AGREEMENT

between the AMERICAN INSTITUTE IN TAIWAN

and the

TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE IN THE UNITED STATES

for

TECHNICAL COOPERATION

associated with

ESTABLISHMENT OF

ADVANCED OPERATIONAL AVIATION WEATHER SYSTEMS

ARTICLE I - SCOPE

This agreement between the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO) provides a framework through which the University Corporation for Atmospheric Research (UCAR), the designated representative of AIT, can provide technical expertise, training, and scientific exchange activities on a reimbursable basis to the Civil Aviation Administration (CAA) of Taiwan, the designated representative of TECRO, in areas of mutual interest in development of advanced weather prediction systems to forecast phenomena that affect civil aviation.

ARTICLE II - AUTHORIZATION

This Agreement is entered into pursuant to the Taiwan Relations Act of April 10, 1979, Public Law 96-8 (22 USC 3301 et seq.).

ARTICLE III - OBJECTIVES

The broad objective of this Agreement is to establish a framework to allow UCAR, acting as the designee of AIT, to carry out reimbursable technical and scientific cooperation with the CAA under an AIT-TECRO Agreement. The technical and scientific objectives of the cooperation are:

A. To establish an operational turn-key advanced aviation weather system in the CAA to support aviation users on Taiwan.

- B. To provide technical and scientific assistance in establishing an advanced numerical modeling capability to support an advanced aviation weather system within CAA.
- C. To provide professional development and training of CAA weather forecasters and users of aviation weather within the Taiwan aviation community.
- D. To provide general transfer of science and technology related to aviation weather from AIT's designated representative, UCAR, to TECRO's designated representative, CAA.

ARTICLE IV - COOPERATIVE ACTIVITIES

Specific cooperative activities will be determined after consultations between AIT and its designated representative, UCAR, and TECRO and its designated representative, CAA.

- A. The general activity to be conducted under this Agreement is development of an Advanced Operational Aviation Weather System (AOAWS). Major tasks include development of state-of-the-science numerical models for CAA and CWB use, implementation of advanced atmospheric sensor systems, development of integrated product-level decision algorithms, and development of different levels of display systems for a variety of users.
- B. Specific cooperative activities to be conducted under this Agreement will be determined after consultation between AIT and TECRO, and will be included in Implementing Arrangements.
- C. Each Implementing Arrangement shall specify the technical scope of the activities, management responsibilities, specific funding arrangements, cost and schedule estimates, procedures to be followed, details concerning warranty considerations, treatment of intellectual property, liability and other appropriate matters.
- D. All cooperative activities undertaken pursuant to specific Implementing Arrangements under this Agreement shall be subject to the respective and applicable laws, regulations, policies, funding and administrative procedures under which AIT and its designated representative, UCAR, and TECRO and its designated representative, CAA, operate.

ARTICLE V - RESPONSIBILITIES OF AIT

AIT shall carry out its responsibilities pursuant to this Agreement with due diligence and efficiency.

- A. AIT shall, through its designated representative, UCAR, keep accurate and systematic accounts and records with respect to the services provided pursuant to this Agreement in such form and detail as is customary, and shall permit TECRO, or its designated representative, CAA, to inspect same and make copies thereof as may be reasonably requested.
- B. AIT shall, through its designated representative, UCAR, furnish to TECRO, or its designated representative, CAA, such information related to the services AIT shall provide to TECRO pursuant to this Agreement as may be reasonably requested.
- C. Upon completion of specific services provided to TECRO by AIT as delineated in the Implementing Arrangements to the Agreement. AIT shall deliver to TECRO, or to its designated representative, CAA, hardware, software, technical reports, system documentation, calculations, comments, suggestions, and relevant technical data compiled or prepared by AIT or its designated representative, UCAR, in and under this Agreement. Specific details will be provided in the Implementing Arrangements to the Agreement. As delineated in Implementing Arrangements to this Agreement, such shall become the sole property of TECRO, or its designated representative, CAA, pursuant to this Agreement.
- D. To the extent that funds are made available to AIT by TECRO, AIT through its designated representative. UCAR, will make available such personnel, equipment and facilities necessary to carry out activities pursuant to this Agreement.
- E. AIT, through its designated representative, UCAR, shall provide suitably qualified personnel who are acceptable to TECRO and to TECRO's designated representative, CAA. Personnel will be selected on merit factors such as education, experience and expertise.
- F. AIT, through its designated representative, UCAR, shall provide all technical and administrative support and other requirements as may be necessary to complement and supplement the services of personnel of AIT's designated representative, UCAR, who are in Taiwan under the auspices of AIT.

ARTICLE VI - RESPONSIBILITIES OF TECRO

- A. Pursuant to this Agreement, TECRO shall assist AIT in obtaining visas and other documents necessary for personnel of AIT's designated representative, UCAR, who visit Taiwan under the auspices of AIT in order to carry out this Agreement.
- B. Pursuant to this Agreement, TECRO shall assist AIT in obtaining the necessary permits and authorizations for carrying out the assistance specified in the Implementing Arrangements to this Agreement, including access to facilities and areas under the jurisdiction of TECRO's designated representative, CAA, by personnel of AIT's designated representative, UCAR, who are on Taiwan under the auspices of AIT.
- C. TECRO shall, pursuant to this Agreement, assure that AIT and its designated representative, UCAR, are held free and clear of all customs duties and imposition charged by the authorities in the territory represented by TECRO. Neither AIT nor its designated representative, UCAR, shall be required to pay any duties or taxes in executing the terms and conditions of this Agreement.

ARTICLE VII - FINANCIAL ARRANGEMENTS

- A. Activities under this Agreement are conducted on a fully reimbursable basis unless other arrangements are specified and mutually agreed to in the Implementing Arrangements to the Agreement.
- B. TECRO shall pay all costs associated with services provided to TECRO, or its designated representative, CAA under this agreement.
- C. AIT shall provide TECRO with documentation supporting requests for reimbursement in accordance with standard financial regulations and practice of AIT and its designated representative, UCAR.
- D. TECRO shall make necessary arrangements to reimburse AIT for all actual costs incurred by AIT, or its designated representative, UCAR, as specified in each Implementing Arrangement in association with this Agreement.
- E. Pursuant to Article IV, each Implementing Arrangement shall specify funding and payment arrangements for activities covered by the Implementing Arrangement and shall include an estimated budget for at least the first year of activity.

ARTICLE VIII - INTELLECTUAL PROPERTY CONSIDERATIONS

- A. AIT and its designated representative. UCAR, and TECRO and its designated representative, CAA, support the widest possible dissemination of information provided, exchanged or arising under this Agreement, subject to the need to protect pre-existing proprietary information patent, and copyright restrictions.
- B. Details concerning intellectual property considerations and information dissemination procedures will be specified in each Implementing Arrangement to this Agreement.
- C. Information transmitted by either party to this Agreement to the other party shall be accurate to the best knowledge and belief of the transmitting party, as delineated in the Implementing Arrangements to this Agreement.

ARTICLE IX - LIABILITY

TECRO agrees to hold harmless, defend, and indemnify the University Corporation for Atmospheric Research, Inc. ("UCAR"), its directors, officers, employees, agents, representatives, AIT, and any division of the United States Government (the "Indemnified Parties"), from and against any and all claims, costs, expenses, or losses of any kind or description, including reasonable attorney's fees incurred to enforce this agreement, if any, that arise out of, or are in anyway related to advanced aviation weather systems, specifically including, where permitted by law, claims, costs, expenses, or losses, of any kind or description, that are attributable to the sole negligence of the Indemnified Parties. Further, this obligation shall survive termination of this Agreement.

ARTICLE X - EFFECTIVE DATE

This Agreement will become effective on the date of the last signature hereafter.

ARTICLE XI - AMENDMENT AND TERMINATION

This Agreement, and its Implementing Arrangements, may be amended by the mutual written agreement of AIT and TECRO.

This Agreement may be terminated by either party at any time by notification to the other party in writing sixty (60) days in advance of the desired termination date. It is understood that an attempt will be made to reach mutual agreement on the termination dates to allow orderly termination of activities and repatriation of personnel, settlement with sub-tier suppliers, the determination of settlement costs, and the distribution of project inventories and supplies.

ARTICLE XII - RESOLUTION OF DIFFICULTIES

AIT and TECRO shall consult, upon request of either party or their designated representatives, regarding any matter related to the terms of this Agreement, and shall endeavor jointly, in a spirit of cooperation and mutual trust, to resolve any difficulties or misunderstandings that may arise by informal means.

ARTICLE XIII - SURVIVING PROVISIONS

The provisions of Articles VIII and IX shall survive the expiration of this Agreement.

ARTICLE XIV - FORCE MAJEURE

Any event of Force Majeure shall constitute an excusable delay. Examples include, but are not limited to, embargo, quarantine, war, public disorders, explosions, fire, earthquake or other acts of God, the suspension, cancellation or failure to receive necessary permissions, or any other condition beyond the control of the parties affected. Such delays shall excuse the affected party from performance during the period when prevented, not terminate the Agreement, and require resumption of performance as promptly as possible, using all best efforts to remove the cause of non-performance.

FOR THE AMERICAN INSTITUTE
IN TAIWAN

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

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Date Date