



AMERICAN INSTITUTE IN TAIWAN

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November 28, 1990

Mr. Ding Mou-shih
Representative
Coordination Council for
North American Affairs
4201 Wisconsin Avenue, N.W.
Washington, DC 20016-2137

Dear Mr. Ding:


The Argonaut Reactor was loaned to the National Tsing Hua University in Taiwan pursuant to a contract between National Tsing Hua University and the U.S. Atomic Energy Commission, which entered into effect on November 15, 1972. I am enclosing a copy of the contract for your reference.

AIT has reviewed the status of the reactor with the Department of Energy (successor in this instance to the Atomic Energy Commission) and the Department of State. I wish to inform you that the Department of Energy is exercising its option under paragraph 5 of the contract to abandon it in place in Taiwan. You will note that National Tsing Hua University remains bound by para 9 of the original contract. Hence, AIT requires CCNAA assurance that National Tsing Hua University will indemnify and hold harmless AIT, the Government of the United States of America, its contractors and employees from any and all liability (including third person liability) for any cause whatsoever arising out of the ownership, possession, transportation and use of the reactor arising out of its abandonment in Taiwan.

If these terms are satisfactory to CCNAA please indicate your acceptance by signing and dating all five copies of this letter and returning two to me.

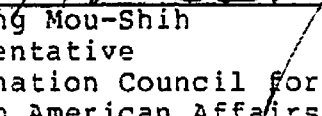
Thank you for your continuing cooperation.

Sincerely,



Natale H. Bellocchi
Chairman of the Board
and Managing Director

ACCEPTED BY:



Mr. Ding Mou-Shih
Representative
Coordination Council for
North American Affairs

Date: November 28, 1990

Enclosures:

As stated.