

**MEMORANDUM OF AGREEMENT
NAT-I-2305**

**BETWEEN THE
AMERICAN INSTITUTE IN TAIWAN**

AND THE

**TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE IN THE
UNITED STATES**

ARTICLE I – SCOPE

This Memorandum of Agreement between the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO) (hereinafter, the “Parties”) provides a framework through which AIT, through its designated representative, the Federal Aviation Administration (FAA) of the U.S. Department of Transportation (DOT), can provide certain aeronautical equipment and services to TECRO, through its designated representative, the Civil Aeronautics Administration (CAA), on a reimbursable basis.

ARTICLE II – AUTHORIZATION

AIT enters into this Agreement pursuant to the Taiwan Relations Act of 1979, Public Law 96-8 (22 USC 3301 et seq.).

ARTICLE III – OBJECTIVE

A. This Memorandum of Agreement, including its annexes and appendices (the “Agreement”), establishes the terms and conditions under which the AIT, through its designated representative, the FAA, will arrange for technical assistance to be provided to TECRO, through its designated representative, the CAA, in support of the development, modernization, operation, or maintenance of the civil aviation infrastructure in the territory of the authorities represented by TECRO. For this purpose, AIT shall, through its designated representative, the FAA, and subject to the availability of appropriated funds and necessary resources, arrange for the provision of

personnel, resources, and related services to assist TECRO, through its designated representative, the CAA, to the extent called for in the annexes and appendices to this Agreement.

B. AIT's ability to arrange the full scope of technical assistance provided for under this Agreement, through its designated representative, the FAA, depends on the use of systems and equipment in the territory of the authorities represented by TECRO that are similar to those used by the FAA in the U.S. National Airspace System. To the extent that other systems and equipment are used in the territory of the authorities represented by TECRO, AIT, through its designated representative, the FAA, may not be able to arrange for the support of those other systems and equipment under this Agreement.

ARTICLE IV—IMPLEMENTATION

A. Specific technical assistance to be arranged by AIT's designated representative, the FAA, for TECRO's designated representative, the CAA, shall be delineated in annexes and appendices to this Agreement. When signed by the duly authorized representatives of the Parties, such annexes and appendices shall become part of this Agreement. Such annexes and appendices shall describe the technical assistance to be provided by AIT's designated representative, the FAA, the personnel and other resources required to accomplish the tasks, the estimated costs, implementation plans, and duration.

B. The designated office at AIT for the coordination and management of this Agreement, and to which all requests for services under this Agreement should be made, is:

Telephone: +1-703-525-8474
Facsimile: +1-703-841-1385

ARTICLE V—DESCRIPTION OF SERVICES

A. The technical assistance to be provided by AIT's designated representative, the FAA, at the request of TECRO's designated representative, the CAA, may include, but is not necessarily limited to, the following:

1. Providing technical and managerial expertise to assist in the development, modernization, operation, and maintenance of the civil aviation infrastructure, standards, procedures, policies, training, and equipment in the territory of the authorities represented by TECRO;

2. Providing training for TECRO-designated personnel in the territory of the authorities represented by AIT, in the territory of the authorities represented by TECRO, or in such other location as may be specified in the applicable annex or appendix;

3. Inspecting and calibrating equipment and air navigation facilities in the territory of the authorities represented by TECRO; and,

4. Providing resources, logistical support, software, and equipment.

B. Technical assistance in these and other areas, as mutually agreed to, may be accomplished by appropriate short- and long-term in-country assignments or by other assistance arranged by AIT's designated representative, the FAA.

C. All activities performed on behalf of the Parties shall be carried out in accordance with applicable domestic laws and regulations, including those pertaining to export controls and the control of classified information.

ARTICLE VI—HOST PARTY SUPPORT

The support by TECRO's designated representative, the CAA, necessary for accomplishing the technical assistance shall be described in the appropriate annex or appendix to this Agreement. If for any reason TECRO's designated representative, the CAA, is unable to provide fully the support specified in each annex or appendix, AIT's designated representative, the FAA, shall arrange for the support and charge the costs for such support to TECRO. TECRO shall pay all such costs.

ARTICLE VII—FINANCIAL PROVISIONS

Each annex or appendix shall describe the specific financial arrangements for the technical assistance to be provided. However, all financial arrangements shall be subject to the following:

A. Prior to the performance of any services arranged by AIT's designated representative, the FAA, TECRO shall pay to AIT the estimated cost of providing the services and an administrative overhead charge in accordance with the provisions set forth in this Agreement and its annexes and appendices.

1. In the event that AIT does not receive the payment within the time specified in the applicable annex or appendix, AIT's designated representative, the FAA shall automatically terminate the technical assistance project and forward a statement of account for the actual costs, including an administrative overhead charge, incurred in preparing to provide the technical assistance. TECRO shall pay any such statement of account.

2. AIT may, in consultation with its designated representative, the FAA, on a case-by-case basis, waive the required prepayment. The details of any such waiver shall be set forth in the appropriate annex or appendix. In such cases, the AIT shall submit a statement of account to TECRO for all costs incurred by AIT and AIT's designated representative, the FAA, including an administrative overhead charge, in providing the services.

B. AIT may, in consultation with its designated representative, the FAA, on a case-by-case basis:

1. Waive reimbursement by TECRO of all or a portion of the cost, including the administrative overhead charge, of providing services under the annexes and appendices to this Agreement. The details of any such waiver shall be set forth in the appropriate annex or appendix.

2. Accept payment from a third party in lieu of payment by TECRO of all or a portion of the cost, including the administrative overhead charge, of providing services under the annexes and appendices to this Agreement. The details of any such acceptance of payments shall be set forth in the appropriate annex or appendix.

C. The AIT has assigned agreement number NAT-I-2305 to identify this Agreement. This number and the billing number assigned to each annex or appendix, if applicable, shall be referenced in all correspondence and bills related to this Agreement.

D. Upon completion of the services, the AIT shall submit a statement of account to TECRO detailing the actual cost of providing the services, including an administrative overhead charge. Each statement of account will be delivered to the address specified in the respective annex or appendix.

1. If the statement of account shows that the actual cost of providing the services is greater than the estimated cost paid by TECRO, TECRO shall pay the balance due to the AIT.

2. If the statement of account shows that the actual cost of providing the services is less than the estimated cost paid by TECRO, the AIT shall either refund the difference to TECRO, apply the difference to any unpaid balances owed by TECRO under the Agreement, or hold the balance as a deposit against any future work under this Agreement, as agreed to by the Parties.

E. Payment of a balance due must be received by the AIT within sixty (60) days after the date the AIT issues a statement of account. In the event that payment is not received by the AIT within such time, the AIT shall assess late payment charges – i.e., interest, penalties, and administrative handling charges. The AIT shall assess additional late payment charges for each additional thirty (30) day period, or portion thereof, during which payment is not received. TECRO shall pay any such late charges.

F. All payments shall be made in U.S. dollars and may be made either by check or electronic funds transfer. Checks shall be drawn on a U.S. bank and forwarded to the AIT at the address specified in the applicable annex or appendix. Electronic funds transfers shall be made in accordance with the instructions set forth in the applicable annex or appendix. All payments shall include a reference to the assigned agreement number and billing number.

G. AIT, in consultation with its designated representative, the FAA, reserves the right to suspend all work under this Agreement if there is an outstanding balance for work performed or services rendered under any of its annexes or appendices.

H. In the event of a termination by either Party under Article IX of this Agreement, TECRO shall pay:

1. All costs incurred by AIT and its designated representative, the FAA, in providing, or in preparing to provide, the technical assistance prior to the date of such termination, including an administrative overhead charge; and

2. All termination costs incurred by AIT and its designated representative, the FAA, during the 120-day close-out period.

ARTICLE VIII—LIABILITY

A. The AIT and its designated representative, the FAA, assume no liability for any claim, loss, damage, injury, or death arising out of or relating to this Agreement.

B. TECRO and its designated representative, the CAA, waive any and all claims against AIT and its designated representative, the FAA, and any current or former officers or employees of AIT and its designated representative, the FAA, for any and all loss, damage, injury, or death arising out of or relating to this Agreement and agrees that it shall bring no claim or legal proceeding of any kind against any of the above entities or persons for any such claim, loss, damage, injury, or death.

C. TECRO and its designated representative, the CAA, further agree to indemnify AIT and its designated representative, the FAA, and any current or former officer or employee of AIT or the FAA for any judgments, settlements, or awards paid by them and all costs (including attorneys' fees) incurred by them as a result of any claim or legal proceeding of any kind brought by a third party arising out of or relating to this Agreement.

D. Except for damage to or destruction of AIT or FAA property caused by the AIT or any AIT personnel or the personnel of its designated representative, the FAA, any AIT agent or contractor, TECRO agrees to reimburse AIT for any damage to, or destruction of AIT property or the property of its designated representative, the FAA, or of any AIT agent or contractor, arising out of work under this Agreement.

ARTICLE IX—AMENDMENTS

The Parties may amend this Agreement or its annexes or appendices by written agreement signed by both Parties.

ARTICLE X—RESOLUTION OF DISAGREEMENTS

The Parties shall resolve any disagreement regarding the interpretation or application of this Agreement or its annexes or appendices through consultations between the Parties. The Parties shall not refer any such disagreement to an international tribunal or third party for settlement.

ARTICLE XI—ENTRY INTO FORCE AND TERMINATION

A. This Agreement shall enter into force on the date of the last signature and shall remain in force until terminated.

B. Either Party may terminate this Agreement or its annexes or appendices at any time by providing sixty (60) days' notice in writing to the other Party. Notwithstanding the preceding sentence, termination of this Agreement shall not affect obligations of the Parties under Articles VII, VIII, and X of this Agreement. AIT and its designated representative, the FAA, shall have one hundred twenty (120) days to close out its activities following any termination of this Agreement or its annexes or appendices. Termination of this Agreement also shall terminate all annexes and appendices concluded by the Parties pursuant to this Agreement.

ARTICLE XII—AUTHORITY

The AIT and TECRO agree to the provisions of this Agreement as indicated by the signatures of their duly authorized representatives.

FOR THE AMERICAN INSTITUTE IN
TAIWAN

FOR THE TAIPEI ECONOMIC AND
CULTURAL REPRESENTATIVE OFFICE
IN THE UNITED STATES

BY: *Barbara J. Schrage*
Barbara J. Schrage

BY: *Ta-Tung J. Chang*
Ta-Tung J. Chang

TITLE: Managing Director

TITLE: Deputy Representative

DATE: 08/21/2012

DATE: May 16, 2012

PLACE: Washington, D.C.

PLACE: Washington, D.C.