT.</p> <p>PROPERTY OF GOVERNMENT / PARTIAL LIMITED WARRANTY CONSIDERATION AND PLEASE SEE ORDER BY NO.</p>	<p>FREIGHT FORWARDING DATE:</p> <p>MADE OF CONSIGNMENT FOR CUSTOMS AND INCL. EX. IRAN</p> <p>RETURN TO IRAN</p> <p>MARK SHIPMENT FOR: PROGRAM</p> <p>IRAN AIRCRAFT INDUSTRIES MOHRABAD AIRPORT TEHRAN IRAN</p> <p>DATE OF SHIPMENT EX. IRAN:</p>
	128		LE 3124		
	129		LE 3186		
	130		LE 3198		
	131		LE 31166		
	132		LE 3155		
	133		LE 31054		
<p>THIS ORDER CONCORDS GOVERNMENT OF IRAN (S.O.) PROPERTY EXPORTED TEMPORARILY FOR PERFORMANCE OF WORK IN ACCORDANCE WITH THE TERMS & CONDITIONS OF INCENTRATORS OFFLOADS AGREEMENT VALID AT TIME OF SHIPMENT. PROPERTY TO BE (GOO CUSTOM) UPON COMPLETION OF TASK.</p> <p>SPECIAL NOTES: NAME: T. T. T. T. T.</p>					TO IRAN

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 02-21 02 17

REQUISITION AND INVOICE / SHIPPING DOCUMENT		SHEET NO. 1	NO. OF SHEETS 3	5 REQUISITION DATE	6 FULFILLMENT NO.
1 FROM DCASPRO/Avco-PAM/D. Pagliaro, 550 South Main Street Stratford, Conn. 06497		7 DATE MATERIAL REQUIRED		F.O. PK 469, Sup No. 2	
2 TO Avco Lycoming Division Contract DAAJ01-79-C-0089 550 South Main Street Stratford, Conn. 06497		9 AUTHORITY OR PURPOSE		10 VOUCHER NUMBER AND DATE	
3 SHIP TO INFORMATION Corpus Christi Army Depot Receiving Branch Bldg. 1846 Corpus Christi, Texas 78419		11 DATE SHIPPED 85OCT10		8 VOUCHER NUMBER AND DATE 85C-0089-0008	
4 ACCOUNTING AND FUNDING DATA Use GBL 9711X82421.209 4D 2401 GBL 5280000 TAC CODE: Auuc		12 DATE OF SHIPMENT CONSOLIDATED FREIGHTWAYS		14 BILL OF LADING NUMBER R-1,374,799	
		13 NUMBER OF SPECIAL FREIGHTWAYS		15 ASSIGNMENT DESCRIPTION OR PORT REFERENCE NUMBER	

Doc # Assigned by CCAD OIRA44519A001
NSN ASSIGNED BY CCAD 2840-00-LTC4B-80

29 QTY	30 FEDERAL STOCK NUMBER IN DESCRIPTION AND QUANTITY OF MATERIAL AND/OR SERVICES	31 QUANTITY REQUESTED	32 SUPPLY ACTION	33 UNIT PRICE	34 TOTAL COST
1.	2-000-030-27 Engine Model LTC4B-80, SN 31300 Container, P/N 51073-1-001 SN 50620, Access. Gear Box Missing. Fuel Control, Oil Pump, Fuel Boost Pump Packed in Separate Box, Placed Inside Container	EA 1	1		
2.	2-000-030-27 Engine Model LTC4B-80, SN 31106 Container P/N 51073-1-001 SN 50657 Access. Gear Box Missing. Fuel Control, Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container	EA 1	1		

16 TRANSPORTATION VIA MATS OR MATS CHARGEABLE TO						17 SPECIAL HANDLING			
18 ISSUED BY	DATE (MM/DD/YY)	TYPE AND QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	19	20	21	22
	7	CARS	75' L x 41' W x 43' H (13737on7)	1260 Ea.	75.0				
TOTAL					8820				

REGISTRATION AND INVOICE/SHIPPING DOCUMENT (CONTINUATION SHEET)		SHEET NO. 2	NO. OF SHEETS 3	a. REGISTRATION NUMBER	11a. VOUCHER NUMBER AND DATE R5C-00H9-000H 9/20/85			b. VOUCHER NUMBER AND DATE		
ITEM NO. g	FEDERAL STOCK NUMBER, DESCRIPTION, AND CODING OF MATERIAL AND/OR SERVICES				12. QUANTITY REQUESTED e	13. SUPPLY ACTION f	14. UNIT PRICE h	TOTAL COST i		
3.	2-000-030-27	Engine Model LTC4B-8D, SN 31284 Container, P/N 51073-1-001 SN 50562, Access. Gear Box Missing. Fuel Control, Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container		EA	1	1				
4.	2-000-030-27	Engine Model LTC4B-8D, SN 31069 Container, P/N 51073-1-001, SN 50593, Access. Gear Box Missing. Fuel Control, Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container.		EA	1	1				
5.	2-000-030-27	Engine Model LTC4B-8D, SN 31055 Container P/N 51073-1-001 SN 50679 Access. Gear Box and Nozzle Assembly Missing. Fuel Control Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container		EA	1	1				
6.	2-000-030-27	Engine Model LTC4B-8D SN 31054 Container P/N 51073-1-001 SN 50680 Access. Gear Box and Igniter Box Missing. Fuel Control Oil Boost Pump and Oil Pump Packed in Separate Box Placed Inside Container.		EA	1	1				
7.	2-000-030-27	Engine Model LTC4B-8D SN 31166 Container P/N 51073-1-001 SN 50653 Access. Gear Box and Harness Missing. Fuel Control, Junction Box, Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container.		EA	1	1				
SHEET TOTAL										

REQUISITION AND INVOICE/SHIPPING DOCUMENT (CONTINUATION SHEET)		SHEET NO. 3	NO. OF SHEETS 3	a. REQUISITION NUMBER	b. VOUCHER NUMBER AND DATE 85C 0089-0008 9/20/85	c. VOUCHER NUMBER AND DATE		
ITEM NO. 6	FEDERAL STOCK NUMBER, DESCRIPTION, AND CODING OF MATERIEL AND/OR SERVICES	QUANTITY REQUESTED	SUPPLY ACTION	UNIT PRICE	TOTAL COST			
	<p>Instructions to Shipping Department:</p> <p>All Engines Loosely Assembled, To Be Properly Secured and Bolted Inside To Prevent Any Damage While In Transit. All Loose Components To Be Properly Packed In Separate Boxes Inside Containers For Proper Shipment With Engines.</p> <p>Note: The above engines are in F-3 condition and must be fully inspected before using.</p> <p>Packaged In Accordance With Best Commercial Practice</p> <p>SHIPMENT VERIFIED</p> <p><i>[Signature]</i> 9 October 85</p> <p><u>Distribution</u> UCASPRO-AVCO-PAH, D. PAGLIARO AVSCOM-AMSAV-1/R, R. SMITH V. SORGE R. HARPER M. HAUSMANN J. SARNO C. RICHARDSON G. BUDZINSKI</p>							
					UCASPRO QUALITY			DATE
								SHEET TOTAL

POWER OF ATTORNEY

The undersigned AVCO CORPORATION, a Delaware, U.S.A., corporation (the "Corporation"), with its principal place of business located at 40 Westminster Street, Providence, Rhode Island 02903, U.S.A., does hereby authorize:

Brice M. Clagett,
O. Thomas Johnson, and
Benedict M. Lenhart,

or any of them, being attorneys for AVCO CORPORATION, with business address of 1201 Pennsylvania Avenue, N.W., Washington, DC 20004, U.S.A., to execute and deliver, in the name and on behalf of the Corporation, that certain Settlement Agreement by and among the Islamic Republic of Iran and Iran Aircraft Industries, on the one part, and Avco Corporation on the other part (the "Agreement"), said Agreement being in settlement of all claims between the parties relating to Case No. 261 before the Iran-United States Claims Tribunal.

IN WITNESS WHEREOF, this power of attorney has been executed under seal on behalf of AVCO CORPORATION by its Vice President at Providence, Rhode Island, U.S.A., on this 30th day of May, 2001.

AVCO CORPORATION

CORPORATE
SEAL

By: 
Name: Andrew C. Spacone
Title: Vice President

ATTEST:

By: 
Name: Ann T. Willaman
Title: Assistant Secretary



(Appendix D-2)

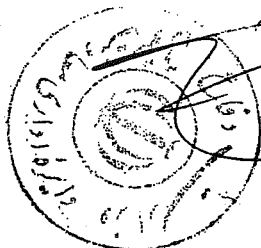
IN THE NAME OF GOD

POWER OF ATTORNEY

This is to certify that Mr. Morteza Zahrai Director of Foreign Contracts and Claims Department of the Deputy Minister of Defence and Support for the Armed Forces in Legal Affairs is duly authorized to Sign Settlement Agreement and appendices Thereto, concerning Case No: 261 (IR-US Claims Tribunal) on behalf of all Iranian Parties (i.e Iran Aircraft Industry and the Islamic Republic of Iran, acting through the Ministry of Defence and Support for the Armed Forces of IRI)./L-26

A.ABDOLLAHI
DEPUTY MINISTER FOR LEGAL
AFFAIRS

Authenticated as a true signature of H.E Deputy Minister Mr. A. Abdollahi acting in his official capacity for and on behalf of the Iranian Parties to the referenced Settlement Agreement.



S.A. Yousefi
Chief of Administration

AFFIDAVIT

Brice M. Clagett, being first duly sworn, deposes and says as follows:

1. I am, and for some years have been, lead counsel to Avco Corporation, Claimant in Case No. 261 before the Iran-United States Claims Tribunal, *Avco Corporation v. Islamic Republic of Iran et al.* I submit this sworn statement to be attached to the Settlement Agreement between the parties in the above-referenced case.

2. Seven LTC4B8D helicopter engines that were in Avco's possession in 1981, in connection with Avco's work under contract for an entity of the Government of Iran (IACI), are no longer in Avco's possession. I have received from IACI an Off-Load Order reflecting the shipment of these engines by Iran to Avco in 1978 for special investigation and testing and repair or overhaul. The Off-Load Order is attached as Annex A to this Affidavit. The Off-Load Order describes the seven engines as "Government of Iran (GOI) property." On the basis of the Off-Load Order, I believe that the seven engines were the property of IACI.

3. We were informed years ago that after 1981 these seven engines were, on the instruction of the U.S. Government, delivered by Avco to the U.S. Government by shipment to Corpus Christi Army Depot, Corpus Christi, Texas. I have caused diligent searches to be made in Avco's files for documents reflecting such instructions and shipment, but the searches were unsuccessful. Such documents as Avco once had concerning this transaction were presumably destroyed in the normal course of business.

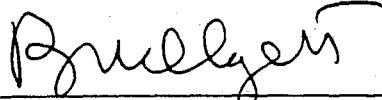
4. On July 21, 2000, I obtained from Alec I. Ugol, Attorney-Adviser, U.S. Department of State, a copy of a document that was located in the files of the U.S. Government and which is attached as Annex B to this affidavit. The document is a Government Form DD (Defense Department) 1149, and records the shipment of the seven engines by Avco, via

Consolidated Freightways on September 20, 1985, to Corpus Christi Army Depot, Corpus Christi, Texas.

5. The above-referenced document also demonstrates that the shipment was made pursuant to instructions received from the U.S. Government. Box no. 9, near the upper right-hand corner of the document, shows that the authority for the shipment was an instruction by AMSAV, an agency of the U.S. Department of the Army, dated August 22, 1985, four weeks prior to the date of shipment.

6. In a telephone conversation on August 10, 2000, Alec I. Ugol, the U.S. State Department lawyer referred to in paragraph 4 above, told me that there are documents in possession of the U.S. Government, which Mr. Ugol had seen, which demonstrate that the seven engines were received at Corpus Christi Army Depot. He further told me that the U.S. Government declined to give us copies of those documents.

The foregoing statements are true and made under oath.



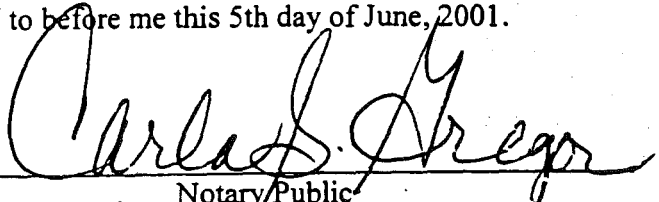
Brice M. Clagett

June 5, 2001

CITY OF WASHINGTON)
)
DISTRICT OF COLUMBIA)

ss:

SUBSCRIBED AND SWORN to before me this 5th day of June, 2001.



Notary Public

My Commission expires:

8/31/05

P. 3

IRAN AIRCRAFT INDUSTRIES
 2056-2061/1 FIDELAN AVE.
 P.O. BOX 12-1777 TEL. 24441-18
 TELEX SAC-TEHRAN PAGE 18, CABLE, KIRANIRI
 TEHRAN IRAN
 P.O. BOX 12-1777 DIVISION, 550 STATE ST. NEW YORK, N.Y. 10037, U.S.A.

OFF-LOAD ORDER

000053

کتابخانه هواپیمایی ایران

NO: IACI-AL-5763

DATE: 02 OCT 1971

ITEM NO.	JOB NO.	PART NUMBER	SERIAL NO.	DESCRIPTION AND TASK DEFINITION	P.R. NO.	
1	127	2-000-000-27	LE 3109	<p>LEADS-60 FUSES (LEADS) SET (127)</p> <p>1. OFFLY ATTACHED CUSTOMER'S FLIGHTS.</p> <p>2. IN FORM 2400 STATE, DOCUMENTS TO BEYOND SERVICEABILITY, WORK ACCOMPLISHED & PROGRESS REQUIRED.</p> <p>3. RETURN OF INSPECTION.</p> <p>THIS ORDER IS ISSUED FOR PERSONNEL SOCIAL INVESTIGATION & TRAINING (Approved on 22/07/70 30-1/20-05-70) AND REPAIR OF GUNNERS. WORKMAN IS NOT INTERFERED WITH. LEADS-60 FUSES IN 100% WORKMAN. WORK ATTACHED TO... & OFFLY WITH ALL CUSTOMER'S REQUIREMENTS. NO ALSO TAKING AND RETURN SHIPPED TO INCL.</p> <p>PLANNED FOR EARLY PROJECT FOR 1971.</p> <p>URGENT DELIVERY / PLEASE URGENT WORKMAN CONSIDERATIONS AND FIRST THE GROUP BY 127.</p>	7	
	128		LE 3124			FREIGHT FORWARDING DATE:
	129		LE 3186			VALUE OF CONSIGNMENT FOR CUSTOMS AND INS. EX-IRAK
	130		LE 3108			RETURN TO IRAN
	131		LE 31166			MARK SHIPMENT FOR: PROGRAM
	132		LE 3125			IRAN AIRCRAFT INDUSTRIES TEHRAN AIRPORT TEHRAN IRAN
	133		LE 21054		DATE OF SHIPMENT EX-IRAK	
<p>THIS ORDER CONSIGNS GOVERNMENT OF IRAN (G.O.I) PROPERTY EXPORTED TEMPORARILY FOR PERFORMANCE OF WORK IN ACCORDANCE WITH THE TERMS & CONDITIONS OF INDEPENDENT CONTRACTORS OFFSHORE AGREEMENT VALID AT TIME OF SHIPMENT. PROPERTY TO BE (G.O.I) CUSTOMER UPON COMPLETION OF TASK.</p>					TO IRAN	
SPECIAL NOTES:					OFF-LOAD CONTRACT:	

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REQUISITION AND INVOICE / SHIPPING DOCUMENT		5 REQUISITION DATE 1	6 REFRESHMENT F.O. PX 469, Sup No. 2
1 FROM DCASPRO/Avco-PAM/D. Pagliaro, 550 South Main Street Stratford, Conn. 06497		7 DATE MATERIAL RECEIVED	8 PRIORITY
2 TO Avco Lycoming Division Contract DAAJ01-79-C-0039 550 South Main Street Stratford, Conn. 06497		9 AUTHORITY OR PURPOSE Dept. Army Ltr AMSAV-1 dtd Aug 22, 1985 <i>E. Hoyer</i>	
3 SHIP TO MATRIN Corpus Christi Army Depot Receiving Branch Bldg. 1846 Corpus Christi, Texas 78419		17 DATE SHIPPED 85OCT10	10 VOUCHER NUMBER AND DATE 85C-0089-0008
		18 USE OF SPECIAL CONTAINER PREIGHTWAYS	11 VOUCHER NUMBER AND DATE 9-20-85
		14 BILL TO LADING NUMBER R-1,374,799	
15 ASSIGNMENT OF SEARCH OR PORT REFERENCE NUMBER			

4 ACCOUNTING AND FILING DATA
Use CBL
9711XH2421.209 4D 2401 CBL S280000
TAC CODE: Auuc

DC # Assigned by CCAD D1RA44 51B R001
NSN ASSIGNED BY CCAD 7945-00-LTC4B-80

29	FEDERAL STOCK NUMBER IN DESCRIPTION AND COMPOUND MATERIAL AND/OR SERVICES	30	QUANTITY REQUESTED	31	SUPPLY ACTION	32	UNIT PRICE	TOTAL COST
1.	2-000-030-27 Engine Model LTC4B-80, SN 31300 Container, P/N 51073-1-001 SN 50620, Access. Gear Box Missing. Fuel Control, Oil Pump, Fuel Boost Pump Packed in Separate Box, Placed Inside Container	EA	1		1			
2.	2-000-030-27 Engine Model LTC4B-80, SN 31106 Container P/N 51073-1-001 SN 50657 Access. Gear Box Missing. Fuel Control, Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container	EA	1		1			

16 TRANSPORTATION VIA MATS (IF MATS CHARGEABLE TO)						17 SPECIAL HANDLING					
18	ISSUED BY	DATE (MONTH/DA)	19 QUANTITY CROSS	20 DESCRIPTION	21 QUANTITY CROSS	22 UNIT PRICE	23 TOTAL	24 DATE	25 BY	26 SHEET SERIAL	
		7	CROSS	75" L x 41" W x 43" H (13737on7)	1260	Ea.	75.0	85714			
	PACKED BY						88200				
				TOTAL							

REQUISITION AND INVOICE/SHIPPING DOCUMENT (CONTINUATION SHEET)		SHEET NO. 2	NO. OF SHEETS 3	C. REQUISITION NUMBER	D. VOUCHER NUMBER AND DATE RSC-0089-0008 9/20/85	E. VOUCHER NUMBER AND DATE
ITEM NO.	FEDERAL STOCK NUMBER, DESCRIPTION, AND CODING OF MATERIAL AND/OR SERVICE	QUANTITY REQUESTED	SUPPLY ACTION	UNIT PRICE	TOTAL COST	
3.	2-000-030-27 Engine Model LTC4B-8D, SN 31284 Container, P/N 51073-1-001 SN 50562, Access. Gear Box Missing. Fuel Control, Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container	EA 1	1			
4.	2-000-030-27 Engine Model LTC4B-8D, SN 31069 Container, P/N 51073-1-001, SN 50593, Access. Gear Box Missing. Fuel Control, Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container	EA 1	1			
5.	2-000-030-27 Engine Model LTC4B-8D, SN 31055 Container P/N 51073-1-001 SN 50679 Access. Gear Box and Nozzle Assembly Missing. Fuel Control Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container	EA 1	1			
6.	2-000-030-27 Engine Model LTC4B-8D SN 31054 Container P/N 51073-1-001 SN 50680 Access. Gear Box and Igniter Box Missing. Fuel Control Oil Boost Pump and Oil Pump Packed in Separate Box Placed Inside Container.	EA 1	1			
7.	2-000-030-27 Engine Model LTC4B-8D SN 31166 Container P/N 51073-1-001 SN 50653 Access. Gear Box and Harness Missing. Fuel Control, Junction Box, Oil Pump, Fuel Boost Pump Packed in Separate Box Placed Inside Container.	EA 1	1			
					SHEET TOTAL	

REQUISITION AND INVOICE/SHIPPING DOCUMENT (CONTINUATION SHEET)		SHEET NO. 3	NO. OF SHEETS 3	8. REQUISITION NUMBER	11a. VOUCHER NUMBER AND DATE 85C 0089-0008 9/20/85	6. VOUCHER NUMBER AND DATE
ITEM NO. 2	FEDERAL STOCK NUMBER, DESCRIPTION, AND CODING OF MATERIAL AND/OR SERVICES 6	QUANTITY REQUESTED 7	SUPPLY ACTION 8	UNIT PRICE 9	TOTAL COST 10	
	<p>Instructions to Shipping Department:</p> <p>All Engines Loosely Assembled, To Be Properly Secured and Bolted Inside To Prevent Any Damage While In Transit. All Loose Components To Be Properly Packed In Separate Boxes Inside Containers For Proper Shipment With Engines.</p> <p>Note: The above engines are in F-3 condition and must be fully inspected before using.</p> <p>Packaged In Accordance With Best Commercial Practice</p> <p>SHIPMENT VERIFIED</p> <p><u>Distribution</u></p> <p>UCASPRO-AVCO-PAM, D. PAGLIARO AVSCOM-AMSAV-1/R, R. SMITH V. SORCE R. HARPER M. HAUSMANN J. SARNO C. RICHARDSON G. BUDZINSKI</p>					
					CASPRO QUALITY	DATE
SHEET TOTAL						

[Handwritten Signature] 9 October 85

POWER OF ATTORNEY

The undersigned AVCO CORPORATION, a Delaware, U.S.A., corporation (the "Corporation"), with its principal place of business located at 40 Westminster Street, Providence, Rhode Island 02903, U.S.A., does hereby authorize:

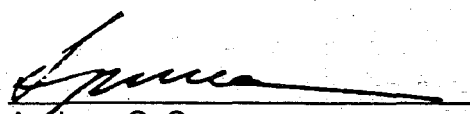
Brice M. Clagett,
O. Thomas Johnson, and
Benedict M. Lenhart,

or any of them, being attorneys for AVCO CORPORATION, with business address of 1201 Pennsylvania Avenue, N.W., Washington, DC 20004, U.S.A., to execute and deliver, in the name and on behalf of the Corporation, that certain Settlement Agreement by and among the Islamic Republic of Iran and Iran Aircraft Industries, on the one part, and Avco Corporation on the other part (the "Agreement"), said Agreement being in settlement of all claims between the parties relating to Case No. 261 before the Iran-United States Claims Tribunal.

IN WITNESS WHEREOF, this power of attorney has been executed under seal on behalf of AVCO CORPORATION by its Vice President at Providence, Rhode Island, U.S.A., on this 30th day of May, 2001.

AVCO CORPORATION

CORPORATE
SEAL

By: 
Name: Andrew C. Spacone
Title: Vice President

ATTEST:

By: 
Name: Ann T. Willaman
Title: Assistant Secretary



(Appendix D-2)

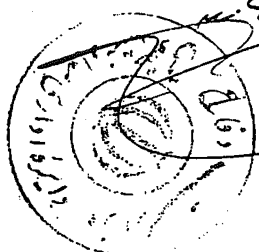
IN THE NAME OF GOD

POWER OF ATTORNEY

This is to certify that Mr. Morteza Zahrai Director of Foreign Contracts and Claims Department of the Deputy Minister of Defence and Support for the Armed Forces in Legal Affairs is duly authorized to Sign Settlement Agreement and appendices Thereto, concerning Case No: 261 (IR-US Claims Tribunal) on behalf of all Iranian Parties (i.e Iran Aircraft Industry and the Islamic Republic of Iran, acting through the Ministry of Defence and Support for the Armed Forces of IRI)./L-26

A.ABDOLLAHI
DEPUTY MINISTER FOR LEGAL
AFFAIRS

Authenticated as a true signature of H.E Deputy Minister Mr. A. Abdollahi acting in his official capacity for and on behalf of the Iranian Parties to the referenced Settlement Agreement.


S.A. Yousefi
Chief of Administration