

TRACTATENBLAD

VAN HET

KONINKRIJK DER NEDERLANDEN

JAARGANG 1965 Nr. 36

A. TITEL

*Overeenkomst tussen het Koninkrijk der Nederlanden en de
Verenigde Staten van Amerika tot samenwerking betreffende
het niet-militair gebruik van atoomenergie;
Washington, 22 juni 1956*

B. TEKST

De tekst van de Overeenkomst is geplaatst in *Trb.* 1956, 125; deze tekst is gewijzigd bij overeenkomsten van 3 juli 1957 (rubriek J van *Trb.* 1957, 103 en *Trb.* 1958, 35) en 22 juli 1959 (rubriek J van *Trb.* 1959, 110 en *Trb.* 1960, 10).

C. VERTALING

Zie *Trb.* 1956, 125.

D. GOEDKEURING

Zie *Trb.* 1957, 103 en *Trb.* 1958, 35.

G. INWERKINGTREDING

Zie *Trb.* 1958, 35.

J. GEGEVENS

Zie *Trb.* 1956, 125, *Trb.* 1957, 103, *Trb.* 1958, 35 en 149, *Trb.* 1959, 72 en 110 en *Trb.* 1960, 10.

Ter uitvoering van de onderhavige Overeenkomst, zoals gewijzigd, is op 17 maart 1960 te Washington een huurovereenkomst inzake speciaal splijtbaar materiaal ten behoeve van een reactor te Petten gesloten tussen de Regering van het Koninkrijk der Nederlanden en de Commissie inzake Atoomenergie der Verenigde Staten, optredende namens de Regering van de Verenigde Staten van Amerika. De tekst van deze huurovereenkomst, welke ingevolge artikel 13 op de dag van ondertekening in werking is getreden, luidt als volgt:

Lease of special nuclear material between the United States Atomic Energy Commission acting on behalf of the Government of the United States of America and the Government of the Netherlands
(NE/L/4)

The United States Atomic Energy Commission (hereinafter referred to as the "Lessor"), acting on behalf of the Government of the United States of America, and the Government of The Netherlands (hereinafter referred to as the "Lessee"), with respect to the lease of special nuclear materials pursuant to the Agreement for Co-operation between the Government of the United States of America and the Government of The Netherlands Concerning Civil Uses of Atomic Energy, signed on June 22, 1956, as amended July 3, 1957 and July 22, 1959, and as it may be further amended or superseded, and subject to all of the terms, conditions, provisions, and guaranties contained therein, agree as follows:

Agreement

1. The Lessor shall lease to the Lessee and the Lessee shall lease from the Lessor U-235 contained in uranium enriched in the isotope U-235 in accordance with Schedule 1 of Appendix "A", attached hereto, (hereinafter referred to as the enriched uranium). Such enriched uranium is contained in fuel elements which have been fabricated and prepared in the United States of America by the Sylvania Corning Nuclear Corporation (hereinafter referred to as the "Contractor") for use in an Argonaut type research reactor located at Petten, The Netherlands, or for such other use as may be mutually agreed.

For the purposes of this lease the term "fuel elements" includes rods and plates.

Specifications

2. The U-235 isotopic content and quantity of enriched uranium contained in the fuel elements shall be determined by the Contractor and concurred in by the Lessor after any reviews or analyses which the Lessor may deem appropriate.

Delivery

3. A. The Contractor shall submit to the Lessor a written certification of the determination by the Contractor referred to in the preceding paragraph.

B. Upon the receipt by the Lessor of:

- (1) such written certification by the Contractor; and
- (2) a written certification by the Lessee that the fuel elements will be required within sixty (60) days at the reactor site for the testing, start-up or efficient and continuous operation of the reactor,

the Lessee shall arrange for a carrier to transport the fuel elements subject to such terms, charges, conditions and licenses as the Lessor may require, to a port of export in the United States of America to be designated by the Lessor after consultation with the Lessee. The Lessor shall thereupon perform those actions required to effect the transfer of such fuel elements from the Contractor to the Lessee. Any costs, including containers, and the packaging and storing of the fuel elements, and all arrangements for physically handling the fuel elements in connection with such delivery and transfer shall be the responsibility of and borne by the Lessee.

C. As evidenced by appropriate written receipt, the Lessee shall accept such transfer of the fuel elements at the port of export, whereupon the Lessee shall assume full and complete responsibility for the enriched uranium contained in the fuel elements.

Payment

4. A. In return for the lease of the enriched uranium, the Lessee shall pay to the Lessor within sixty (60) days after the date of the Lessor's invoice a sum of money in United States currency equal to the total of the following charges (payment received after 60 days from the date of invoice shall entitle the Lessor to an additional charge at six per cent per annum on such amount):

- (1) A use charge for the enriched uranium which has been transferred to the Lessee hereunder of four percent (4%) per annum, which may be modified as hereinafter set forth, of the base charge commencing upon the acceptance of each delivery as set forth in Schedule 1 of Appendix "A" and terminating upon either the acceptance of each re-delivery as set forth in paragraphs 5 A and B or upon the determination referred to in paragraph 5 C. This use charge shall be paid annually. The Lessor may at any time change the percent rate to conform to the rate established by the Lessor for the lease of the enriched uranium in the United States of

America. The new percent rate shall be operative under this Lease Agreement as of the date such percent rate is effective in the United States of America, and shall thereupon apply to all enriched uranium accepted by the Lessee in paragraph 3 C, whether accepted prior or subsequent to such date, provided that the Lessor shall notify the Lessee of the change in percent rate at least ninety (90) days prior to such date or upon public announcement in the U.S., whichever is later.

- (2) A consumption and depletion charge equivalent to the value of the enriched uranium contained in each fuel element based upon its U-235 isotopic content and quantity as determined pursuant to paragraph 2 less a credit equivalent to the value (if any) of the enriched uranium plus the value (if any) of the plutonium recoverable from returned fuel elements based upon its U-235 isotopic content and quantity as determined within a reasonable time after redelivery pursuant to paragraph 5 A. If the Lessor, after consultation with the Lessee, determines that the cost of reprocessing any fuel element will exceed the value of the enriched uranium and/or plutonium recoverable therefrom, no such credit shall be allowed.
- (3) Any transportation and transfer charges as set forth in paragraph 3 B.
- (4) The base charge for any enriched uranium which the Lessee is unable to return as set forth in paragraph 5 C.
- (5) The base charge for any enriched uranium which the Lessee is required to return as set forth in paragraphs 5 A and B which for any reason does not comply with the specifications set forth in paragraph 2, provided, however, that if the Lessor agrees within a reasonable time to repurify such enriched uranium to make it conform to such specifications at unit repurifying charges less than the base charge, the Lessee shall pay such repurifying charges in lieu of the base charge.
- (6) With regard to fuel elements returned pursuant to paragraph 5 A to be reprocessed, if reprocessed at the Lessor's facilities, the Lessee shall pay a charge equal to the Lessor's costs for such reprocessing.

B. As used in this lease "Base Charge" means the Lessor's published Schedule of Charge (price for enriched UF_6) in effect at the time of the Lessee's acceptance as set forth in paragraph 3. In the event that the degree of U-235 isotopic enrichment lies between two successive degrees of enrichment appearing on such schedule, the value for such enriched uranium will be computed by linear interpolation. The value of the plutonium recoverable from each returned

fuel element shall be its value as fuel established by the Lessor and in effect at the time the fuel element is delivered to the reprocessing facility pursuant to paragraph 5 A.

Redelivery

5. A. After the lapse of an appropriate period of time to allow for radioactive decay and under appropriate safeguards acceptable to the Lessor against hazards to health and safety, the Lessee, at the Lessee's expense shall transport and deliver the irradiated fuel elements in accordance with Schedule 2 of Appendix "A" at a port of entry in the United States of America to be designated by the Lessor after consultation with the Lessee. The Lessor shall thereupon perform those actions required to authorize the import and effect the transfer of such fuel elements to the Lessor at such designated port. Unless otherwise mutually agreed by the Parties, the Lessee shall thereafter arrange at the Lessee's expense for a carrier, subject to such terms, charges, conditions and licenses as the Lessor may require, to transport such fuel elements to reprocessing or other facilities to be designated by the Lessor. If the Lessor designates reprocessing facilities other than the Lessor's, the Lessee, at the Lessee's own expense, shall arrange for such fuel elements to be reprocessed in compliance with the Lessor's specifications and subject to such terms, charges, conditions and licenses as the Lessor may require at such other facilities into plutonium metal and uranium hexafluoride, or into such other form or forms upon which the Parties may mutually agree. The U-235 isotopic content and quantity of enriched uranium contained in such fuel elements shall be determined by the Lessor or contractor of the Lessee and concurred in by the Lessor. If the Lessor determines, as provided in paragraph 4 A (2), that the cost of reprocessing such fuel elements will exceed the value of the enriched uranium and/or plutonium recoverable therefrom, the Lessor will accept transfer of the fuel elements for storage or other appropriate disposition.

B. The Parties may mutually agree to the return of the fuel elements to the United States of America for purposes other than reprocessing, in which event the Lessee shall deliver such fuel elements, under the appropriate safeguards acceptable to the Lessor against hazards to health and safety, at a port of entry in the United States of America to be designated by the Lessor after consultation with the Lessee. The Lessor shall thereupon perform those actions required to authorize the import and effect the transfer of such fuel elements to the Lessor or a contractor of the Lessee duly licensed by the Lessor. The U-235 isotopic content and quantity of enriched uranium and of any plutonium contained in such fuel elements shall be determined by the Lessee or the contractor and concurred in

by the Lessor after any reviews or analyses which the Lessor may deem appropriate.

C. Should the Lessor determine that the Lessee is unable to return any fuel element because of loss, theft, or total destruction, the Lessee shall pay within sixty (60) days after notification of such determination, the value of the enriched uranium contained therein based upon its U-235 isotopic content as determined in accordance with paragraph 2, whereupon the use charge shall cease.

Indemnity

6. The Lessee shall indemnify and save harmless the Lessor against any and all liabilities (including third party liability) for any cause whatsoever arising out of the production, preparation, ownership, lease or possession and use of the enriched uranium after acceptance thereof by the Lessee as set forth in paragraph 3 C. After the redelivery of the enriched uranium is accepted by the Lessor pursuant to paragraphs 5 A or B, the provisions of the preceding sentence shall not be applicable to any liability of the Lessor for any injury, loss, or damage which may occur from the above causes in the United States of America with regard to such enriched uranium so redelivered.

Warranty

7. The Lessor makes no warranty either express, implied, statutory or otherwise with regard to the enriched uranium.

Retransfer

8. The enriched uranium shall be retained by the Lessee and shall not be transferred to unauthorised persons or beyond the jurisdiction of the Government of the Netherlands.

Applicable law

9. This Lease Agreement shall be construed according to the laws applicable in the Federal Court of the District of Columbia of the United States of America for contracts in the United States of America to which the Government of the United States is a party.

Assignment

10. Neither this Lease Agreement nor any rights or interests herein shall be assigned by the Lessee.

Officials not to benefit

11. No Member of or Delegate to the Congress of the United States of America, or Resident Commissioner of the United States of America shall be admitted to or share any part of this Lease Agreement or any benefit that may arise therefrom.

Agreement for Cooperation

12. This Lease Agreement shall be subject to, and in accordance with all the terms and conditions of the Agreement for Cooperation Concerning the Civil Uses of Atomic Energy, entered into between the Government of the United States of America and the Government of the Netherlands signed June 22, 1956 as amended July 3, 1957 and July 22, 1959 and as it may be further amended or superseded.

Term of Lease

13. This Lease shall become effective March 17, 1960 and shall remain in force until the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands Concerning Civil Uses of Atomic Energy, signed June 22, 1956, as amended July 3, 1957 and July 22, 1959, and as it may be further amended or superseded, expires or is terminated.

This Lease Agreement is subject to renewal or prior termination as may be mutually agreed by the parties.

IN WITNESS WHEREOF the Parties hereto have caused this lease to be executed pursuant to duly constituted authority.

DONE, in Washington, in duplicate, this 17th day of March, 1960.

For the United States Atomic Energy
Commission acting on behalf of the
Government of the United States of
America:

(sd.) EDWARD E. SINCLAIR

*Acting Deputy Director
Division of International Affairs*

For the Government of the Netherlands:

(sd.) J. H. VAN ROIJEN

Netherlands Ambassador

APPENDIX "A"

Schedule 1

Schedule of transfers by Lessor to Lessee of enriched uranium contained in the fuel.

Date of Transfer	Quantity of Contained Enriched Uranium	Enrichment in the Isotope U-235
About June 1960	Approximately 5 kgs. U-235	Approximately 90%

Schedule 2

Schedule of estimated returns of enriched uranium by Lessee to Lessor.

Date of Requirement	Quantity of Contained Enriched Uranium	Enrichment in the Isotope U-235
About June 1962	Approximately 4 kgs. U-235	Approximately 85%

The Parties may from time to time by means of exchange of letters agree to revise or supplement the dates of transfer, quantities of special nuclear material, and enrichment in the isotope U-235 set forth in the above Schedule.

Ter uitvoering van de onderhavige Overeenkomst, zoals gewijzigd, is op 28 december 1960 te Washington een huurovereenkomst van speciaal splijtbaar materiaal ten behoeve van een reactor te Petten gesloten tussen de Regering van het Koninkrijk der Nederlanden en de Commissie inzake Atoomenergie der Verenigde Staten, optredende namens de Regering van de Verenigde Staten van Amerika. De tekst van deze Overeenkomst, welke ingevolge artikel XXVII op de dag van ondertekening in werking is getreden, luidt als volgt:

Lease of special nuclear material between the United States Atomic Energy Commission acting on behalf of the Government of the United States of America and the Government of the Netherlands

(NE/L/5)

The United States Atomic Energy Commission (hereinafter referred to as the "Lessor"), acting on behalf of the Government of the United States of America, and the Government of the Netherlands (hereinafter referred to as the "Lessee"), with respect to the lease of special nuclear materials pursuant to the Agreement for Cooperation between

the Government of the United States of America and the Government of the Netherlands Concerning Civil Uses of Atomic Energy, signed on June 22, 1956, as amended, and as it may be further amended or superseded, and subject to all of the terms, conditions, provisions, and guarantees contained therein, agree as follows:

Article I

Definitions

As used in this Lease:

A. The term "*Act*" means the Atomic Energy Act of 1954, as amended from time to time.

B. The term "*Agreement for Cooperation*" means the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands signed at Washington, on June 22, 1956, as amended, and as it may be further amended or superseded.

C. The terms "*Atomic Energy Commission*," "*Commission*" or "*AEC*" mean the United States Atomic Energy Commission or any duly authorized representative thereof.

D. The term "*base charge*" means the United States dollar amount per unit of special nuclear material in standard form and specification in effect as of the time any particular transaction under this Lease takes place, as set forth in schedules published by the Commission in the Federal Register from time to time.

E. The term "*Commission facility*" means a laboratory, plant, office, or other establishment operated by or on behalf of the Commission.

F. The term "*Commission's established specifications*" means the specifications for purity and other physical or chemical properties of special nuclear material, as published by the Commission in the United States Federal Register from time to time.

G. The terms "*consumed*" or "*consumption*" include the reduction in value of material due to blending of different assays of special nuclear material, or other alteration of the isotope ratio, and the disposition of material in such manner that it cannot be economically recovered for further use.

H. The term "*persons acting on behalf of the Commission*" includes employees and contractors of the Commission, and employees of such contractors, who implement or participate in the implementation of the Lease pursuant to their employment or their contracts with the Commission.

I. The term "*source material*" means source material as defined in the Agreement for Cooperation.

J. The term "*special nuclear material*" means special nuclear material as defined in the Agreement for Cooperation. Unless the context otherwise indicates, the term "material" refers to "special nuclear material" as defined herein.

K. The term "*value*" means the United States dollar amount determined by multiplying the applicable Commission base charge by the number of units, or fractions thereof, of special nuclear material involved, whether or not such material is in standard form and specification.

L. The term "*worth*" means the United States dollar amount determined by multiplying the applicable Commission unit price for normal or depleted uranium as uranium hexafluoride by the number of units, or fractions thereof, of normal or depleted uranium involved. The Commission's applicable unit price for normal or depleted uranium will be fixed in accordance with established Commission pricing policy then in effect.

M. The term "*established Commission pricing policy*" means any applicable price or charge in United States dollars in effect at the time any particular transaction under this Lease takes place (i) published by the Commission in the Federal Register, or (ii) in the absence of such a published figure, determined in accordance with the Commission's pricing policies, as amended from time to time. A statement of such pricing policies will be furnished the Lessee upon request. The Commission's published prices and charges as well as its pricing policies may be amended from time to time.

Article II

A. The Commission agrees to lease to the Lessee, and the Lessee agrees to lease from the Commission, uranium enriched in the isotope U-235 in accordance with Schedule 1 of Appendix "A" attached hereto. Such enriched uranium prior to becoming subject to this Lease shall be processed and fabricated in the United States of America by a contractor engaged by the Lessee. Such processed and fabricated enriched uranium after becoming subject to this Lease is to be used in the operation of an Argonaut type research reactor located at Petten, The Netherlands, or for such other purposes as the Parties may mutually agree in writing. The enriched uranium so leased shall at all time be retained by the Lessee at the site mentioned above or at such other location as the Parties may mutually agree in writing.

B. The terms and conditions contained herein shall also apply to the material listed in Appendix "B" attached hereto.

The Lease of Special Nuclear Material Between the United States Atomic Energy Commission Acting for and on Behalf of the Government of the United States of America and the Government of the

Netherlands signed at Washington, March 17, 1960 pursuant to which the Lessee possesses and is responsible for the material listed in Appendix "B" is hereby cancelled, except as to accrued amounts due thereunder.

C. This Lease is subject to all of the terms, conditions, provisions and guarantees contained in the Agreement for Cooperation.

Article III

A. The Commission shall make available to the United States contractor engaged by the Lessee, f.o.b. commercial conveyance at a facility of the Commission, amounts of enriched uranium hexafluoride as set forth in Schedule 2 of Appendix "A" subject to such terms, charges, conditions, and licenses as the Commission may require. Unless otherwise agreed by the Parties, the percent of the isotope U-235 in the enriched uranium processed or fabricated by the Lessee's contractor shall be deemed the same as the U-235 isotopic enrichment of the uranium made available by the Commission to the contractor. The quantity of such enriched uranium contained in the processed or fabricated material shall be as determined by the contractor and concurred in or revised by the Commission after any reviews or analyses which the Commission may deem appropriate. The Lessee shall cause the contractor to submit to the Commission a written certification of the contractor's determination of the U-235 isotopic content and quantity of such enriched uranium contained in the processed or fabricated material.

B. Upon completion of the processing or fabrication and preparation of the enriched uranium by the contractor, and receipt by the Commission of the written certification of the contractor's determination of the isotopic content and quantity of enriched uranium contained in the processed or fabricated material, the Lessee shall arrange for a transporter who, after thirty (30) days written notice by the Lessee to the Commission and subject to the terms, charges, conditions, and licenses as the Commission may require, shall transport and deliver such processed or fabricated enriched uranium to a port of export in the United States of America to be designated by the Commission after consultation with the Lessee. The Commission shall thereupon perform those actions required to effect the delivery and authorize the export of such material to the Lessee at such designated port. All costs of domestic and overseas transportation and delivery (including cost of containers and packaging) and of storing such material, as well as all arrangements for physically handling such material in connection with such delivery shall be the responsibility of and borne by the Lessee and not the Commission. The Lessee or its duly authorized agent shall accept delivery of such material at the designated port of export, and

shall sign an appropriate written receipt therefor, whereupon the lease of such material shall commence and the Lessee shall assume full and complete responsibility for the enriched uranium contained therein.

Article IV

Title

Title to all material furnished to or received by the Lessee subject to this Lease shall at all times be and remain in the Government of the United States of America.

Article V

Term of lease, termination and cancellation

A. The Lessee shall have the right to possess and use material covered by this Lease for the term provided in Schedule 3 of Appendix "A", but in any event not beyond the duration of the Agreement for Cooperation.

B. The expiration, suspension, or termination, in whole or in part, of the Agreement for Cooperation shall automatically result in the expiration of this Lease insofar as the affected material is concerned.

C. The Lessee may cancel any request for material under this Lease by notice in writing to the Commission at any time prior to delivery of the material; provided, the Lessee shall pay a cancellation charge for the costs incurred by the Commission in connection with such request, as determined in accordance with established Commission pricing policy then in effect.

D. Either party may cancel this Lease at any time the other party fails or neglects to fulfill its obligations hereunder or under the Agreement for Cooperation.

Article VI

Material to be furnished by the Commission; service charges

A. Except as otherwise provided in Appendix "A", special nuclear material which is to become subject to this Lease shall be furnished to the Lessee's contractor as uranium hexafluoride in accordance with the Commission's established specifications.

B. Arrangements for the payment of the Commission's service charges, if any, for withdrawal and packaging, and for any other special service rendered pursuant to the Lessee's request, with respect to material furnished to the Lessee's contractor prior to being leased hereunder shall be made with such contractor.

C. If the material furnished by the Commission to the Lessee's contractor does not conform to the Commission's established speci-

fication, or to the specifications set forth in Appendix "A", which ever are applicable, the responsibility and liability of the Government of the United States of America, the Commission, and persons acting for and on behalf of the Commission shall be limited solely to correcting such discrepancies by furnishing of material which does conform to the applicable specifications. The Commission shall pay the transportation charges for returning any material obtained directly from the commission which does not conform to applicable specifications, as well as the transportation charges for shipping conforming replacement material.

D. It is recognized that material furnished under this Lease as enriched uranium (U-235) may be consumed in such manner as to reduce the isotopic ratio thereof to the extent that the leased material is no longer special nuclear material as defined herein. Except as provided herein, or as otherwise mutually agreed, the resulting normal or depleted uranium will be, and remain, subject to the provisions of this Lease as if the material were special nuclear material; provided, that the Lessee's obligations for loss or consumption of, and for use-charges with respect to, such material, shall be computed using the worth of the normal or depleted uranium.

E. The Lessee shall not blend special nuclear material subject to this Lease without the prior consent of the Commission.

Article VII

Return of material to the Commission; special charges for Commission services

A. The Lessee will return all material subject to this Lease upon the expiration or earlier cancellation or termination of this Lease, provided, however, that the Lessee shall have the right to return such material at any time prior to such date.

B. Except as otherwise provided herein, or as may be mutually agreed, material subject to this Lease will be returned directly to the Commission in the form of uranium hexafluoride meeting the Commission's established specifications for return of material in effect as of the date of this Lease, after having been processed in facilities acceptable to the Commission.

C. Material transferred to another nation or international organization with the consent of the Commission, regardless of the form and/or specification of such material, shall be deemed to have been returned to the Commission.

D. In the event that no reprocessing facilities other than the Commission's are available to the Lessee and acceptable to the Commission, the Commission may in its discretion elect to accept the return of material in the form and specification other than that

provided in B., above. The Lessee shall pay a service charge for processing such returned material so as to enable it to satisfy the Commission's established specifications in effect as of the date of this Lease. Such charge shall include the Commission's charge for processing, as determined in accordance with the established Commission pricing policy then in effect, and an amount, as determined by the Commission, for the value or worth of the material consumed during processing. Whenever material returned by the Lessee is subject to processing charges under this paragraph, the Lessee shall continue to pay the use-charge on such material until expiration of the processing period as determined by the Commission.

E. Unless the Commission elects to accept material as provided in D., above, the Lessee shall pay the Commission for material returned in a form and specification other than that stated in B., above, a sum equal to the value or worth of the material. In addition, the Lessee shall also pay a special service charge, as determined in accordance with established Commission pricing policy then in effect, for the handling, storage, and disposal of such material.

F. Material subject to this Lease returned directly to the Commission in the form of uranium hexafluoride shall be shipped only in cylinders of appropriate size as specified by the Commission. The quantity of such material shipped in a container shall not be less than the Commission-established minimum loading for the type of cylinder used.

G. All material returned to the Commission shall be transported under appropriate safeguards against hazards to health and safety in accordance with Schedule 3 of Appendix "A" to a port of entry in the United States of America to be designated by the Commission after consultation with the Lessee. The Commission shall thereupon perform those actions required to authorize the import and effect the transfer of such material to the Commission at such designated port. Unless otherwise mutually agreed by the Parties, the Lessee shall thereafter arrange at the Lessee's expense for a carrier, subject to such terms, charges, conditions, and licenses as the Commission may require, to transport such material to the Commission facility or location specified by the Commission, f.o.b. commercial conveyance at such facility or location. Unless waived by the Commission, the Lessee shall give the Commission at least thirty (30) days' written notice of intent to return material directly to the Commission. The Commission will notify the Lessee promptly after receipt of the Lessee's notice of intent to return material as to the Commission facility or location designated for return of this material. The Lessee, at the time of shipment of material, shall notify the Commission facility or other location to which shipment is made of the date and method of shipment, and expected date of arrival.

Article VIII

Payment for material lost or consumed

A. Except as otherwise provided herein, the Lessee shall be responsible for and shall reimburse the Commission for any loss or consumption of material, whether or not such loss or consumption is due to the fault or neglect of the Lessee, or any other cause occurring from the time of delivery of such material to the Lessee and until such material has been returned to the Commission as provided herein.

B. The amount due to the Commission for material lost or consumed shall be the value or worth of such material computed in accordance with the terms and conditions specified in this Lease; provided, that where material is consumed by reduction of value due to blending with special nuclear material or other alteration of the isotopic ratio, the amount due shall be determined by subtracting the value or worth of the blended or altered material from the value or worth of such material prior to such blending or alteration, as shown in the Lessee's account, established under Article XI below. The Lessee may, and shall, when required by the Commission, pay for material lost or consumed on a provisional basis based on the data reflected in the Lessee's reports of material lost or consumed. The forms for reporting material lost or consumed shall be prescribed by the Commission.

Article IX

Use-charge payment

The Lessee agrees to pay the Commission a use-charge for material subject to this Lease, as provided in Article XI below. The rate of use-charge shall be the Commission's published rate of annual (365 days) use-charge in effect for the period covered by the Commission's invoice.

Article X

Other authority

Nothing in this Lease shall be deemed to obligate the Lessee to pay the Commission's charges with respect to materials or services subject to this Lease or to observe other specific provisions of this Lease, if the Commission, in accordance with statutory or other authority available to it, determines that such charges or other provisions are not applicable.

Article XI

Establishment of special nuclear material lease account

A. The Commission will establish a special nuclear material lease account for the Lessee to which will be charged, as provided herein, the amount or amounts equal to the value or worth of the

material subject to this Lease. Such account will be credited, as provided herein, with the amount or amounts equal to the value or worth of the material returned or paid for, in accordance with this Lease. The daily balance of this account shall be used for computing the amount due to the Commission for use-charges. The value or worth of material reflected in this account after credit for the value or worth of material returned and for payments for material lost or consumed shall represent the amount due to the Commission for material not returned or paid for.

B. Except as otherwise provided in this Lease, the Lessee's account will be charged for material furnished as of the date material is delivered to the Lessee, as provided in Article III B.

C. The Lessee's account will be credited for material returned directly to the Commission or transferred to another nation or international organization only when the material is returned or transferred in accordance with Article VII. Except as otherwise provided in this Lease, the Lessee's account will be credited for material returned directly to the Commission as of the date the material is delivered to a location specified by the Commission pursuant to this Lease. Credit for material transferred to another nation or international organization will be made as of the date to be mutually agreed. Credit for material paid for will be made as of the date such payment is received by the Commission.

D. Whenever the Commission changes any applicable base charge as provided in Article XII, below, the value or worth of material recorded in Lessee's account will be recomputed at the new base charge; provided, that the value or worth of material lost or consumed as of the date of such charge shall not be recomputed. The new base charge will be used in determining the value or worth of material lost or consumed, and for computing the value or worth of material subject to use-charges, subsequent to the effective date of the change in the applicable base charge.

E. The Lessee will be notified of the debits and credits made to his account as the result of shipments and transfers of materials, and of any changes in the value or worth of material in such account as the result of changes in the applicable base charges. The Lessee will promptly notify the Commission of any disagreement with, discrepancies, or errors in such notices.

F. The Lessee will submit such transfer documents covering receipts and shipments, and reports of loss or consumption, and inventory, with respect to material subject to this Lease as the Commission may prescribe, and shall maintain and make available to the Commission for inspection, upon reasonable notice, adequate records pertaining to the receipt, possession, transfer, or use of material subject to this Lease.

Article XII

Changes in rate of use-charge, base charges, and specifications

A. The rate of use-charge, base charges, or specifications for material furnished pursuant to this Lease are subject to change by the Commission in accordance with the Act.

B. Any changes in rate of use-charge, base charges, or specification shall be effective on either July 1 or January 1 as stated in a notice of change published by the Commission, provided at least thirty (30) days prior written notice of such changes is given the Lessee.

Article XIII

Performance of AEC obligations; billing

A. The Commission may fulfill its obligations under the Lease through the operator of any of its facilities.

B. Billings for amounts due to the Commission under the Lease will ordinarily be made

- (1) following the performance of any service, and
- (2) semi-annually for use-charge and for loss or consumption of material.

C. All billings made on a provisional basis are subject to adjustment to recognize actual amounts, enrichment, isotopic content, and specifications of material involved; provided that, except as stated in paragraph D, below, such adjustments will not subject the Lessee or the Commission to liability for interest.

D. All bills rendered by or on behalf of the Commission are due 60 days from date of invoice and shall be paid in United States currency. Payment received after 60 days from date of invoice shall entitle the Commission to an additional charge at six per cent per annum on such amount.

Article XIV

Injury or damage

A. Neither the Government of the United States of America, the Commission, nor persons acting for or on behalf of the Commission shall make any warranty or other representation, express or implied, that material furnished under this Lease (1) will not result in injury or damage when used for the purpose intended by the Parties, (2) will accomplish the results for which it is requested from the Commission, or (3) is safe for any other use.

B. With respect to the special nuclear material leased hereunder, the Lessee shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the

production or fabrication, the ownership, the lease, and the possession and use of such special nuclear material after delivery by the Commission to the Lessee.

Article XV

Time of delivery

The Commission will make reasonable efforts to deliver material at the time or times requested by the Lessee, but neither the Government of the United States of America, the Commission, nor persons acting for or on behalf of the Commission shall be subject to any liability for any failure to do so.

Article XVI

Cylinders and equipment

A. Except as otherwise agreed, all shipments of enriched uranium (U-235) in the form of uranium hexafluoride (UF₆) from the Lessee directly to the Commission, will be made in cylinders purchased from the AEC. If requested by the Lessee, these cylinders will be made available to the Lessee, f.o.b. commercial conveyance, at the Commission facility.

B. Except as provided in A, above, shipments of material subject to this Lease to the Lessee, and the return of such materials to the Commission, shall be made only in containers or equipment acceptable to the Commission. The Commission may, but shall not be required to, furnish containers and equipment for shipping such material.

C. Any non-AEC-supplied cylinders, containers, and equipment furnished or utilized by the Lessee will meet current Commission specifications and practices as to safety, design criteria, cleanliness, and freedom from contamination, of which the Commission shall be the sole judge. The Commission will endeavor to return non-AEC-owned cylinders, containers, and other equipment to the Lessee in a reasonable time, but will not be responsible for any loss of or damage to such cylinders, containers, or equipment except as may result from its fault or negligence. Such return shipments by the Commission will be made f.o.b. commercial conveyance at the Commission facility.

D. Whenever material is shipped to the Commission, and the Commission elects to decontaminate the containers, railroad cars, trucks, or other shipping vehicles or the Commission's unloading area and machinery, because the containers, or the material or the method of shipment failed to meet the health and safety standards prescribed by the Commission or any other United States Government agencies having jurisdiction over such matters, the Lessee shall pay the Commission the full cost of such decontamination as determined by the Commission in accordance with established Commission pricing policy.

Article XVII

Assignment

The Lessee may not assign this Lease without the express written approval of the Commission.

Article XVIII

Determination of material quantities and properties; settlement of measurement differences; adjustments of use-charges

A. The following provisions and procedures shall apply to the determination of quantities and properties of material, and the resolution of measurement differences resulting from such determination, with respect to material subject to this Lease which is returned directly to a Commission facility.

- (1) The Commission samples obtained using the Commission's procedures will be the official samples and shall be binding upon the Commission, the Lessee and the umpire unless the Commission and the Lessee agree upon the use of other samples.
- (2) If the Commission does not accept the Lessee's quantities and/or properties stated on the AEC transfer form for such material, the Commission shall, within thirty days after the receipt of the material or the AEC transfer form for such material, whichever is later, submit a notice of disagreement in writing to the Lessee. The notice of disagreement shall include measurement data supporting the disagreement. If such notice of disagreement is not submitted within such thirty days the Lessee's measurements will be final and binding upon both parties. The Commission shall not use or dispose of the material in any manner until the difference is resolved unless such use or disposition is mutually agreed to by the Commission and the Lessee; provided that nothing herein shall prevent the Commission from handling the material as necessary for storage or protection against health and safety hazards.
- (3) If the disagreement is not resolved by mutual agreement, the following procedures shall apply:
 - (a) If the disagreement concerns bulk measurement (i.e., total volume, gross and net weight, total piece count or any other measurement made on the entire quantity of material involved), repeat measurements shall be performed by an umpire mutually agreed to by both parties at a mutually agreed upon site. The umpire's results will be conclusive on both parties. The party whose original measurement result is furthest from the umpire's result

will bear the umpire's charges; provided, in the event the umpire's result is equidistant between the Lessee's and the Commission's results, the parties will each bear one-half of the umpire's charges.

- (b) If the disagreement concerns results obtained from analysis of a sample, an official sample will be submitted to an umpire mutually agreed upon for analysis. The umpire's results will be conclusive on both parties.
 - (i) In the case of a disagreement with respect to specification limits based on an official sample, the Commission will bear the umpire's charges if the umpire's value is within specification limits, and the Lessee will pay the umpire's charges if the umpire's value is not within specification limits.
 - (ii) In the case of a disagreement concerning quantitative determinations on an official sample, the umpire's value will be used and the party whose value is furthest from the umpire's value will pay the umpire's charges; provided, in the event the umpire's value is equidistant between the Lessee's and the Commission's values, the parties will each bear one-half of the umpire's charges.

B. The period of time during which use-charges shall accrue under this Lease with respect to material subject to a measurement disagreement hereunder shall be adjusted as follows:

- (1) Where the disagreement pertains to material returned directly to the Commission, no use charge shall accrue between the date of receipt of the shipment and the Lessee's receipt of notice of disagreement. Use-charges shall accrue between Lessee's receipt of notice of disagreement and the date of resolution or the date of use or disposition of the material by the Commission (when mutually agreed upon), whichever occurs first, unless the disagreement is resolved in favor of the Lessee.
- (2) Where an umpire is used and the umpire's results are equidistant from those of the parties, no use charge shall accrue for one-half of the period between the date of receipt of notice of disagreement and the date of resolution or the date of use or disposition of the material by the Lessee or the Commission (when mutually agreed upon), whichever occurs first.
- (3) Where the disagreement is resolved by mutual agreement, the period of use charge shall be included in and settled by mutual agreement.

The above use-charges shall apply to the total of the material whose quantity or other characteristics is involved, and not merely to the amount represented by any difference of the measurements.

C. The quantity and/or properties of irradiated material subject to this Lease and returned directly to a Commission facility for processing will be determined in accordance with the provisions and procedures agreed upon in the contact between the Lessee and the Commission for the processing of such material.

Article XIX

Patent indemnification

Unless expressly waived in writing by the Commission the Lessee agrees to indemnify the Government of the United States of America, the Commission, and persons acting for or on behalf of the Commission against liability, including costs and expenses incurred, for infringement of any Letters Patent occurring in the course of the performance of any service, analysis or test performed for the Lessee as a result of following specific instructions of the Lessee in connection therewith or occurring in the utilization by the Lessee of any material procured hereunder.

Article XX

Right to use and publish information

The Commission shall have the right to publish and use any information or data developed by the Commission or persons acting for or on behalf of the Commission as the result of any service, analysis or test performed hereunder for the Lessee.

Article XXI

Other contracts and agreements

This Lease contemplates the possibility of separate contracts between the Lessee and the Commission for processing services of irradiated materials which are subject to this Lease, and agreements between the Lessee and the Commission under which material subject to this Lease is made available to the Commission for its benefit, which may provide for suspension or termination of use charges and suspension, termination, or revision of other obligations hereunder, and for measurement of amounts of material which the Lessee is returning. Except for such suspension, termination, or revision, or the use of measurement data in determining amounts of material returned for which the Lessee will be allowed credit hereunder, the Lessee's obligations under this Lease for material subject to this Lease shall continue notwithstanding the existence of such separate contract or contracts.

Article XXII

Disputes

Except as otherwise specifically provided in this Lease, all disputes concerning questions of fact which may arise under this Lease, and which are not disposed of by mutual agreement, shall be referred to arbitration by a board composed of three competent arbitrators. One of such arbitrators shall be appointed by the Commission, one shall be appointed by the Lessee, and the third arbitrator shall be selected by the first two. In the event that the first two arbitrators so selected are unable to agree upon a third arbitrator, then each of the Parties shall designate another person to act as an arbitrator in lieu of the person previously appointed by such Party, which two new arbitrators shall endeavor to agree upon the third arbitrator. Such procedure shall be repeated until a third arbitrator shall have been selected. The decision of a majority of the arbitrators on the arbitration board shall be final and binding. Allocation of the costs of the arbitration shall be as determined by the board of arbitrators; provided, however, that neither Party shall be obliged to pay the costs of the other Party's arbitrator.

Article XXIII

Officials not to benefit

No member of or delegate to Congress or resident commissioner of the United States of America shall be admitted to any share or part of this Lease or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

Article XXIV

Covenant against contingent fees

The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty the Government of the United States of America shall have the right to annul this Lease without liability or in its discretion to deduct from the Lease price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Article XXV

Applicable law

This Lease shall be construed according to the laws applicable in the Federal Courts of the United States of America for contracts

in the United States of America to which the Government of the United States of America is a party.

Article XXVI

Notices

A. Any notice required by this Lease of the Lessee shall be submitted in writing to the Commission addressed to:

Director
Division of International Affairs
United States Atomic Energy Commission
Washington 25, D. C.

B. Any notices required by this Lease of the Commission shall be submitted in writing to the Lessee addressed to:

Embassy of the Netherlands
1470 Euclid Street, N.W.
Washington 9, D.C.

Article XXVII

Terms of Lease

This Lease shall become effective on December 28, 1960, except as provided in Article V and shall remain in force until the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands concerning civil uses of Atomic Energy signed June 22, 1956, as amended, and as it may be further amended or superseded, expires or is terminated. This Lease Agreement is subject to renewal, or prior termination as may be mutually agreed by the Parties.

IN WITNESS WHEREOF, the Parties have executed this Lease Agreement the day and year first above written.

The United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America:

By: (sd.) MYRON B. KRATZER
Title: *Deputy Director*

The Government of the Netherlands:

By: (sd.) J. H. VAN ROIJEN
Title: *Netherlands Ambassador*

APPENDIX "A"

to Lease Agreement for Special Nuclear Material between the United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America and the Government of the Netherlands

Special Nuclear Materials Lease Agreement No. NE/L/5
Materials Draft No.

Schedule 1

Schedule of deliveries by Commission of enriched uranium to the Lessee:

Date of Transfer	Quantity of Enriched Uranium		Enrichment in the Isotope U-235
Approx. December, 1960	U	U-235	Approx. 90%
	Approx. 2000 gms.	Approx. 1800 gms.	

Schedule 2

Schedule of estimated requirements for enriched uranium by the Contractor engaged by the Lessee.

Date of Requirement	Quantity of Enriched Uranium		Enrichment in the Isotope U-235
	U	U-235	
(Material on hand by Contractor)			

Schedule 3

Schedule of returns by Lessee to Commission of leased material.

Date of Transfer	Quantity of Enriched Uranium		Enrichment in the Isotope U-235
	U	U-235	
(To be established)			

APPENDIX "B"*Schedule 1*

Schedule of deliveries by Commission of enriched uranium to the Lessee:

Date of Transfer	Quantity of Enriched Uranium		Enrichment in the Isotope U-235
	U	U-235	
June 21, 1960	5264.72 gms	4724.58 gms	89.74%

Schedule 2

Schedule of estimated returns of enriched uranium by Lessee to Lessor.

Date of Transfer	Quantity of Enriched Uranium		Enrichment in the Isotope U-235
	U	U-235	
About June, 1962	Approx. 4.5 kgs.	Approx. 4 kgs.	Approx. 85%

The Parties may from time to time by means of exchange of letters agree to revise or supplement the dates of transfer, quantities of special nuclear material, and enrichments in the isotope U-235 set forth in the above schedules.

The United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America:

(sd.) MYRON B. KRATZER

Title: *Deputy Director*

Date: December 28, 1960

The Government of the Netherlands:

(sd.) J. H. VAN ROIJEN

Title: *Netherlands Ambassador*

Date: December 28, 1960

Ter uitvoering van de onderhavige Overeenkomst, zoals gewijzigd, is op 20 maart 1961 te Washington een huurovereenkomst van speciaal splijtbaar materiaal ten behoeve van een reactor te Delft gesloten tussen de Regering van het Koninkrijk der Nederlanden en de Commissie inzake Atoomenergie der Verenigde Staten, optredende namens de Regering van de Verenigde Staten van Amerika. De tekst van deze huurovereenkomst, welke ingevolge artikel XXVI op de dag van ondertekening in werking is getreden, luidt als volgt:

Lease Agreement for special nuclear material between the United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America and the Government of the Netherlands
(NE/L/6)

The United States Atomic Energy Commission (hereinafter referred to as the "Commission"), acting on behalf of the Government of the United States of America, and the Government of the Netherlands (hereinafter referred to as the "Lessee"), with respect to the lease of special nuclear materials pursuant to the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands Concerning Civil Uses of Atomic Energy, signed on June 22, 1956, as amended, and as it may be further amended or superseded, and subject to the terms, conditions, provisions, and guarantees contained therein,

Agree as follows:

Article I

Definitions

As used in this Lease:

A. The term "*Act*" means the Atomic Energy Act of 1954, as amended from time to time.

B. The term "*Agreement for Cooperation*" means the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands signed at Washington, on June 22, 1956, as amended, and as it may be further amended or superseded.

C. The terms "*Atomic Energy Commission*", "*Commission*" or "*AEC*" mean the United States Atomic Energy Commission or any duly authorized representative thereof.

D. The term "*base charge*" means the United States dollar amount per unit of special nuclear material in standard form and specification in effect as of the time any particular transaction under this Lease takes place, as set forth in schedules published by the Commission in the Federal Register from time to time.

E. The term "*Commission facility*" means a laboratory, plant, office or other establishment operated by or on behalf of the Commission.

F. The term "*Commission's established specifications*" means the specifications for purity and other physical or chemical properties of special nuclear material, as published by the Commission in the United States Federal Register from time to time.

G. The terms "*consumed*" or "*consumption*" include the reduction in value of material due to blending of different assays of special nuclear material, or other alteration of the isotope ratio, and the disposition of material in such manner that it cannot be economically recovered for further use.

H. The term "*persons acting on behalf of the Commission*" includes employees and contractors of the Commission, and employees of such contractors, who implement or participate in the implementation of the Lease pursuant to their employment or their contracts with the Commission.

I. The term "*source material*" means source material as defined in the Agreement for Cooperation.

J. The term "*special nuclear material*" means special nuclear material as defined in the Agreement for Cooperation. Unless the context otherwise indicates, the term "material" refers to "special nuclear material" as defined herein.

K. The term "*value*" means the United States dollar amount determined by multiplying the applicable Commission base charge by the number of units, or fractions thereof, of special nuclear material involved, whether or not such material is in standard form and specification.

L. The term "*worth*" means the United States dollar amount determined by multiplying the applicable Commission unit price for normal or depleted uranium as uranium hexafluoride by the number of units, or fractions thereof, of normal or depleted uranium involved. The Commission's applicable unit price for normal or depleted uranium will be fixed in accordance with established Commission pricing policy then in effect.

M. The term "*established Commission pricing policy*" means any applicable price or charge in United States dollars in effect at the time any particular transaction under this Lease takes place (i) published by the Commission in the Federal Register, or (ii) in the absence of such a published figure, determined in accordance with the Commission's pricing policies, as amended from time to time. A statement of such pricing policies will be furnished the Lessee upon request. The Commission's published prices and charges as well as its pricing policies may be amended from time to time.

Article II

A. The Commission agrees to lease to the Lessee, and the Lessee agrees to lease from the Commission, uranium enriched in the isotope U-235 in accordance with Schedule 1 of Appendix "A" attached hereto. Such enriched uranium prior to becoming subject to this Lease shall be processed and fabricated in the United States of America by a contractor engaged by the Lessee. Such processed and fabricated enriched uranium after becoming subject to this Lease is to be used in the operation of a 100 kw pool-type training and research reactor located at Delft, the Netherlands, or for such other purposes as the Parties may mutually agree in writing. The enriched uranium so leased shall at all times be retained by the Lessee at the site mentioned above or at such other location as the Parties may mutually agree in writing.

B. This Lease is subject to all of the terms, conditions, provisions, and guarantees contained in the Agreement for Cooperation.

Article III

A. The Commission shall make available to the United States contractor engaged by the Lessee, f.o.b. commercial conveyance at a facility of the Commission, amounts of enriched uranium hexafluoride as set forth in Schedule 2 of Appendix "A" subject to such terms, charges, conditions, and licenses as the Commission may require. Unless otherwise agreed by the Parties, the percent of the isotope U-235 in the enriched uranium processed or fabricated by the Lessee's contractor shall be deemed the same as the U-235 isotopic enrichment of the uranium made available by the Commission to the contractor. The quantity of such enriched uranium contained in the processed or fabricated material shall be as determined by the contractor and concurred in or revised by the Commission after any reviews or analyses which the Commission may deem appropriate. The Lessee shall cause the contractor to submit to the Commission a written certification of the contractor's determination of the U-235 isotopic content and quantity of such enriched uranium contained in the processed or fabricated material.

B. Upon completion of the processing or fabrication and preparation of the enriched uranium by the contractor, and receipt by the Commission of the written certification of the contractor's determination of the isotopic content and quantity of enriched uranium contained in the processed or fabricated material, the Lessee shall arrange for a transporter who, after thirty (30) days written notice by the Lessee to the Commission and subject to the terms, charges, conditions, and licenses as the Commission may require, shall transport and deliver such processed or fabricated enriched uranium to a port of export in the United States of America to be designated by the

Commission after consultation with the Lessee. The Commission shall thereupon perform those actions required to effect the delivery and authorize the export of such material to the Lessee at such designated port. All costs of domestic and overseas transportation and delivery (including cost of containers and packaging) and of storing such material, as well as all arrangements for physically handling such material in connection with such delivery shall be the responsibility of and borne by the Lessee and not the Commission. The Lessee or its duly authorized agent shall accept delivery of such material at the designated port of export, and shall sign an appropriate written receipt therefor, whereupon the lease of such material shall commence and the Lessee shall assume full and complete responsibility for the enriched uranium contained therein.

Article IV

Title

Title to all material furnished to or received by the Lessee subject to this Lease shall at all times be and remain in the Government of the United States of America.

Article V

Term of Lease, termination and cancellation

A. The Lessee shall have the right to possess and use material covered by this Lease for the term provided in Schedule 3 of Appendix "A", but in any event not beyond the duration of the Agreement for Cooperation.

B. The expiration, suspension, or termination, in whole or in part, of the Agreement for Cooperation shall automatically result in the expiration of this Lease insofar as the affected material is concerned.

C. The Lessee may cancel any request for material under this Lease by notice in writing to the Commission at any time prior to delivery of the material; provided, the Lessee shall pay a cancellation charge for the costs incurred by the Commission in connection with such request, as determined in accordance with established Commission pricing policy then in effect.

D. Either party may cancel this Lease at any time the other party fails or neglects to fulfill its obligations hereunder or under the Agreement for Cooperation.

Article VI

Material to be furnished by the Commission; service charges

A. Except as otherwise provided in Appendix "A", special nuclear material which is to become subject to this Lease shall be furnished to the Lessee's contractor as uranium hexafluoride in accordance with the Commission's established specifications.

B. Arrangements for the payment of the Commission's service charges, if any, for withdrawal and packaging, and for any other special service rendered pursuant to the Lessee's request, with respect to material furnished to the Lessee's contractor prior to being leased hereunder shall be made with such contractor.

C. If the material furnished by the Commission to the Lessee's contractor does not conform to the Commission's established specification, or to the specifications set forth in Appendix "A", whichever are applicable, the responsibility and liability of the Government of the United States of America, the Commission, and persons acting for and on behalf of the Commission shall be limited solely to correcting such discrepancies by furnishing of material which does conform to the applicable specifications. The Commission shall pay the transportation charges for returning any material obtained directly from the Commission which does not conform to applicable specifications, as well as the transportation charges for shipping conforming replacement material.

D. It is recognized that material furnished under this Lease as enriched uranium (U-235) may be consumed in such manner as to reduce the isotopic ratio thereof to the extent that the lease material is no longer special nuclear material as defined herein. Except as provided herein, or as otherwise mutually agreed, the resulting normal or depleted uranium will be, and remain, subject to the provisions of this Lease as if the material were special nuclear material; provided, that the Lessee's obligations for loss or consumption of, and for use-charges with respect to, such material, shall be computed using the worth of the normal or depleted uranium.

E. The Lessee shall not blend special nuclear material subject to this Lease without the prior consent of the Commission.

Article VII

Return of material to the Commission; special charges for Commission services

A. The Lessee will return all material subject to this Lease upon the expiration or earlier cancellation or termination of this Lease, provided, however, that the Lessee shall have the right to return such material at any time prior to such date.

B. Except as otherwise provided herein, or as may be mutually agreed, material subject to this Lease will be returned directly to the Commission in the form of uranium hexafluoride meeting Commission's established specification for return of material in effect as of the date of this Lease, after having been processed in facilities acceptable to the Commission.

C. Material transferred to another nation or international organization with the consent of the Commission, regardless of the form and/or specification of such material, shall be deemed to have been returned to the Commission.

D. In the event that no reprocessing facilities other than the Commission's are available to the Lessee and acceptable to the Commission, or in the event the Lessee establishes to the satisfaction of the Commission that the charge for processing in acceptable non-Commission facilities would exceed the value of special nuclear material recoverable, the Commission will accept the return of material in a form and/or specification other than that provided in B., above. In such event, the Lessee shall have the option to (i) pay a service charge for processing such returned material so as to enable it to satisfy the Commission's established specifications in effect as of the date of this Lease, or (ii) pay a sum equal to the value or worth of such material plus a special service charge, determined in accordance with Commission pricing policy then in effect for handling, storage and/or disposal of the material. The service charge for processing shall include the Commission's charge for processing, as determined in accordance with the established Commission pricing policy then in effect, and an amount, as determined by the Commission, for the value or worth of the material consumed during processing. Whenever material returned by the Lessee is subject to processing charges under this subparagraph, the Lessee shall continue to pay the use-charge on such material until expiration of a normal processing period as determined by the Commission.

E. It is understood by the Parties hereto that at such time as material leased hereunder requires chemical processing, and upon request of the Lessee, the Commission will make a determination as to whether, and under what terms and conditions, it can undertake to perform such services, taking into consideration such factors as the availability of: a) acceptable commercial facilities to perform the service, b) Commission facilities, and c) comparable services by the Commission to U.S. reactor licensees.

F. Material subject to this Lease returned directly to the Commission in the form of uranium hexafluoride shall be shipped only in cylinders of appropriate size as specified by the Commission. The quantity of such material shipped in a container shall not be less than the then Commission-established minimum loading for the type of cylinder used.

G. All material returned to the Commission shall be transported under appropriate safeguards against hazards to health and safety in accordance with Schedule 3 of Appendix "A" to a port of entry in the United States of America to be designated by the Commission after consultation with the Lessee. The Commission shall thereupon

perform those actions required to authorize the import and effect the transfer of such material to the Commission at such designated port. Unless otherwise mutually agreed by the Parties, the Lessee shall thereafter arrange at the Lessee's expense for a carrier, subject to such terms, charges, conditions, and licenses as the Commission may require, to transport such material to the Commission facility or location specified by the Commission, f.o.b. commercial conveyance at such facility or location. Unless waived by the Commission, the Lessee shall give the Commission at least thirty (30) days' written notice of intent to return material directly to the Commission. The Commission will notify the Lessee promptly after receipt of the Lessee's notice of intent to return material as to the Commission facility or location designated for return of this material. The Lessee, at the time of shipment of material, shall notify the Commission facility or other location to which shipment is made of the date and method of shipment, and expected date of arrival.

Article VIII

Payment for material lost or consumed

A. Except as otherwise provided herein, the Lessee shall be responsible for and shall reimburse the Commission for any loss or consumption of material, whether or not such loss or consumption is due to the fault or neglect of the Lessee, or any other cause occurring from the time of delivery of such material to the Lessee and until such material has been returned to the Commission as provided herein.

B. The amount due to the Commission for material lost or consumed shall be the value or worth of such material computed in accordance with the terms and conditions specified in this Lease; provided, that where material is consumed by reduction of value due to blending with special nuclear material or other alteration of the isotopic ratio, the amount due shall be determined by subtracting the value or worth of the blended or altered material from the value or worth of such material prior to such blending or alteration, as shown in the Lessee's account, established under Article XI below. The Lessee may, and shall, when required by the Commission, pay for material lost or consumed on a provisional basis based on the data reflected in the Lessee's reports of material lost or consumed. The forms for reporting material lost or consumed shall be prescribed by the Commission.

Article IX

Use-charge payment

The Lessee agrees to pay the Commission a use-charge for material subject to this Lease, as provided in Article XI below. The rate of

use-charge shall be the Commission's published rate of annual (365 days) use-charge in effect for the period covered by the Commission's invoice.

Article X

Other authority

Nothing in this Lease shall be deemed to obligate the Lessee to pay the Commission's charges with respect to materials or services subject to this Lease or to observe other specific provisions of this Lease, if the Commission, in accordance with statutory or other authority available to it, determines that such charges or other provisions are not applicable.

Article XI

Establishment of special nuclear material lease account

A. The Commission will establish a special nuclear material lease account for the Lessee to which will be charged, as provided herein, the amount or amounts equal to the value or worth of the material subject to this Lease. Such account will be credited, as provided herein, with the amount or amounts equal to the value or worth of the material returned or paid for, in accordance with this Lease. The daily balance of this account shall be used for computing the amount due to the Commission for use-charges. The value or worth of material reflected in this account after credit for the value or worth of material returned and for payments for material lost or consumed shall represent the amount due to the Commission for material not returned or paid for.

B. Except as otherwise provided in this Lease, the Lessee's account will be charged for material furnished as of the date material is delivered to the Lessee, as provided in Article II.B.

C. The Lessee's account will be credited for material returned directly to the Commission or transferred to another nation or international organization only when the material is returned or transferred in accordance with Article VII. Except as otherwise provided in this Lease, the Lessee's account will be credited for material returned directly to the Commission as of the date the material is delivered to a location specified by the Commission pursuant to this Lease. Credit for material transferred to another nation or international organization will be made as of the date to be mutually agreed. Credit for material paid for will be made as of the date such payment is received by the Commission.

D. Whenever the Commission changes any applicable base charge as provided in Article XII, below, the value or worth of material recorded in Lessee's account will be recomputed at the new base charge; provided, that the value or worth of material lost or consumed

as of the date of such charge shall not be recomputed. The new base charge will be used in determining the value or worth of material lost or consumed, and for computing the value or worth of material subject to use-charges, subsequent to the effective date of the change in the applicable base charge.

E. The Lessee will be notified of the debits and credits made to his account as the result of shipments and transfers of materials, and of any changes in the value or worth of material in such account as the result of changes in the applicable base charges. The Lessee will promptly notify the Commission of any disagreement with, discrepancies, or errors in such notices.

F. The Lessee will submit such transfer documents covering receipts and shipments, and reports of loss or consumption, and inventory, with respect to material subject to this Lease as the Commission may prescribe, and shall maintain and make available to the Commission for inspection, upon reasonable notice, adequate records pertaining to the receipt, possession, transfer, or use of material subject to this Lease.

Article XII

Changes in rate of use-charge, base charges, and specifications

A. The rate of use-charge, base charges, or specifications for material furnished pursuant to this Lease are subject to change by the Commission in accordance with the Act.

B. Any changes in rate of use-charge, base charges, or specifications shall be effective on either July 1 or January 1 as stated in a notice of change published by the Commission, provided at least thirty (30) days prior written notice of such changes is given the Lessee.

Article XIII

Performance of AEC obligations; billing

A. The Commission may fulfill its obligations under the Lease through the operator of any of its facilities.

B. Billings for amounts due to the Commission under the Lease will ordinarily be made

- (1) following the performance of any service, and
- (2) semi-annually for use-charge and for loss or consumption of material.

C. All billings made on a provisional basis are subject to adjustment to recognize actual amounts, enrichment, isotopic content, and specifications of material involved; provided that, except as stated in paragraph D, below, such adjustments will not subject the Lessee or the Commission to liability for interest.

D. All bills rendered by or on behalf of the Commission are due 60 days from date of invoice and shall be paid in United States currency. Payment received after 60 days from date of invoice shall entitle the Commission to an additional charge at six per cent per annum on such amount.

Article XIV

Injury or damage

A. Neither the Government of the United States of America, the Commission, nor persons acting for or on behalf of the Commission shall make any warranty or other representation, express or implied, that material furnished under this Lease (1) will not result in injury or damage when used for the purpose intended by the Parties, (2) will accomplish the results for which it is requested from the Commission, or (3) is safe for any other use.

B. With respect to the special nuclear material leased hereunder, the Lessee shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear material after delivery by the Commission to the Lessee.

Article XV

Time of delivery

The Commission will make reasonable efforts to deliver material at the time or times requested by the Lessee, but neither the Government of the United States of America, the Commission, nor persons acting for or on behalf of the Commission shall be subject to any liability for any failure to do so.

Article XVI

Cylinders and equipment

A. Except as otherwise agreed, all shipments of enriched uranium (U-235) in the form of uranium hexafluoride (UF₆) from the Lessee directly to the Commission, will be made in cylinders purchased from the AEC. If requested by the Lessee, these cylinders will be made available to the Lessee, f.o.b. commercial conveyance, at the Commission facility.

B. Except as provided in A, above, shipments of material subject to this Lease to the Lessee, and the return of such materials to the Commission, shall be made only in containers or equipment acceptable to the Commission. The Commission may, but shall not be required to, furnish containers and equipment for shipping such material.

C. Any non-AEC-supplied cylinders, containers, and equipment furnished or utilized by the Lessee will meet current Commission specifications and practices as to safety, design criteria, cleanliness, and freedom from contamination, of which the Commission shall be the sole judge. The Commission will endeavor to return non-AEC-owned cylinders, containers, and other equipment to the Lessee in a reasonable time, but will not be responsible for any loss of or damage to such cylinders, containers, or equipment except as may result from its fault or negligence. Such return shipments by the Commission will be made f.o.b. commercial conveyance at the Commission facility.

D. Whenever material is shipped to the Commission, and the Commission elects to decontaminate the containers, railroad cars, trucks, or other shipping vehicles or the Commission's unloading area and machinery, because the containers, or the material or the method of shipment failed to meet the health and safety standards prescribed by the Commission or any other United States Government agencies having jurisdiction over such matters, the Lessee shall pay the Commission the full cost of such decontamination as determined by the Commission in accordance with established Commission pricing policy.

Article XVII

Assignment

The Lessee may not assign this Lease without the express written approval of the Commission.

Article XVIII

Determination of material quantities and properties; settlement of measurement differences; adjustments of use-charges

A. The following provisions and procedures shall apply to the determination of quantities and properties of material, and the resolution of measurement differences resulting from such determination, with respect to material subject to this Lease which is returned directly to a Commission facility.

- (1) The Commission samples obtained using the Commission's procedures will be the official samples and shall be binding upon the Commission, the Lessee and the umpire unless the Commission and the Lessee agree upon the use of other samples.
- (2) If the Commission does not accept the Lessee's quantities and/or properties stated on the AEC transfer form for such material, the Commission shall, within thirty days after the

receipt of the material or the AEC transfer form for such material, whichever is later, submit a notice of disagreement in writing to the Lessee. The notice of disagreement shall include measurement data supporting the disagreement. If such notice of disagreement is not submitted within such thirty days the Lessee's measurements will be final and binding upon both parties. The Commission shall not use or dispose of the material in any manner until the difference is resolved unless such use or disposition is mutually agreed to by the Commission and the Lessee; provided that nothing herein shall prevent the Commission from handling the material as necessary for storage or protection against health and safety hazards.

- (3) If the disagreement is not resolved by mutual agreement, the following procedures shall apply:
 - (a) If the disagreement concerns bulk measurement (i.e., total volume, gross and net weight, total piece count or any other measurement made on the entire quantity of material involved), repeat measurements shall be performed by an umpire mutually agreed to by both parties at a mutually agreed upon site. The umpire's results will be conclusive on both parties. The party whose original measurement result is furthest from the umpire's result will bear the umpire's charges; provided, in the event the umpire's result is equidistant between the Lessee's and the Commission's results, the parties will each bear one-half of the umpire's charges.
 - (b) If the disagreement concerns results obtained from analysis of a sample, an official sample will be submitted to an umpire mutually agreed upon for analysis. The umpire's results will be conclusive on both parties.
 - (i) In the case of a disagreement with respect to specification limits based on an official sample, the Commission will bear the umpire's charges if the umpire's value is within specification limits, and the Lessee will pay the umpire's charges if the umpire's value is not within specification limits.
 - (ii) In the case of a disagreement concerning quantitative determinations on an official sample, the umpire's value will be used and the party whose value is furthest from the umpire's value will pay the umpire's charges; provided, in the event the umpire's value is equidistant between the Lessee's and the Commission's values, the parties will each bear one-half of the umpire's charges.

B. The period of time during which use-charges shall accrue under this Lease with respect to material subject to a measurement disagreement hereunder shall be adjusted as follows:

- (1) Where the disagreement pertains to material returned directly to the Commission, no use charge shall accrue between the date of receipt of the shipment and the Lessee's receipt of notice of disagreement. Use charges shall accrue between Lessee's receipt of notice of disagreement and the date of resolution or the date of use or disposition of the material by the Commission (when mutually agreed upon), whichever occurs first, unless the disagreement is resolved in favor of the Lessee.
- (2) Where an umpire is used and the umpire's results are equidistant from those of the parties, no use charge shall accrue for one-half of the period between the date of receipt of notice of disagreement and the date of resolution or the date of use or disposition of the material by the Lessee or the Commission (when mutually agreed upon), whichever occurs first.
- (3) Where the disagreement is resolved by mutual agreement, the period of use charge shall be included in and settled by mutual agreement.

The above use charges shall apply to the total of the material whose quantity or other characteristics is involved, and not merely to the amount represented by any difference of the measurements.

C. The quantity and/or properties of irradiated material subject to this Lease and returned directly to a Commission facility for processing will be determined in accordance with the provisions and procedures agreed upon in the contract between the Lessee and the Commission for the processing of such material.

Article XIX

Patent indemnification

Unless expressly waived in writing by the Commission the Lessee agrees to indemnify the Government of the United States of America, the Commission, and persons acting for or on behalf of the Commission against liability, including costs and expenses incurred, for infringement of any Letters Patent occurring in the course of the performance of any service, analysis or test performed for the Lessee as a result of following specific instructions of the Lessee in connection therewith, or occurring in the utilization by the Lessee of any material procured hereunder.

Article XX

Right to use and publish information

The Commission shall have the right to publish and use any information or data developed by the Commission or persons acting for or on behalf of the Commission as the result of any service, analysis or test performed hereunder for the Lessee.

Article XXI

Other contracts and agreements

This Lease contemplates the possibility of separate contracts between the Lessee and the Commission for processing services of irradiated materials which are subject to this Lease, and agreements between the Lessee and the Commission under which material subject to this Lease is made available to the Commission for its benefit, which may provide for suspension or termination of use charges and suspension, termination, or revision of other obligations hereunder, and for measurement of amounts of material which the Lessee is returning. Except for such suspension, termination, or revision, or the use of measurement data in determining amounts of material returned for which the Lessee will be allowed credit hereunder, the Lessee's obligations under this Lease for material subject to this Lease shall continue notwithstanding the existence of such separate contract or contracts.

Article XXII

Officials not to benefit

No member of or delegate to Congress of the United States of America or resident commissioner of the United States of America shall be admitted to any share or part of this Lease or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

Article XXIII

Covenant against contingent fees

The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty the Government of the United States of America shall have the right to annul this Lease without liability or in its discretion to deduct from the Lease price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Article XXIV

Applicable law

This Lease shall be construed according to the laws applicable in the Federal Courts of the United States of America for contracts in the United States of America to which the Government of the United States of America is a party.

Article XXV

Notices

A. Any notice required by this Lease of the Lessee shall be submitted in writing to the Commission addressed to:

Director
Division of International Affairs
United States Atomic Energy Commission
Washington 25, D.C.

B. Any notices required by this Lease of the Commission shall be submitted in writing to the Lessee addressed to:

Embassy of the Netherlands
1470 Euclid Street, N.W.
Washington 9, D.C.

Article XXVI

Terms of lease

This Lease shall become effective upon signature of representatives of both the Commission and Lessee and shall remain in force until the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands concerning civil uses of Atomic Energy, signed June 22, 1956, as amended, and as it may be further amended or superseded, expires or is terminated. This Lease Agreement is subject to renewal, or prior termination as may be mutually agreed by the Parties.

In WITNESS WHEREOF, the parties have executed this Lease Agreement this 20th day of March, 1961.

The United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America:

By (sd.) MYRON B. KRATZER
Title: *Deputy Director, DIA*

The Government of the Netherlands:

By (sd.) J. H. VAN ROIJEN
Title: *Ambassador*

APPENDIX "A"

to Lease Agreement for Special Nuclear Material between the United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America and the Government of the Kingdom of the Netherlands

Special Nuclear Materials Lease Agreement no. NE/L/6
Materials Draft No.

Schedule 1

Schedule of deliveries by Commission of enriched uranium to the Lessee:

Date of Transfer	Quantity of Enriched Uranium		Enrichment in the Isotope U-235
	U	U-235	
February, 1961	Approx. 5,300 gm	Approx. 4,700 gm	Approx. 90%

Schedule 2

Schedule of estimated requirements for enriched uranium by the Contractor engaged by the Lessee:

Date of Requirement	Quantity of Enriched Uranium		Enrichment in the Isotope U-235
	U	U-235	

(Enriched uranium has been supplied to contractor)

Schedule 3

Schedule of returns by Lessee to Commission of leased material:

Date of Transfer	Quantity of Enriched Uranium		Enrichment in the Isotope U-235
	U	U-235	
Approx. February, 1964	Approx. 5,000 gm	Approx. 4,300 gm	Approx. 87%

The Parties may from time to time by means of exchange of letters agree to revise or supplement the dates of transfer, quantities of special nuclear material, and enrichments in the isotope U-235 set forth in the above schedules.

The United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America:

(sd.) MYRON B. KRATZER

Title: *Deputy Director, DIA*

Date: Mar 20, 1961

The Government of the Netherlands:

(sd.) J. H. VAN ROIJEN

Title: *Ambassador*

Date:

Ter uitvoering van de onderhavige Overeenkomst, zoals gewijzigd, is op 10 augustus 1962 te Washington een eerste (raam)huurovereenkomst van speciaal splijtbaar materiaal gesloten tussen de Regering van het Koninkrijk der Nederlanden en de Commissie inzake Atoomenergie der Verenigde Staten, optredende namens de Regering van de Verenigde Staten van Amerika. De tekst van deze huurovereenkomst, welke ingevolge artikel XXVII op de dag van ondertekening in werking is getreden en welke is vervangen door de hierna afgedrukte tweede (raam) huurovereenkomst van 30 juni 1963, luidt als volgt:

**Lease for special nuclear material between the United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America and the Government of the Netherlands
(NE/ML/7)**

The United States Atomic Energy Commission (hereinafter referred to as the "Commission"), acting on behalf of the Government of the United States of America, and the Government of the Netherlands (hereinafter referred to as the "Lessee"), with respect to the lease of special nuclear materials pursuant to the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands Concerning Civil Uses of Atomic Energy, signed on June 22, 1956, as amended, and as

it may be further amended or superseded, and subject to all of the terms, conditions, provisions, and guarantees contained therein,

Agree as follows:

Article I
Definitions

As used in this Lease:

- a. The term "*Act*" means the Atomic Energy Act of 1954, as amended.
- b. The term "*Agreement for Cooperation*" means the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands signed at Washington, on June 22, 1956, as amended, and as it may be further amended or superseded.
- c. The terms "*Atomic Energy Commission*", "*Commission*" or "*AEC*" mean the United States Atomic Energy Commission or any duly authorized representative thereof.
- d. The term "*base charge*" means the United States dollar amount per unit of special nuclear material in standard form and specification in effect as of the time any particular transaction under this Lease takes place, as set forth in schedules published by the Commission in the United States Federal Register from time to time.
- e. The term "*Commission facility*" means a laboratory, plant, office, or other establishment operated by or on behalf of the Commission.
- f. The term "*Commission's established specifications*" means the specifications for purity and other physical or chemical properties of special nuclear material, as published by the Commission in the United States Federal Register from time to time.
- g. The terms "*consumed*" or "*consumption*" include the reduction in value of material due to blending of different assays of special nuclear material, or other alteration of the isotopic ratio, and the disposition of material in such manner that it cannot be economically recovered for further use.
- h. The term "*persons acting on behalf of the Commission*" includes employees and contractors of the Commission, and employees of such contractors, who implement or participate in the implementation of this Lease pursuant to their employment or their contracts with the Commission.
- i. The term "*source material*" means source material as defined in the Agreement for Cooperation.

- j. The term "*special nuclear material*" means special nuclear material as defined in the Agreement for Cooperation. Unless the context otherwise indicates, the term "material" refers to "special nuclear material" as defined herein.
- k. The term "*value*" means the United States dollar amount determined by multiplying the applicable Commission base charge by the number of units or fractions thereof, of special nuclear material involved, whether or not such material is in standard form and specification.
- l. The term "*worth*" means the United States dollar amount determined by multiplying the applicable Commission unit price for normal or depleted uranium as uranium hexafluoride by the number of units, or fractions thereof, of normal or depleted uranium involved. The Commission's applicable unit price for normal or depleted uranium will be fixed in accordance with established Commission pricing policy then in effect.
- m. The term "*established Commission pricing policy*" means any applicable price or charge in United States dollars in effect at the time any particular transaction under this Lease takes place (i) published by the Commission in the United States Federal Register, or (ii) in the absence of such a published figure, determined in accordance with the Commission's pricing policies. A statement of such pricing policies will be furnished the Lessee upon request. The Commission's published prices and charges, as well as its pricing policies, may be amended from time to time.

Article II

Scope

- a. This Lease is subject to all of the terms, conditions, provisions, and guarantees contained in the Agreement for Cooperation.
- b. Unless otherwise provided herein, or in a written agreement between the Commission and the Lessee, the terms and conditions contained herein shall apply to material and related services furnished to the Lessee pursuant to his order by the Commission on and after the date of execution of this Lease, and to the material listed in Appendix "A" attached hereto and made a part hereof.
- c. The Lessee shall order material pursuant to this Lease through the execution and submission of a special nuclear material order form prescribed by the Commission. At the time of submission of said form, the Lessee shall specify whether he has engaged a United States contractor to process and/or fabricate the ordered material in the United States or whether the said material should be furnished him directly. In either case, the

material ordered by the Lessee shall be delivered to him by the Commission at a United States port of export as provided for in Article XV of this Lease.

- d. Acceptance of the Lessee's order for material by or on behalf of the Commission shall constitute the Commission's commitment to lease the material specified in such order subject to the terms of said order and of this Lease.
- e. Nothing herein shall be deemed to obligate the Lessee to order material or to obligate the Commission to lease material to the Lessee, or to provide services for the Lessee with respect to the material.
- f. All existing agreements and arrangements between the Commission and the Lessee pursuant to which the Lessee possesses or is responsible for the material listed in Appendix "A" are hereby cancelled, except as to accrued payments due thereunder.

Article III

Title

Except as otherwise may be agreed by the Parties hereto, title to all material furnished to or received by the Lessee subject to this Lease shall at all times be and remain in the Government of the United States of America.

Article IV

Term of lease, termination and cancellation

- a. Except as otherwise provided herein, the Lessee shall have the right to possess and use material covered by this Lease until June 30, 1963; provided this Lease may be extended by mutual agreement of the Parties.
- b. The expiration, suspension, or termination, in whole or in part, of the Agreement for Cooperation shall automatically result in the expiration of this Lease and any orders for material shall be of no further force or effect as to the affected material.
- c. The Lessee may cancel any order for material under this Lease by notice in writing to the Commission at any time prior to delivery of the material; provided, the Lease shall pay a cancellation charge for the costs incurred by the Commission in connection with such order, as determined in accordance with established Commission pricing policy then in effect.
- d. Either party may cancel this Lease at any time the other party fails or neglects to fulfill its obligations hereunder or under the Agreement for Cooperation.

Article V

Material to be furnished by the Commission; service charges

- a. Except as otherwise provided herein, special nuclear material subject to this Lease shall be furnished to the Lessee or its designated United States contractor in standard form in accordance with the Commission's established specifications. The current standard form for the materials listed below are:

Standard Forms

Enriched uranium (U-235)	— As uranium hexafluoride
Plutonium	— As plutonium metal
Uranium-233	— As uranyl nitrate

- b. The Lessee shall pay the Commission's service charges, if any, for withdrawal and packaging, and for any other special service rendered pursuant to the Lessee's order, with respect to material leased hereunder which is to be furnished the Lessee directly. Unless such charge or charges are agreed to in the order executed by the Lessee and the Commission for material, the Lessee shall pay the Commission its charges for the services rendered pursuant to the Lessee's order as determined in accordance with established Commission pricing policy then in effect. Lessee shall also pay the use-charge, as hereinafter provided, for the period covered by such services, and the value of material consumed in the rendering of such special services.
- c. In the case of material ordered hereunder by the Lessee which is to be furnished a United States contractor engaged by the Lessee, arrangements for payment of the Commission's service charges, if any, for withdrawal and packaging, and for any other special service rendered pursuant to the Lessee's order shall be made with such contractor. Arrangements for the payment of the use-charge, as hereinafter provided, for the period covered by such services, and value of the material consumed in rendering such special services shall also be made with the said contractor.
- d. If the material ordered hereunder is furnished directly to the Lessee and does not conform to the specifications set forth in an order executed by the Lessee and the Commission or, if no such specifications are set forth, to the Commission's established specifications, the responsibility and liability of the Government of the United States of America, the Commission, and persons acting for and on behalf of the Commission shall be limited solely to correcting such discrepancies by delivery of material which does conform to the applicable

specifications. The Commission will pay the transportation charges for returning any material obtained directly from the Commission which does not conform to applicable specifications, as well as the transportation charges for shipping conforming replacement material.

- e. In the case of material ordered hereunder by the Lessee which is furnished the Lessee's designated United States contractor prior to delivery to the Lessee by the Commission, the liabilities of the Commission concerning non-conformity to the specifications of said material shall be governed by the arrangements between the Commission and the said contractor.
- f. It is recognized that material furnished under this Lease as enriched uranium (U-235) may be consumed in such manner as to reduce the isotopic ratio thereof to the extent that the leased material is no longer special nuclear material as defined herein. The resulting normal or depleted uranium will be, and remain, subject to the provisions of this Lease as if the material were special nuclear material; provided, that the Lessee's obligations for loss or consumption of, and for use-charges with respect to, such material, shall be computed using the worth of the normal or depleted uranium.
- g. The Lessee shall not blend special nuclear material subject to this Lease without prior consent of the Commission.

Article VI

Return of material to the Commission; special charges for Commission services

- a. Except as otherwise may be agreed by the parties hereto, the Lessee will return all material subject to this Lease upon the expiration or earlier termination of this Lease, provided, however, that the Lessee shall have the right to return such material at any time prior to such date.
- b. Except as otherwise provided herein, or as may mutually agreed, material subject to this Lease which is returned directly to the Commission shall be in one of the following standard forms after having been processed in facilities acceptable to the Commission:

Enriched uranium (U-235)	— As uranium hexafluoride
Plutonium	— As plutonium metal
Uranium-233	— As uranyl nitrate;

and shall meet the Commission's established specifications for return of material in effect as of the date of this Lease.

- c. Material transferred to another nation or international organization with the consent of the Commission, regardless of the form and/or specification of such material, shall be deemed to have been returned to the Commission.
- d. In the event that no reprocessing facilities other than the Commission's are available to the Lessee and acceptable to the Commission, or in the event the Lessee establishes to the satisfaction of the Commission that the charge for processing in acceptable non-Commission facilities would exceed the value of special nuclear material recoverable, the Commission will accept the return of material in a form and/or specification other than that provided in *b.*, above. In such event, the Lessee shall have the option to (i) pay a service charge for processing such returned material so as to enable it to satisfy the Commission's established specifications in effect as of the date of this Lease, or (ii) pay a sum equal to the value or worth of such material plus a special service charge, determined in accordance with Commission pricing policy then in effect for handling, storage and/or disposal of the material. The service charge for processing shall include the Commission's charge for processing, as determined in accordance with the established Commission pricing policy then in effect, and an amount, as determined by the Commission, for the value or worth of the material consumed during processing. Whenever material returned by the Lessee is subject to processing charges under this subparagraph, the Lessee shall continue to pay the use-charge on such material until expiration of a normal processing period as determined by the Commission.
- e. It is understood by the parties hereto that at such time as material leased hereunder requires chemical processing, and upon request of the Lessee, the Commission will make a determination as to whether, and under what terms and conditions, it can undertake to perform such services, taking into consideration such factors as the availability of: a) acceptable commercial facilities to perform the service, b) Commission facilities, and c) comparable services by the Commission to U.S. reactor licensees.
- f. Material subject to this Lease returned directly to the Commission in the form of uranium hexafluoride shall be shipped only in cylinders of appropriate size as specified by the Commission. The quantity of such material shipped in a container shall not be less than the Commission-established minimum loading for the type of cylinder used.
- g. All material returned to the Commission shall be transported under appropriate safeguards prescribed by the Commission

against hazards to health and safety to a port of entry into the United States of America to be designated by the Commission after consultation with the Lessee. The Commission shall thereupon perform those actions required to authorize the import of such material. Unless otherwise mutually agreed by the Parties, the Lessee shall thereafter arrange at the Lessee's expense for a carrier, subject to such terms, charges, conditions, and licenses as the Commission may require, to transport such material to the Commission facility or location specified by the Commission, f.o.b. commercial conveyance at such facility or location. Unless waived by the Commission, the Lessee shall give the Commission at least sixty (60) days written notice of intent to return material directly to the Commission and the form and specification of such material. The Commission will notify the Lessee as soon as practicable after receipt of the Lessee's notice of intent to return material as to the acceptability of such material pursuant to the terms of this Lease, and, if appropriate, as to the Commission facility or location designated for return of this material. The Lessee, at the time of shipment of material, shall notify the Commission facility or other location to which shipment is made, of the date and method of shipment, and expected date of arrival, and upon delivery of such material to the above mentioned facility or location, the Commission shall accept the return of such material, and shall sign an appropriate written receipt which will evidence such acceptance and the date of return of material hereunder.

Article VII

Payment for material lost and consumed

- a. Except as otherwise provided herein, the Lessee shall be responsible for and shall reimburse the Commission for any loss or consumption of material, whether or not such loss or consumption is due to the fault or neglect of the Lessee, or any other cause occurring from the time of delivery of such material to the Lessee and until such material has been returned to the Commission as provided herein.
- b. The amount due to the Commission for material lost or consumed shall be the value or worth of such material computed in accordance with this Lease; provided, that where material is consumed by the reduction of value due to blending with special nuclear material or other alternation of the isotopic ratio, the amount due shall be determined by subtracting the value or worth of the blended or altered material from the value or worth of such material prior to such blending or alteration, as shown in the Lessee's account, established under

Article X below. The Lessee may, and shall, when required by the Commission, pay for material lost or consumed on a provisional basis based on the data reflected in the Lessee's reports of materials lost or consumed. The forms for reporting material lost or consumed shall be prescribed by the Commission.

Article VIII

Use-charge payment

Except as otherwise provided herein, the Lessee agrees to pay the Commission a use-charge for material subject to this Lease, as provided in Article X below. The rate of use-charge shall be the Commission's published rate of annual (365 days) use-charge in effect for the period covered by the Commission's invoice.

Article IX

Other authority

Nothing in this Lease shall be deemed to obligate the Lessee to pay the Commission's charges with respect to materials and/or services subject to this Lease, or to observe other specific provisions of this Lease, if the Commission, in accordance with statutory or other authority available to it, determines that such charges or other provisions are not applicable.

Article X

Establishment of special nuclear material lease account

- a. The Commission will establish a special nuclear material lease account for the Lessee to which will be debited, as provided herein, the amount or amounts equal to the value or worth of the material subject to this Lease. Such account will be credited, as provided herein, with the amount or amounts equal to the value or worth of the material returned or paid for, in accordance with this Lease. The daily balance of this account shall be used for computing the amount due to the Commission for use-charges. The value or worth of material reflected in this account after credit for the value or worth of material returned and for payments for material lost or consumed shall represent the amount due to the Commission for material not returned or paid for.
- b. Except as otherwise provided in this Lease, the Lessee's account will be debited for material furnished as of the date material is delivered to the Lessee.
- c. The Lessee's account will be credited for material returned directly to the Commission or transferred to another nation or international organization only when the material is return-

ed or transferred in accordance with Article VI. Except as otherwise provided in this Lease, the Lessee's account will be credited for material returned directly to the Commission as of the date the material is delivered to a location specified by the Commission pursuant to this Lease. Credit for material transferred to another nation or international organization will be made as of the date to be mutually agreed. Credit for material paid for will be made as of the date payment is received by the Commission.

- d. Whenever the Commission changes any applicable base charge as provided in Article XI, below, the value or worth of material recorded in Lessee's account will be recomputed at the new base charge; provided, that the value or worth of material lost or consumed as of the date of such change shall not be recomputed. The new base charge will be used in determining the value or worth of material lost or consumed, and for computing the value or worth of material subject to use-charges, subsequent to the effective date of the change in the applicable base charge.
- e. The Lessee will be notified of the debits and credits made to his account as the result of shipments and transfers of materials, and of any changes in the value or worth of material in such account as a result of changes in the applicable base charges. The Lessee will promptly notify the Commission of any disagreement with, discrepancies, or errors in such notices.
- f. The Lessee will submit such transfer documents covering receipts and shipments, and reports of loss or consumption, and inventory, with respect to material subject to this Lease as the Commission may prescribe, and shall maintain and make available to the Commission for inspection, upon reasonable notice, adequate records pertaining to the receipt, possession, transfer, or use of material subject to this Lease.

Article XI

Changes in rate of use-charge, base charges, and specifications

- a. The rate of use-charge, the base charges, and/or the specifications for material furnished pursuant to this Lease are subject to change by the Commission in accordance with the Act.
- b. Any changes in rate of use-charge, the base charges, and/or the specifications shall be effective on either July 1 or January 1 as stated in a notice of change published by the Commission, provided at least thirty (30) days' prior notice of such changes is given the Lessee, by publication or by written notice directed to the Lessee.

Article XII

Performance of AEC obligations; billing

- a. The Commission may fulfill its obligations under the Lease through the operator of any of its facilities.
- b. Billings for amounts due the Commission under the Lease will ordinarily be made
 - (1) following the performance of any service, and
 - (2) semi-annually for use-charge and for charges for loss or consumption of material.
- c. All billings made on a provisional basis are subject to adjustment to recognize actual amounts, enrichment, isotopic content, and specifications of material involved; provided that, except as stated in paragraph *d*, below, such adjustments will not subject the Lessee or the Commission to liability for interest.
- d. All bills rendered by or on behalf of the Commission are due sixty (60) days from date of invoice and shall be paid in currency of the United States of America. Failure to receive payment within sixty (60) days after date of invoice shall entitle the Commission to an additional charge at six per cent per annum on such amount.

Article XIII

Injury or damage

Neither the Government of the United States of America, the Commission nor persons acting for or on behalf of the Commission make any warranty or other representation, express, or implied, that material furnished under this Lease (*a*) will not result in injury or damage when used for the purpose intended by the Parties, (*b*) will accomplish the results for which it is requested from the Commission, or (*c*) is safe for any other use.

With respect to the material leased hereunder, the Lessee shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear material after delivery by the Commission to the Lessee.

Article XIV

Time of delivery

The Commission will make reasonable efforts to deliver material at the time or times stated in orders for material subject to this Lease, but neither the Government of the United States of America, the Commission, nor persons acting on behalf of the Commission shall be subject to any liability for any failure to do so.

Article XV

Delivery

- a. With respect to material ordered hereunder which is to be furnished the Lessee directly, the Commission shall provide the material ordered, f.o.b. commercial conveyance at a facility of the Commission, to a transporter arranged for by the Lessee. Subject to such terms, charges, conditions, and licences as the Commission may require, the transporter shall transport and deliver the material to a port of export in the United States of America to be designated by the Commission after consultation with the Lessee. The Commission shall thereupon perform those actions required to effect the delivery and authorize the export of the material to the Lessee at such designated port. All costs of domestic and overseas transportation and delivery (including costs of containers and packaging) and of storing such material in connection with such delivery shall be the responsibility of and borne by the Lessee and not the Commission. The Lessee or its duly authorized agent shall accept delivery of the material at the designated port of export, and shall sign an appropriate written receipt therefor, whereupon the lease of such material shall commence and the Lessee shall assume full and complete responsibility for the material.
- b. With respect to material ordered hereunder which is to be furnished a United States contractor engaged by the Lessee for purposes of processing and/or fabrication,
 - (1) The Commission shall make available to the said United States contractor, f.o.b. commercial conveyance at a facility of the Commission, the said material, subject to such terms, charges, conditions, and licences as the Commission may require.
 - (2) Upon completion of the conversion or fabrication and preparation of the material by the contractor, and receipt by the Commission of the written certificate of the contractor's determination of the isotopic content and quantity of special nuclear material as required by paragraph *d.* of Article XVIII of this Lease, the Lessee shall arrange for a transporter who, after thirty (30) days' written notice by the Lessee to the Commission and subject to such terms, charges, conditions, and licences as the Commission may require, shall transport and deliver such converted or fabricated material to a port of export in the United States of America to be designated by the Commission after consultation with the Lessee, The Commission shall thereupon perform those actions required to

effect the delivery and authorize the export of such material to the Lessee at such designated port. All costs of domestic and overseas transportation and delivery (including costs of containers and packaging) and of storing such material, as well as all arrangements for physically handling such material in connection with such delivery shall be the responsibility of and borne by the Lessee and not the Commission. The Lessee or its duly authorized agent shall accept delivery of such material at the designated port of export, and shall sign an appropriate written receipt therefor, whereupon the lease of such material shall commence and the Lessee shall assume full and complete responsibility for the special nuclear material contained therein.

Article XVI

Cylinders and equipment

- a. Except as otherwise agreed, all shipments of enriched uranium (U-235) in the form of uranium hexafluoride (UF₆) from the Commission to the Lessee directly, and from the Lessee directly to the Commission, will be made in cylinders purchased from the Commission. If requested by the Lessee, cylinders for return of UF₆ directly to the Commission will be made available to the Lessee f.o.b. commercial conveyance at the Commission facility.
- b. Except as provided in *a.*, above, shipments of material subject to this Lease to the Lessee, and the return of such materials to the Commission, shall be made only in containers and/or equipment acceptable to the Commission. The Commission may, but shall not be required to, furnish containers and equipment for shipping such material.
- c. Any non-AEC-supplied cylinders, containers, and equipment furnished or utilized by the Lessee will meet current Commission specifications and practices as to safety design criteria, cleanliness, and freedom from contamination, of which the Commission shall be the sole judge. The Commission will endeavor to return non-AEC-owned cylinders, containers, and other equipment to the Lessee in a reasonable time, but will not be responsible for any loss of or damage to such cylinders, containers, or equipment except as may result from its fault or negligence. Such return shipments by the Commission will be made f.o.b. commercial conveyance at the Commission facility.
- d. Whenever material is shipped to the Commission, and the Commission elects to decontaminate the containers, railroad cars,

trucks, or other shipping vehicles or the Commission's unloading area and machinery, because the containers, or the material or the method of shipment failed to meet the health and safety standards prescribed by the Commission or any other United States Government agencies having jurisdiction over such matters, the Lessee shall pay the Commission the full cost of such decontamination as determined by the Commission in accordance with established Commission pricing policy.

Article XVII

Assignment

The Lessee may not assign this Lease, or any order for material subject to this Lease, without the express written approval of the Commission.

Article XVIII

Determination of material quantities and properties; settlement of measurement differences; adjustments of use-charges

- a. The provisions and procedures contained in paragraphs a. through c. of this Article XVIII shall apply to the determination of quantities and properties of material, and the resolution of measurement differences resulting from such determination, with respect to material leased hereunder which is to be furnished the Lessee directly, and with respect to material subject to this Lease which is returned directly to a Commission facility. For the purposes of this paragraph, the terms "shipper" and "receiver" shall refer to the Commission and the Lessee, as the case may be.
 - (1) The Commission samples obtained using the Commission's procedures will be the official samples and shall be binding upon the Commission, the Lessee and the umpire unless the Commission and the Lessee agree upon the use of other samples.
 - (2) If the receiver does not accept the shipper's quantities and/or properties stated on the AEC transfer form for such material, the receiver shall, within sixty (60) days after the receipt of the material or the AEC transfer form for such material, whichever is later, submit a notice of disagreement in writing to the shipper. The notice of disagreement shall include measurement data supporting the disagreement. If such notice of disagreement is not submitted within such sixty (60) days the shipper's measurements will be final and binding upon both parties. The receiver shall not use or dispose of the material in any manner until the difference is resolved unless such use or

disposition is mutually agreed to by the Commission and the Lessee; provided that nothing herein shall prevent the receiver from handling the material as necessary for storage or protection against health and safety hazards.

- (3) If the disagreement is not resolved by mutual agreement, the following procedures shall apply:
 - (a) If the disagreement concerns bulk measurement (i.e., total volume, gross and net weight, total piece count or any other measurement made on the entire quantity of material involved), repeat measurements shall be performed by an umpire mutually agreed to by both parties at a mutually agreed upon site. The umpire's results will be conclusive on both parties. The party whose original measurement result is furthest from the umpire's result will bear the umpire's charges; provided, in the event the umpire's result is equidistant between the Lessee's and the Commission's result, the parties will each bear one-half of the umpire's charges.
 - (b) If the disagreement concerns results obtained from analysis of a sample, an official sample will be submitted to an umpire mutually agreed upon for analysis. The umpire's results will be conclusive on both parties.
 - (i) In the case of a disagreement with respect to specification limits based on an official sample, the receiver will bear the umpire's charges if the umpire's result is within specification limits, and the shipper will pay the umpire's charges if the umpire's result is not within specification limits.
 - (ii) In the case of a disagreement concerning quantitative determinations on an official sample, the umpire's result will be used and the party whose result is furthest from the umpire's result will pay the umpire's charges; provided, in the event the umpire's result is equidistant between the shipper's and the receiver's results, the parties will each bear one-half of the umpire's charges.
- b. The period of time during which use-charges shall accrue under this Lease with respect to material subject to a measurement disagreement hereunder shall be adjusted as follows:
 - (1) Where the disagreement pertains to material delivered to the Lessee and is resolved by the umpire in favor of the Lessee, no use-charge shall accrue between the date of

receipt of notice of disagreement and the date of resolution or the date of use or disposition of material by the Lessee (when mutually agreed upon) whichever occurs first. Provided, however, that where the disagreement pertains to specifications of the material and is resolved by the umpire in favor of the Lessee, no use-charge shall accrue unless the Lessee accepts the material, uses, or disposes of the material (when mutually agreed upon) or fails to return it after resolution of the disagreement within a reasonable time.

- (2) Where the disagreement pertains to material returned directly to the Commission, no use-charge shall accrue between the date of receipt of the shipment and the Lessee's receipt of notice of disagreement. Use-charges shall accrue between Lessee's receipt of notice of disagreement and the date of resolution or the date of use or disposition of the material by the Commission (when mutually agreed upon), whichever occurs first, unless the disagreement is resolved in favor of the Lessee.
- (3) Where an umpire is used and the umpire's result is equidistant from those of the parties, no use-charge shall accrue for one-half of the period between the date of receipt of notice of disagreement and the date of resolution or the date of use or disposition of the material by the Lessee or the Commission (when mutually agreed upon), whichever occurs first.
- (4) Where the disagreement is resolved by mutual agreement, the period of use-charge shall be included in and settled by mutual agreement.

The above use-charges shall apply to the total of the material whose quantity or other characteristics is involved, and not to the amount represented by any difference of the measurements.

- c. The quantity and/or properties of irradiated material subject to this Lease and returned directly to a Commission facility for processing will be determined in accordance with the provisions and procedures agreed upon in the contract between the Lessee and the Commission for the processing of such material.
- d. With respect to material ordered hereunder which is furnished a United States contractor engaged by the Lessee for purposes of processing and/or fabrication, the following shall apply:
 - (1) The Lessee shall cause the said contractor to submit to the Commission a written certificate of the contractor's determination of the quantity of special nuclear material contained in the converted or fabricated and prepared material,

and of its isotopic content. Unless otherwise agreed by the parties hereto, the per cent of the isotope uranium-235 in any enriched uranium either converted or fabricated and prepared by the Lessee's United States contractor shall be deemed to be the same as the uranium-235 isotopic enrichment of the uranium made available by the Commission to the contractor and certificate shall be written accordingly. The quantity of special nuclear material contained in the converted or fabricated and prepared material shall be as determined by the United States contractor and set forth in such certificate as such quantity may be concurred in or revised by the Commission after any reviews or analyses which the Commission may deem appropriate.

- (2) The provisions and procedures governing, as between the Commission and the said contractor, the determination of quantities and properties of said material, and the resolution of measurement differences resulting from such determination shall be those established by the arrangement between the Commission and the said contractor.

Article XIX

Patent indemnification

Unless expressly waived in writing by the Commission the Lessee agrees to indemnify the Government of the United States of America, the Commission, and persons acting for or on behalf of the Commission against liability, including costs and expenses incurred, for infringement of any Letters Patent occurring in the course of the performance of any service, analysis or test performed for the Lessee as a result of following specific instructions of the Lessee in connection therewith, or occurring in the utilization by the Lessee of any material procured hereunder.

Article XX

Right to use and publish information

The Commission shall have the right to publish and use any information or data developed by the Commission or persons acting for or on behalf of the Commission as the result of any service, analysis or test performed hereunder for the Lessee.

Article XXI

Other contracts and agreements

This Lease contemplates the possibility of separate contracts between the Lessee and the Commission for processing services of irradiated materials which are subject to this Lease, and/or

agreements between the Lessee and the Commission under which material subject to this Lease is made available to the Commission for its benefit, which may provide for suspension or termination of use-charges and suspension, termination, or revision of other obligations hereunder, and for measurement of amounts of material which the Lessee is returning. Except for such suspension, termination, or revision, or the use of measurement data in determining amounts of material returned for which the Lessee will be allowed credit hereunder, the Lessee's obligations under this Lease for material subject to this Lease shall continue notwithstanding the existence of such separate contract or contracts.

Article XXII

Disputes

Except as otherwise specifically provided in this Lease, all disputes concerning questions of fact which may arise under this Lease, and which are not disposed of by mutual agreement, shall be referred to arbitration by a board composed of three competent arbitrators. One of such arbitrators shall be appointed by the Commission, one shall be appointed by the Lessee, and the third arbitrator shall be selected by the first two. In the event that the first two arbitrators so selected are unable to agree upon a third arbitrator, then each of the Parties shall designate another person to act as an arbitrator in lieu of the person previously appointed by such Party, which two new arbitrators shall endeavor to agree upon the third arbitrator. Such procedure shall be repeated until a third arbitrator shall have been selected. The decision of a majority of the arbitrators on the arbitration board shall be final and binding. Allocation of the costs of the arbitration shall be as determined by the board of arbitrators; provided, however, that neither Party shall be obliged to pay the costs of the other Party's arbitrator.

Article XXIII

Officials not to benefit

No member of or delegate to Congress or resident commissioner of the United States of America shall be admitted to any share or part of this Lease or to any benefit that may arise therefrom.

Article XXIV

Covenant against contingent fees

The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty

the Government of the United States of America shall have the right to annul this Lease without liability or in its discretion to deduct from the Lease price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Article XXV
Applicable law

This Lease shall be construed according to the laws applicable in the federal courts of the United States of America for contracts in the United States of America to which the Government of the United States of America is a party.

Article XXVI
Notices

- a. Any notice required by this Lease of the Lessee shall be submitted in writing to the Commission addressed to:
- Director
Division of International Affairs
United States Atomic Energy Commission
Washington 25, D.C.
- b. Any notices required by this Lease of the Commission shall be submitted in writing to the Lessee addressed to:
- Embassy of the Netherlands
1470 Euclid Street, N.W.
Washington 9, D.C.

Article XXVII
Effective date

This Lease shall become effective upon signature of representatives of both the Commission and Lessee.

IN WITNESS WHEREOF, the Parties have executed this Lease at Washington, D.C., in duplicate, this 10th day of August, 1962.

The United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America:

By: (sd.) A. O. WELLS
Title: *Dir., Div. Int. Affairs*

The Government of the Netherlands:

By: (sd.) E. L. C. SCHIFF
Title: *Minister*
Netherlands Embassy

APPENDIX "A"

to Lease Agreement for Special Nuclear Material between the United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America and the Government of the Netherlands

Special Nuclear Material Lease Agreement No. NE/ML/7

Enriched Uranium Previously Transferred

AEC Contract No.	Fabricator or Processor	Date Shipped	% Enrichment in Isotope U-235	Grams Uranium	Grams U-235	Reactor or Use
NE/L/1	B&W	2-18-57	19.64%	3,155.94	619.84	HOR
NE/L/1	B&W	4- 9-57	19.64%	20,729.90	4,069.64	HOR
NE/L/1	AMF	4- 9-57	20.00%	2.87	0.69	HOR
NE/L/1	B&W	8-21-57	19.64% Return	(1,350.92)	(264.98)	HOR
NE/L/1	Englehard Ind.	8-11-61	19.64% Return	(22,534.92)	(4,424.30)	HOR
NE/L/2	Westinghouse	6-24-61	93.00%	3.68	3.44	Petten
NE/L/2	Sylcor	7-12-61	89.64%	935.02	838.13	Petten
NE/L/2	Sylcor	8-23-61	89.72%	6,024.59	5,405.53	Petten
NE/L/4	Sylcor	6-21-60	89.74%	5,264.72	4,724.58	HFR
NE/L/5	Sylcor	1-13-61	89.70%	1,930.59	1,731.83	HFR
NE/L/6	Sylcor	7-11-61	89.93%	5,212.84	4,688.13	Delft

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Ter uitvoering van de onderhavige Overeenkomst, zoals gewijzigd, is op 28 februari 1963 te Washington een huurovereenkomst van zwaar water ten behoeve van een reactor te Wageningen gesloten tussen de Regering van het Koninkrijk der Nederlanden en de Commissie inzake Atoomenergie der Verenigde Staten, optredende namens de Regering van de Verenigde Staten van Amerika. De tekst van deze huurovereenkomst, welke ingevolge artikel XXIV op de dag van ondertekening in werking is getreden, luidt als volgt:

**Lease of heavy water between the United States Atomic Energy
Commission acting on behalf of the Government of the United
States of America and the Government of the Netherlands**
(NE/L/8)

The United States Atomic Energy Commission (hereinafter referred to as the "Commission"), acting on behalf of the Government of the United States of America, and the Government of the Netherlands (hereinafter referred to as the "Lessee"), with respect to the lease of heavy water pursuant to the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands Concerning Civil Uses of Atomic Energy, signed on June 22, 1956, as amended, and as it may be further amended or superseded, and subject to all of the terms, conditions, provisions, and guarantees contained therein, agree as follows:

Article I

Definitions

As used in this Lease:

- a. The term "*Act*" means the Atomic Energy Act of 1954, as amended and as the same may be amended from time to time.
- b. The term "*Agreement for Cooperation*" means the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands signed at Washington, June 22, 1956, as amended, and as it may be further amended or superseded.
- c. The term "*base charge*" means the United States dollar amount per pound of heavy water meeting specifications, in effect as of the time any particular transaction under this Lease takes place, determined in accordance with established Commission pricing policy then in effect.
- d. The term "*Commission*" means the United States Atomic Energy Commission or any duly authorized representative thereof.

- e. The term "*established Commission pricing policy*" means any applicable price or charge in United States dollars in effect at the time any particular transaction under this Lease takes place (i) published by the Commission in the United States Federal Register, or (ii) in the absence of such a published figure, determined in accordance with the Commission's pricing policies. A statement or such pricing policies will be furnished the Lessee upon request. The Commission's published prices and charges, as well as its pricing policies, may be amended from time to time.
- f. The term "*heavy water*" means deuterium oxide (D₂O).
- g. The term "*persons acting on behalf of the Commission*" includes employees and contractors of the Commission, and employees of such contractors, who implement or participate in the implementing of this Lease pursuant to their employment or their contracts with the Commission.
- h. The term "*value of the material under Lease*" means the United States dollar amount determined by multiplying the base charge by the total number of pounds, or fractions thereof, of heavy water leased and delivered to the Lessee hereunder, minus the total number of pounds, or fractions thereof, of heavy water (i) returned in a form meeting specifications pursuant to Article X and (ii) for which payment has been made pursuant to Article VIII c. or IX and (iii) which the Commission has accepted for return pursuant to Article X c.
- i. The term "*specifications*" means the specifications for heavy water set forth in Article III.
- j. The term "*rate of use-charge*" means the Commission's daily rate of annual (365 days) use-charge in effect for the period covered by the Commission's invoice, determined in accordance with established Commission pricing policy then in effect, which rate of use-charge will be identical with the Commission's rate of use-charge for special nuclear material.

Article II

Scope

The Commission hereby leases to the Lessee under the terms and conditions set forth herein 3100 pounds of heavy water for use as the initial inventory in the research reactor (ITAL) located at the Institute for the Application of Nuclear Energy to Agriculture in Wageningen, the Netherlands. The heavy water leased hereunder will be delivered on or about March 2, 1963 subject to the provisions of Article VIIb.

Article III

Specifications

The specifications for the heavy water leased hereunder are as follows:

- a. D₂O content: Equal to or greater than 99.75 mol per cent.
- b. KMnO₄ demand: Equal to or less than 1×10^{-5} grams per gram of heavy water.
- c. Specific conductivity: Equal to or less than 15.0 micromhos per centimeter.
- d. Odor: None.
- e. Turbidity: Clear (5 ppm SiO₂ equivalent).
- f. Tritium content: Less than 0.16 microcuries per milliliter.

Article IV

Title

Except as provided in Article VIII c., title to all heavy water furnished to the Lessee under this Lease shall at all times be and remain in the Government of the United States.

Article V

Term and termination

- a. Except as otherwise provided herein, the Lessee shall have the right to possess and use the heavy water covered by this Lease until August, 1967 provided that this Lease may be extended by the mutual agreement of the parties.
- b. The Commission may terminate this Lease without liability on its part upon the expiration, cancellation or termination of the Agreement for Cooperation, or for the Lessee's breach of the terms of this Lease. In the event of termination of this Lease for any of the reasons specified in this Article V b., the Commission shall have the right to require the Lessee to return any or all heavy water leased hereunder which is in the Lessee's possession or control, notwithstanding any other provision of this Lease which gives the Lessee any right to pay for such material in lieu of return.
- c. The Lessee may terminate this Lease at any time upon thirty days' written notice to the Commission. Such termination shall not affect the Lessee's obligations under the terms of this Lease, which obligations have been incurred prior to the effective date of the termination.

Article VI

Inspection and testing

Weight, deuterium content and other analytical measurements of the heavy water leased hereunder shall be ascertained and certified by the Commission or persons acting on behalf of the Commission, in accordance with its, or their, normal practice. The Lessee may, in accordance with mutually accepted procedures, test the heavy water to determine if it meets specifications prior to the delivery thereof by the Commission, but any claim of the Lessee that heavy water to be leased hereunder does not meet specification, which is not submitted to the Commission prior to delivery thereof, is hereby waived.

Article VII

Delivery

- a. Heavy water leased hereunder will be shipped f.o.b. commercial conveyance at the Commission's Savannah River Plant, Dunbarton, South Carolina, or such other Commission facility as the Commission designate. Delivery of heavy water to a carrier for the account of Lessee shall be deemed delivery of heavy water to the Lessee for the purpose of this Lease.
- b. The Commission will make reasonable efforts to deliver heavy water at the time or times provided in Article II but neither the United States Government, the Commission nor persons acting on behalf of the Commission shall be subject to any liability for any failure to do so.
- c. After delivery of the heavy water and prior to its return to the Commission as set forth in Article X, the Lessee shall assume full responsibility for the heavy water.
- d. The heavy water shall be at the sole risk of the Lessee from the time delivery is accepted by the Lessee. Such risk shall include, but not be limited to, any loss or damage resulting from the containers, the packing or any act of the Commission performed in accordance with Articles VI or VII of this Lease.

Article VIII

Charges

The Lessee shall pay to the Commission in United States currency the total amount of the following charges:

- a. A use-charge determined by multiplying the Commission's rate of use-charge by the daily balance of the value of the material under lease.

- b. The Commission's service charges, if any, for withdrawal and packaging and other services enumerated in Article VI hereof determined in accordance with established Commission pricing policy then in effect.
- c. Except as otherwise provided in Article X c., a charge determined by multiplying the base charge by the total number of pounds, of fractions thereof, of heavy water which for any cause whatsoever, including causes beyond the control and without the fault or negligence of the Lessee, (i) is not returned to the Commission or (ii) although it is returned, does not meet specifications. Upon such payment title to any material so paid for shall vest in the Lessee.
- d. The cost of handling and analyzing any heavy water returned to the Commission, whether accepted or not, determined in accordance with established Commission pricing policy then in effect.
- e. The cost of any analysis requested by the Lessee determined in accordance with established Commission pricing policy then in effect.
- f. The Commission's charge, if any, for processing determined in accordance with Article X c. hereof.
- g. A charge for each Commission-supplied shipping container determined in accordance with established Commission pricing policy then in effect.

Article IX

Extraordinary losses

The Lessee shall notify the Commission within ten (10) days after the occurrence of any extraordinary loss or contamination of heavy water leased hereunder. Upon submission of a bill by the Commission in accordance with Article XIII b. (5), the Lessee shall pay to the Commission an amount equal to the base charge multiplied by the number of pounds, or fractions thereof, of heavy water lost or contaminated through such occurrence.

Article X

Return of heavy water to the Commission

- a. The Lessee shall return or pay for at base charges all heavy water leased hereby upon the expiration or earlier termination or cancellation of this Lease; provided, however, that the Lessee shall have the right to return or pay for at base charges such material at any time prior to such date, subject to the provisions of Article X e.

- b. Except as provided in (c) below, all heavy water subject to this Lease returned to the Commission shall meet specifications. Heavy water returned will be weighed and analyzed by the Commission within a reasonable time after receipt thereof and will not be accepted as satisfying the provisions of this Lease until such measurements indicate that specifications have been met. Heavy water not accepted will be held subject to the Lessee's instructions for disposal at the Lessee's expense. In the absence of such instructions, the Commission shall dispose of the material as it sees fit, at the Lessee's expense.
- c. The Commission may at its sole discretion, elect to accept the return of heavy water not meeting specifications. If the Commission accepts such heavy water, the Lessee shall pay a service charge for processing such returned heavy water so as to enable it to meet specifications. Such charge shall be determined in accordance with the established Commission pricing policy then in effect. Whenever heavy water returned by the Lessee is subject to processing charges under this paragraph, the Lessee shall continue to pay the use-charge on such heavy water until expiration of the processing period as determined by the Commission, determined in accordance with the principles of Article VIII a.
- d. The Parties recognize and agree that the heavy water leased hereunder may be commingled with other quantities of heavy water owned by the Lessee. The Lessee's obligations hereunder shall be satisfied if either heavy water leased hereunder or an equivalent amount of heavy water meeting specifications is returned under the conditions of this Article X. It is hereby agreed that the Lessee shall hold the United States Government, the Commission, or persons acting on behalf of the Commission, harmless from any claims of third parties alleging rights in, or in connection with the heavy water thus commingled. Title to the Lessee-owned heavy water used in commingling shall vest in the Government upon acceptance of such material for return under this Article X.
- e. All heavy water returned to the Commission shall be delivered by the Lessee to the Commission's Savannah River Plant, f.o.b. commercial conveyance at Dunbarton, South Carolina. Unless waived by the Commission, the Lessee shall give the Commission at least thirty (30) days written notice of intent to return heavy water. The Lessee, at the time of shipment, shall notify the Commission of the date and method of shipment and expected date of arrival.

Article XI

Changes in rate of use-charge and base charge

- a. The rate of use-charge and base charge are subject to change by the Commission in accordance with the Act.
- b. Any changes in rate of use-charge or base charge shall be effective prospectively on either July 1 or January 1, as stated in a notice of change published in advance by the Commission.
- c. Whenever the Commission changes the base charge, the value of the material under Lease will be recomputed using the new base charge. The recomputed value of the material under Lease will be used thereafter for all purposes under this Lease.
- d. The Lessee will be notified of any change in the value of the material under Lease as a result of changes in the base charge. The Lessee will promptly notify the Commission of any disagreement with, discrepancies, or errors in such notices.

Article XII

Shipping containers

The heavy water leased hereunder shall be delivered and returned in containers supplied by the Commission, unless otherwise agreed by the Parties. The containers shall be appropriately packed for shipment in the United States and abroad and provide such protection against hazards to health and safety as the Commission may require. The Commission shall, if requested, furnish the Lessee, f.o.b. commercial conveyance at the Savannah River Plant, Dunbarton, South Carolina, suitable containers for the return of heavy water.

Article XIII

Performance of Commission obligations; billings

- a. The Commission may fulfill its obligations under this Lease through the operator of any of its facilities.
- b. Billings for amounts due to the Commission under this Lease will ordinarily be made
 - (1) following the performance of any service,
 - (2) semi-annually for use-charge,
 - (3) for the charges specified in Article VIII (c) hereof, upon the termination or earlier expiration or cancellation of this Lease,
 - (4) for charges relating to containers following the determination of such charges,
 - (5) for charges due under Article IX, following notification provided in such Article.

- c. All bills rendered by or on behalf of the Commission are due sixty days (60 days) from the date of invoice. Failure to receive payment within sixty days (60 days) from date of invoice shall entitle the Commission to an additional charge at 6% per annum on such amount.

Article XIV

Other contracts; authority

Nothing in this Lease shall be deemed to obligate the Lessee to pay the Commission's charges with respect to heavy water and/or services subject to this Lease, or to observe other specific provisions of this Lease if the Commission, in accordance with statutory or other authority available to it, determines that such charges, or other provisions, are not applicable to this Lease.

Article XV

Injury or damage

Neither the United States Government, the Commission, nor persons acting on behalf of the Commission make any warranty or other representation expressed or implied that heavy water furnished subject to this Lease (a) will not result in injury or damage when used for the purpose for which it is intended, (b) will accomplish the results for which it is requested from the Commission, or (c) is safe for any other use. The Lessee shall hold the United States Government, the Commission and persons acting on behalf of the Commission harmless from any damages arising out of or resulting from the production, preparation, ownership, use, or possession of heavy water after delivery thereof to the Lessee pursuant to this Lease. After the redelivery of the heavy water is accepted by the Commission pursuant to Article X, the provisions of the preceding sentence shall not be applicable to any liability of the Commission for any injury, loss, or damage which may occur from the above causes in the United States of America with regard to such heavy water so redelivered.

Article XVI

Assignment

Lessee may not assign this Lease nor transfer the heavy water furnished hereunder to unauthorized persons or beyond the jurisdiction of the Government of the Netherlands without the express written approval of the Commission.

Article XVII

Patent indemnification

Unless expressly waived in writing by the Commission, the Lessee agrees to indemnify the United States Government, the Commission,

and persons acting on behalf of the Commission against liability, including costs and expenses incurred, for infringement of any Letters Patent occurring in the course of the performance of any service, analysis or test performed for the Lessee as a result of following specific instructions of the Lessee in connection therewith, or occurring in the utilisation by the Lessee of any material procured hereunder.

Article XVIII

Right to use and publish information

The Commission shall have the right to publish and use any information or data acquired by the Commission or persons acting on behalf of the Commission as a result of any service, analysis or test performed hereunder for the Lessee.

Article XIX

Applicable law

This Lease shall be construed according to the laws applicable in the federal courts of the United States of America for contracts in the United States of America to which the Government of the United States of America is a party.

Article XX

Agreement for Cooperation

This Lease shall be subject to and in accordance with all the terms and conditions of the Agreement for Cooperation, it being understood that the safeguards and guarantees specified in Articles XII and XIII of said Agreement will apply to the heavy water transferred hereby so long as it is within or under the jurisdiction of the Government of the Netherlands.

Article XXI

Officials not to benefit

No member of the Congress of the United States of America or resident commissioner of the United States of America shall be admitted to any share or part of this Lease or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefits.

Article XXII

Covenant against contingent fees

The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established

commercial or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty the United States Government shall have the right to annul this Lease without liability or in its discretion to deduct from the Lease price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Article XXIII

Notices

- a. Any notice required by this Lease of the Lessee shall be submitted in writing to the Commission addressed to:
Director
Division of International Affairs
United States Atomic Energy Commission
Washington 25, D. C.
- b. Any notices required by this Lease of the Commission shall be submitted in writing to the Lessee addressed to:
Scientific Attache
Embassy of the Netherlands
1470 Euclid Street, N. W.
Washington 9, D. C.

Article XXIV

Effective date

This Lease shall become effective upon signature of representatives of both the Commission and Lessee

IN WITNESS WHEREOF, the parties have executed this Lease at Washington in duplicate, this 28th day of February, 1963.

For the United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America:

By: (sd.) MYRON B. KRATZER

Title: *Deputy Director, DIA*

The Government of the Netherlands:

By: (sd.) E. L. C. SCHIFF

Title: *Chargé d'Affaires a.i.*

Ter uitvoering van de onderhavige Overeenkomst, zoals gewijzigd, is op 30 juni 1963 te Washington een tweede (raam) huurovereenkomst van speciaal splijtbaar materiaal gesloten tussen de Regering van het Koninkrijk der Nederlanden en de Commissie inzake Atoomenergie der Verenigde Staten, optredende namens de Regering van de Verenigde Staten van Amerika. De tekst van deze huurovereenkomst, welke ingevolge artikel XXVII op de dag van ondertekening in werking is getreden en welke de hierboven afgedrukte eerste (raam) huurovereenkomst van 10 augustus 1962 vervangt, luidt als volgt:

**Lease for special nuclear material between
the United States Atomic Energy Commission acting for and on
behalf of the Government of the United States of America and
the Government of the Netherlands**

(NE/ML/9)

The United States Atomic Energy Commission, acting on behalf of the Government of the United States of America, and the Government of the Netherlands, with respect to the lease of special nuclear materials pursuant to the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands Concerning Civil Uses of Atomic Energy, signed on June 22, 1956, as amended, and as it may be further amended or superseded, and subject to all of the terms, conditions, provisions, and guarantees contained therein, agree as follows:

Article I

Definitions

As used in this Lease:

- a. The term "*Act*" means the Atomic Energy Act of 1954, as amended.
- b. The term "*Agreement for Cooperation*" means the Agreement for Cooperation between the Government of the United States of America and the Government of the Netherlands signed at Washington, on June 22, 1956, as amended, and as it may be further amended or superseded.
- c. The terms "*Atomic Energy Commission*", "*Commission*" or "*AEC*" mean the United States Atomic Energy Commission or any duly authorized representative thereof.
- d. The term "*base charge*" means the United States dollar amount per unit of special nuclear material in standard form and specification in effect as of the time any particular transaction under this Lease takes place, as set forth in schedules published by the Commission in the United States Federal Register from time to time.

- e. The term "*Commission facility*" means a laboratory, plant, office, or other establishment operated by or on behalf of the Commission.
- f. The term "*Commission's established specifications*" means the specifications for purity and other physical or chemical properties of special nuclear material, as published by the Commission in the United States Federal Register from time to time.
- g. The terms "*consumed*" or "*consumption*" include the reduction in value of material due to blending of different assays of special nuclear material, or other alteration of the isotopic ratio, and the disposition of material in such manner that it cannot be economically recovered for further use.
- h. The term "*Lessee*" means the Government of the Netherlands.
- i. The term "*persons acting on behalf of the Commission*" includes employees and contractors of the Commission, and employees of such contractors, who implement or participate in the implementation of this Lease pursuant to their employment or their contracts with the Commission.
- j. The term "*source material*" means (1) uranium thorium, or any other material which is determined by the Commission to be source material; or (2) ores containing one or more of the foregoing materials, in such concentration as the Commission may by regulation determine from time to time.
- k. The term "*special nuclear material*" means (1) plutonium, uranium-233, uranium enriched in the isotope 233 or in the isotope 235, and any other material which the Commission determines to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material. Unless the context otherwise indicates, the term "*material*" refers to "special nuclear material" as defined herein.
- l. The term "*value*" means the United States dollar amount determined by multiplying the applicable Commission base charge by the number of units, or fractions thereof, of special nuclear material involved, whether or not such material is in standard form and specification.
- m. The term "*worth*" means the United States dollar amount determined by multiplying the applicable Commission unit price for normal or depleted uranium by the number of units, or fractions thereof, of normal or depleted uranium involved. The Commission's applicable unit price for normal or depleted uranium will be fixed in accordance with established Commission pricing policy then in effect.

- n. The term "*established Commission pricing policy*" means any applicable price or charge in United States dollars in effect at the time any particular transaction under this Lease takes place (i) published by the Commission in the United States Federal Register, or (ii) in the absence of such a published figure, determined in accordance with the Commission's pricing policies. A statement of such pricing policies will be furnished the Lessee upon request. The Commission's published prices and charges, as well as its pricing, may be amended from time to time.
- o. The term "*Standard Form*" means the chemical form of special nuclear material, as published by the Commission in the United States Federal Register from time to time.

Article II

Scope

- a. 1. This Lease is subject to all of the terms, conditions, provisions, and guarantees contained in the Agreement for Cooperation.
2. Unless otherwise provided herein, or in a written agreement between the Commission and the Lessee, the terms and conditions contained herein shall apply to material and related services furnished by the Commission to the Lessee on and after the date of execution of this Lease pursuant to his order, and to the material, if any, subject to all leases of Special Nuclear Material between the Commission and the Lessee as of midnight June 30, 1963, (Washington, D. C., local time).
- b. 1. The Lessee shall order material pursuant to this Lease through the execution and submission of a special nuclear material order form prescribed by the Commission.
2. The Lessee shall specify on his order whether he desires the ordered material to be furnished (a) directly to the Lessee, (b) thru a Commission licensed United States firm who is a Lessee of the Commission (hereinafter referred to as the "United States Contractor") engaged by the Lessee for processing and/or fabrication, or other purpose, or (c) otherwise. In any case actual delivery to the Lessee shall be effected at a United States port of export as provided for under Article XV, "Delivery", of this Lease.
- c. Acceptance of the Lessee's order for material by or on behalf of the Commission shall constitute the Commission's commitment to lease the material specified in such order subject to the terms of said order and of this Lease.

- d. Nothing herein shall be deemed to obligate the Lessee to order material or to obligate the Commission to lease material to the Lessee, or to provide services for the Lessee with respect to the material.

Article III

Title

Except as otherwise provided herein or as may be agreed by the Parties hereto, title to alle material furnished to or received by the Lessee subject to or held under this Lease shall at all times be and remain in the Government of the United States of America.

Article IV

Term of lease, termination and cancellation

- a. Except as otherwise provided herein, the Lessee shall have the right to possess and use material covered by this Lease until June 30, 1967; it being understood that the Parties intend to negotiate in due time concerning a renewal of this Lease or an appropriately amended lease or agreement.
- b. The expiration, suspension, or termination, in whole or in part, of the Agreement for Cooperation shall automatically result in the expiration of this Lease and any orders for material shall be of no further force or effect as to the affected material.
- c. The Lessee may cancel any order for material under this Lease by notice in writing to the Commission at any time prior to delivery of the material; provided, the Lessee shall pay a cancellation charge for the costs incurred by the Commission in connection with such order, as determined in accordance with established Commission pricing policy in effect at the time such costs are incurred.
- d. Either party may cancel this Lease at any time the other party fails or neglects to fulfill its obligations hereunder or under the Agreement for Cooperation.
- e. In the event that Lessee for any reason is unable to use any material leased hereunder for the purpose for which said material was leased, Lessee shall promptly notify the Commission and shall return the said material in accordance with the terms hereof except as may be otherwise hereafter agreed by the parties.

Article V

Material to be furnished by the Commission; service charges

- a. Except as otherwise provided herein, special nuclear material subject to this Lease shall be furnished to the Lessee or its designated United States Contractor in Standard Form in accordance with the Commission's established specifications.

- b. 1. The Lessee shall pay the Commission's service charges, if any, for withdrawal and packaging, and for any other special service rendered pursuant to the Lessee's order, with respect to material subject to this lease to be furnished the Lessee directly. Unless such charge or charges are agreed to in the order executed by the Lessee and the Commission for material, the Lessee shall pay the Commission its charges for the services rendered pursuant to the Lessee's order as determined in accordance with established Commission pricing policy in effect at the time such services are rendered. Lessee shall also pay the equivalent of a use-charge for the period covered by such services and until actual delivery of the leased special nuclear material to Lessee as herein provided, and for the value of material consumed in the rendering of such special services.
2. In the case of material ordered hereunder by the Lessee which is to be furnished through a United States Contractor engaged by the Lessee, arrangements shall be made by Lessee for such Contractor to make payment of the Commission's service charges, if any, for withdrawal and packaging, and for any other special service to be rendered pursuant to the Lessee's order. Arrangements for the payment of the use-charge, as hereinafter provided, for the period covered by such services, and value of the material consumed in rendering such special services shall also be made by Lessee with the said Contractor.
- c. 1. If the material ordered hereunder is furnished directly to the Lessee and does not conform to the specifications set forth in an order executed by the Lessee and the Commission or, if no such specifications are set forth, to the Commission's established specifications, the responsibility and liability of the Government of the United States of America, the Commission, and persons acting for and on behalf of the Commission shall be limited solely to correcting such discrepancies by delivery at a mutually agreeable port of export in the United States of America of material which does conform to the applicable specifications, in exchange for the non-conforming material. Lessee may, in accordance with mutually accepted procedures, and at Lessee's expense, test material to be delivered directly hereunder for conformity to specification prior to shipment from the Commission's facility.
- c. 2. In the case of material ordered hereunder by the Lessee which is furnished the Lessee's designated United States Contractor prior to delivery to the Lessee by the Commis-

sion, the liabilities and responsibilities of the Commission concerning non-conformity to the specifications of said material shall be governed by the arrangements between the Commission and the said Contractor.

- d. It is recognized that material furnished under this Lease as enriched uranium (U-235) may be consumed in such manner as to reduce the isotopic ratio thereof to the extent that the leased material is no longer special nuclear material as defined herein. Except as provided herein, the resulting normal or depleted uranium will be, and remain, subject to the provisions of this Lease as if the material were special nuclear material; provided, that the Lessee's obligations for loss or consumption of, and for use-charges with respect to, such material, shall be computed using the worth of the normal or depleted uranium, and provided further, that if in lieu of returning such material directly to a Commission facility as provided in this Lease, Lessee desires to transfer such material to another person authorized and approved by the Commission for this purpose, and to terminate his obligations with respect thereto, the Commission may, at its option, transfer title to such material in exchange for Lessee's payment of the worth thereof.
- e. The Lessee shall not blend special nuclear material subject to this Lease without prior consent of the Commission.
- f. The Lessee shall maintain and make available to the Commission for examination, upon reasonable notice, adequate records pertaining to his receipt, possession, use or transfer of material subject to this Lease. The Lessee shall afford to the Commission, at all reasonable times, opportunity to inspect the material subject to this Lease and the premises and facilities where such material is used or stored. The Lessee shall permit the Commission to perform such audit tests and inventory tests as the Commission deems necessary for verification of the accuracy of any reports submitted by the Lessee to the Commission. The Commission agrees to perform any inventory tests with respect to material subject to this Lease (which the Lessee agrees may include the taking of a reasonable number of samples for physical or chemical analysis) so as to minimize interference to the Lessee's processing delivery schedules, and third party commitments regarding the material. Nothing contained herein shall authorize the Commission to perform destructive testing of a fabricated article containing special nuclear material except with the consent of the Lessee. The Lessee agrees that no charges for costs or value of any material samples, or for services or equipment, should such be furnished by the Lessee or provided in connection with the performance

of audit tests and inventory tests, shall be made against the Commission; however, the Commission will allow full credit in the Lessee's account with the Commission for the value of the material included in the samples and the Commission will make no charge against the Lessee for reconversion of the material samples to Standard Form. In the event the Lessee should ship material subject to this Lease to any other person, or cause such shipment of such material, Lessee shall assure that the rights and privileges granted to the Commission under this paragraph shall not be affected by such shipment.

- g. The Lessee shall segregate physically all material subject to this Lease from any other source material and special nuclear material in the Lessee's possession unless otherwise expressly agreed by the Parties.

Article VI

Return of material to the Commission; special charges for Commission services

- a. 1. Except as otherwise may be agreed by the parties hereto, the Lessee will return all material subject to this Lease upon the expiration or earlier termination of this Lease, provided, however, that the Lessee shall have the right to return such material at any time prior to such date.
 2. Unless waived by the Commission, the Lessee shall give the Commission at least ninety (90) days prior written notice of intent to return material to the Commission specifying the form and specification of such material.
- b. Except as otherwise provided herein, or as may be mutually agreed, material subject to this Lease which is returned directly to the Commission shall, after having been processed in facilities acceptable to the Commission, be in the Standard Form, and shall meet the Commission's established specifications for return of material in effect as of the date of this Lease.
- c. Material transferred beyond the jurisdiction of the Lessee with the consent of the Commission, regardless of the form and/or specification of such material, shall be deemed to have been returned to the Commission, if such transferee, the Commission, and the Lessee have executed an agreement covering the material so transferred.
- d. In the event that no reprocessing facilities other than the Commission's are available to the Lessee and acceptable to the Commission, or in the event the Lessee establishes to the satisfaction of the Commission that the charge for processing in acceptable non-Commission facilities would exceed the value of special nuclear material recoverable, the Commission will accept the

- return of material in a form and/or specification other than provided in *b.*, above. In such event, the Lessee shall have the option to (i) pay a service charge for processing such returned material so as to enable it to satisfy the Commission's established specifications in effect as of the date of this Lease, or (ii) pay a sum equal to the value or worth of such material plus a special service charge, determined in accordance with Commission pricing policy then in effect for handling, storage and/or disposal of the material. The service charge for processing shall include the Commission's charge for processing, as determined in accordance with the established Commission pricing policy then in effect, and an amount, as determined by the Commission, for the value or worth of the material consumed during processing. Whenever material returned by the Lessee is subject to processing charges under this subparagraph, the Lessee shall continue to pay the use-charge on such material until expiration of a normal processing period as determined by the Commission.
- e. It is understood by the parties hereto that at such time as material leased hereunder requires chemical processing, and upon request of the Lessee, the Commission will make a determination as to whether, and under what terms and conditions, it can undertake to perform such services, taking into consideration such factors as the availability of: *a*) acceptable commercial facilities to perform the service, *b*) Commission facilities, and *c*) comparable services by the Commission to U. S. reactor licensees.
- f. Material subject to this Lease returned directly to the Commission in the form of uranium hexafluoride shall be shipped only in cylinders of appropriate size as specified by the Commission. The quantity of such material shipped in a container shall not be less than the Commission-established minimum loading for the type of cylinder used.
- g. 1. All material returned to the Commission shall be transported under appropriate safeguards prescribed by the Commission against hazards to health and safety to a port of entry into the United States of America to be designated by the Commission after consultation with the Lessee. The Commission shall thereupon perform those actions required to authorize the import of such material. Unless otherwise mutually agreed by the Parties, the Lessee shall thereafter arrange at the Lessee's expense for a carrier, subject to such terms, charges, conditions, and licenses as may be required, to transport such material by commercial conveyance to the Commission facility or location specified by the Commission, with transportation charges paid by Lessee to such facility or location.

2. The Commission will notify the Lessee promptly after receipt of the Lessee's notice of intent to return material as to the acceptability of such material for return under this Lease, and if appropriate as to the Commission facility or location designated for return of this material.
 3. The Lessee, at the time of shipment of material, shall notify the Commission of the date and method of shipment, expected dates of arrival at port of entry and of delivery of such material to the Commission facility.
- h.* The Commission shall issue an appropriate written receipt which will evidence such return of material hereunder.

Article VII

Payment for material lost and consumed

- a.* Except as otherwise provided herein, the Lessee shall be responsible for and shall reimburse the Commission for any loss or consumption of material, whether or not such loss or consumption is due to the fault or neglect of the Lessee, or any other cause occurring from the time of delivery of such material to the Lessee and until such material has been returned to the Commission as provided herein.
- b.* Lessee shall make reports to the Commission, on forms as prescribed by the Commission, to accurately reflect all losses or consumption of material as then known to the Lessee. In reporting material as lost or consumed, Lessee shall make reasonable effort to accurately fix the time of such loss or consumption on the basis of a specific occurrence or in accordance with accepted procedures and methods of calculating loss or consumption.
- c.* The Lessee may, and shall, when required by the Commission, pay for material lost or consumed on a provisional basis. Except as otherwise provided herein the amount due to the Commission for material lost or consumed shall be the value or worth of such material computed in accordance with this Lease, as of the time of such loss or consumption.
- d.* Any disagreement between the Commission and the Lessee as to whether material has in fact been lost or consumed, or as to the time any such loss or consumption occurred, shall be deemed a question of fact within the meaning of that term as used in Article XXVI, entitled "Disputes", of this Lease.

Article VIII

Use-charge payment

Except as otherwise provided herein, the Lessee agrees to pay the Commission a use-charge for material subject to this Lease, as

provided in Article X, "Establishment", below. The rate of use-charge shall be the Commission's published rate of annual (365 days) use-charge in effect for the period covered by the Commission's invoice.

Article IX

Other authority

Nothing in this Lease shall be deemed to obligate the Lessee to pay the Commission's charges with respect to materials and/or services subject to this Lease, or to observe other specific provisions of this Lease, if the Commission, in accordance with statutory or other authority available to it, determines that such charges or other provisions are not applicable.

Article X

Establishment of special nuclear material lease account

- a. The Commission will establish a special nuclear material lease account for the Lessee to which will be debited, as provided herein, the amount or amounts equal to the value or worth of the material subject to this Lease. Such account will be credited, as provided herein, with the amount or amounts equal to the value or worth of the material returned or paid for, in accordance with this Lease. The daily balance of this account shall be used for computing the amount due to the Commission for use-charges. The value or worth of material reflected in this account after credit for the value or worth of material returned and for payments for material lost or consumed shall represent the amount due to the Commission for material not returned or paid for. In the event material paid for as having been lost or consumed is later re-established in Lessee's account, said account shall be debited as of the date of refund (or appropriate set off) of such payment to Lessee as provided in paragraph c of Article XII, "Performance. . . .", hereof, with the amount or amounts equal to the value or worth of such material at the time of such re-establishment in Lessee's account.
- b. Except as otherwise provided in this Lease, the Lessee's account will be debited for material furnished as of the date material is delivered to the Lessee.
- c. The Lessee's account will be credited for material returned directly to the Commission or transferred beyond the jurisdiction of the Lessee only when the material is returned or transferred in accordance with Article VI, "Return of Material. . . .". Except as otherwise provided in this Lease, the Lessee's account will be credited for material returned directly to the Commission as of the date the material is delivered to a location specified by the Commission pursuant to this Lease. Credit for material transferred beyond the jurisdiction of the

Lessee will be made as of the date to be mutually agreed. Credit for material paid for will be made as of the date payment is received by the Commission.

- d. Whenever the Commission changes any applicable base charge as provided in Article XI, "Changes . . .", below, the value or worth of material recorded in Lessee's account will be recomputed at the new base charge; provided, that the value or worth of material lost or consumed as of the date of such change shall not be recomputed. Subsequent to the effective date of the change in the applicable base charge, the new base charge will be used, in determining the value or worth of material lost or consumed and for computing the value or worth of material subject to use-charges.
- e. The Lessee will be notified of the debits and credits made to his account as the result of shipments and transfers of material, and of any changes in the value or worth of material in such account as a result of changes in the applicable base charges. The Lessee will promptly notify the Commission of any disagreement with, discrepancies, or errors in such notices.
- f. The Lessee will submit such transfer documents covering receipts and shipments, and reports of loss or consumption, and inventory, with respect to material subject to this Lease as the Commission may prescribe, and shall maintain records and make the same available to the Commission as elsewhere herein provided.

Article XI

Changes in rate of use-charge, base charges, and specifications

- a. The rate of use-charge, the base charges, Standard Form, and/or the specifications for material furnished pursuant to this Lease are subject to change by the Commission in accordance with the Act.
- b. Any changes in rate of use-charge, the base charges, Standard Form, and/or the specifications shall be effective on either July 1 or January 1 as stated in a notice of change published by the Commission, provided at least thirty days' prior notice of such changes is given the Lessee, by publication or by written notice directed to the Lessee, and provided further, that the Commission may reduce the rate of use-charge or the base charges at any time by a notice of change published by the Commission and without prior notice to Lessee.

Article XII

Performance of AEC obligations; billing

- a. The Commission may fulfill its obligations under the Lease through the operator of any of its facilities.

- b. Billings for amounts due to the Commission under the Lease will ordinarily be made
 - (1) following the performance of any service, and
 - (2) semi-annually for use-charge and for charges for loss or consumption of material.
- c. (1) All billings and payments made on a provisional basis are subject to adjustment to recognize actual or calculated amounts, enrichment, isotopic content, and specifications of material involved. Whenever Lessee has paid for material reported as having been lost or consumed and such material is later re-established in Lessee's account, the Commission shall refund to Lessee (or appropriately set off against any amounts due to the Commission) the amount paid by Lessee for such material. Except as stated in paragraph *d*, below, the adjustments provided for in this paragraph will not subject the Lessee or the Commission to liability for interest.
 - (2) Any disagreement between the Commission and the Lessee as to the amount actually paid by Lessee for such material shall be deemed a question of fact within the meaning of that term as used in Article XXVI, "Disputes" of this Lease.
- d. All bills rendered by or on behalf of the Commission are due sixty (60) days from the date of invoice and shall be paid in currency of the United States of America. Failure to receive payment within sixty (60) days after date of invoice shall entitle the Commission to an additional charge at six percent per annum on such amount.

Article XIII

Injury or damage

- a. Neither the Government of the United States of America, the Commission nor persons acting for or on behalf of the Commission make any warranty or other representation, express, or implied, that material furnished under this Lease (*a*) will not result in injury or damage when used for the purpose for which furnished, (*b*) will accomplish the results for which it is requested from the Commission, or (*c*) is safe for any other use.
- b. With respect to the material to be leased hereunder, the Lessee shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) for any cause whatsoever arising out of the production or fabrication, the transportation, the

ownership, the lease, and the possession and use of such special nuclear material commencing with the start of transport of such material to the designated port of export and thereafter.

Article XIV

Time of delivery

The Commission will make reasonable efforts to deliver material at the time or times stated in orders for material subject to this Lease, but neither the Government of the United States of America, the Commission, nor persons acting on behalf of the Commission shall be subject to any liability for any failure to do so.

Article XV

Delivery

- a. With respect to material ordered hereunder which is to be furnished the Lessee directly, the Commission shall provide the material ordered, on board commercial conveyance at a facility of the Commission, to a transporter arranged for by the Lessee. Subject to such terms, charges, conditions, and licenses as the Commission may require, the transporter shall transport and deliver the material to a port of export in the United States of America to be designated by the Commission after consultation with the Lessee. The Commission shall thereupon perform those actions required to effect the delivery and authorize the export of the material to the Lessee at such designated port. All costs of domestic and overseas transportation and delivery (including costs of containers and packaging) and of storing such material in connection with such delivery shall be the responsibility of and borne by the Lessee and not the Commission. The Lessee or its duly authorized agent shall accept delivery of the material at the designated port of export, and shall sign an appropriate written receipt therefor, whereupon the lease of such material shall commence and the Lessee shall assume full and complete responsibility for the material.
- b. With respect to material ordered hereunder which is to be furnished a United States Contractor engaged by the Lessee for purposes of processing and/or fabrication,
 - (1) The Commission shall make available to the said United States Contractor, on board commercial conveyance at a facility of the Commission, the said material, subject to such terms, charges, conditions, and licenses as the Commission may require.
 - (2) Upon completion of the conversion or fabrication and preparation of the material by the said Contractor, and receipt by the Commission of the written certificate of the

said Contractor's determination of the isotopic content and quantity of special nuclear material as required by paragraph *d.* of Article XVIII, "Determination . . .", of this Lease, the Lessee shall arrange for a transporter who, after thirty (30) days' written notice by the Lessee to the Commission and subject to such terms, charges, conditions, and licenses as the Commission may require, shall transport and deliver such converted or fabricated material to a port of export in the United States of America to be designated by the Commission after consultation with the Lessee. The Commission shall thereupon perform those actions required to effect the delivery and authorize the export of such material to the Lessee at such designated port. All costs of domestic and overseas transportation and delivery (including costs of containers and packaging) and of storing such material, as well as all arrangements for physically handling such material in connection with such delivery shall be the responsibility of and borne by the Lessee and not the Commission. The Lessee or its duly authorized agent shall accept delivery of such material at the designated port of export, and shall sign an appropriate written receipt therefor, whereupon the lease of such material shall commence and the Lessee shall assume full and complete responsibility for the special nuclear material contained therein.

Article XVI

Cylinders and equipment

- a. Except as otherwise agreed, shipments of material subject to this Lease to the Lessee, and the return of such materials to the Commission, shall be made only in containers and/or equipment acceptable to the Commission. The Commission may, but shall not be required to, furnish containers and equipment for shipping such material.
- b. Any non-AEC-supplied cylinders, containers, and equipment furnished or utilized by the Lessee will meet current Commission specifications and practices as to safety, design criteria, cleanliness, and freedom from contamination, of which the Commission shall be the sole judge. The Commission will endeavor to return non-AEC-owned cylinders, containers, and other equipment to the Lessee in a reasonable time, but will not be responsible for any loss of or damage to such cylinders, containers, or equipment except as may result from its fault or negligence. Such return shipments by the Commission will be made f.o.b. commercial conveyance at the Commission facility.

- c. Whenever material is shipped to the Commission, and the Commission elects to decontaminate the containers, railroad cars, trucks, or other shipping vehicles or the Commission's unloading area and machinery, because the containers, or the material or the method of shipment failed to meet the health and safety standards prescribed by the Commission or any other United States Government agencies having jurisdiction over such matters, the Lessee shall pay the Commission the full cost of such decontamination as determined by the Commission in accordance with established Commission pricing policy.

Article XVII

Assignment

The Lessee may not assign this Lease, or any order for material subject to this Lease, without the express written approval of the Commission.

Article XVIII

Determination of material quantities and properties; settlement of measurement differences; adjustments of use-charges

- a. Transfers directly to or from the Commission.

This Section "a" sets forth provisions and procedures for determination of quantities and properties of material subject to this Lease transferred directly to or from the Commission, (where no processing is involved) and for the resolution of measurement differences resulting from such determination, including the use of an "Umpire". (For the purpose of this section, the terms "shipper" and "receiver" shall refer to the Commission and the Lessee or vice versa as the case may be.)

1. The Commission samples obtained using the Commission's procedures will be the official samples and shall be binding upon the Commission, the Lessee and the umpire unless the Commission and the Lessee agree upon the use of other samples.
2. If the receiver does not accept the shipper's quantities and/or properties stated on the AEC transfer form for such material, the receiver shall, within sixty (60) days after the receipt of the material or the AEC transfer form for such material, whichever is later, submit a written or telegraphic notice of disagreement to the shipper. The notice of disagreement shall include measurement data supporting the disagreement. If such notice of disagreement is not submitted within such sixty (60) days the shipper's measurements will be final and binding upon both parties. The receiver shall not use or dispose of the material in any manner until the difference is

- resolved unless such use or disposition is mutually agreed to by the Commission and the Lessee; provided that nothing herein shall prevent the receiver from handling the material as necessary for storage or protection against health and safety hazards.
3. If the disagreement is not resolved by mutual agreement, the following procedure shall apply:
 - (a) If the disagreement concerns bulk measurement (i.e., total volume, gross and net weight, total piece count or any other measurement made on the entire quantity of material involved), repeat measurements shall be performed by an umpire mutually agreed to by both parties at a mutually agreed upon site. The umpire's results will be conclusive on both parties. The party whose original measurement result is furthest from the umpire's result will bear the umpire's charges; provided, in the event the umpire's result is equidistant between the Lessee's and the Commission's result, the parties will each bear one-half of the umpire's charges.
 - (b) If the disagreement concerns results obtained from analysis of a sample, an official sample will be submitted to an umpire mutually agreed upon for analysis. The umpire's results will be conclusive on both parties.
 - (i) In the case of a disagreement with respect to specification limits based on an official sample, the receiver will bear the umpire's charges if the umpire's result is within specification limits, and the shipper will pay the umpire's charges if the umpire's result is not within specification limits.
 - (ii) In the case of a disagreement concerning quantitative determinations on an official sample, the umpire's result will be used and the party whose result is furthest from the umpire's result will pay the umpire's charges; provided, in the event the umpire's result is equidistant between the shipper's and the receiver's results, the parties will each bear one-half of the umpire's charges.
 4. The period of time during which use-charges shall accrue under this Lease with respect to material subject to a measurement disagreement hereunder shall be adjusted as follows:
 - (a) Where the disagreement pertains to material delivered to the Lessee and is resolved by the umpire in favor of the Lessee, no use-charge shall accrue between the

date of receipt of notice of disagreement and the date of resolution or the date of use or disposition of material by the Lessee (when mutually agreed upon) whichever occurs first. Provided, however, that where the disagreement pertains to specifications of the material and is resolved by the umpire in favor of the Lessee, no use-charge shall accrue unless the Lessee accepts the material, uses, or disposes of the material (when mutually agreed upon) or fails to return it after resolution of the disagreement within a reasonable time.

- (b) Where the disagreement pertains to material returned directly to the Commission, no use-charge shall accrue between the date of receipt of the shipment and the Lessee's receipt of notice of disagreement. Use-charges shall accrue between Lessee's receipt of notice of disagreement and the date of resolution or the date of use or disposition of the material by the Commission (when mutually agreed upon), whichever occurs first, unless the disagreement is resolved in favor of the Lessee.
- (c) Where an umpire is used and the umpire's result is equidistant from those of the parties, no use-charge shall accrue for one-half of the period between the date of receipt of notice of disagreement and the date of resolution or the date of use or disposition of the material by the Lessee or the Commission (when mutually agreed upon), whichever occurs first.
- (d) Where the disagreement is resolved by mutual agreement, the period of use-charge shall be included in and settled by mutual agreement.

The above use-charges shall apply to the total of the material whose quantity or other characteristics is involved, and not to the amount represented by any difference of the measurements.

b. Material returned for processing.

The quantity and properties of irradiated material subject to this Lease and returned directly to the Commission under a contract providing for chemical processing and financial settlement, will be determined in accordance with the provisions and procedures agreed upon in such contract.

c. Material furnished through a "United States Contractor".

With respect to material ordered hereunder which is furnished a United States Contractor engaged by the Lessee for purposes of processing and/or fabrication, the following shall apply:

- (1) The Lessee shall cause the said Contractor to submit to the Commission a written certificate of said Contractor's determination of the quantity of special nuclear material contained in the converted or fabricated and prepared material, and of its isotopic content. Unless otherwise agreed by the parties hereto, the per cent of the isotope uranium-235 in any enriched uranium either converted or fabricated and prepared by the Lessee's United States Contractor shall be deemed to be the same as the uranium-235 isotopic enrichment of the uranium made available by the Commission to said Contractor and certificate shall be written accordingly. The quantity of special nuclear material contained in the converted or fabricated and prepared material shall be as determined by the United States Contractor and set forth in such certificate as such quantity may be accepted by the Lessee and thereafter accepted or revised by the Commission after any reviews or analyses which the Commission may deem appropriate.
- (2) The provisions and procedures governing, as between the Commission and the said Contractor, the determination of quantities and properties of said material, and the resolution of measurement differences resulting from such determination shall be those established by the arrangement between the Commission and the said Contractor.

Article XIX

Patent indemnification

Unless expressly waived in writing by the Commission, the Lessee agrees to indemnify the Government of the United States of America, the Commission, and persons acting for and on behalf of the Commission against liability, including costs and expenses incurred, for infringement of any Letters Patent occurring in the course of the performance of any service, analysis or test performed for the Lessee as a result of following specific instructions of the Lessee in connection therewith, or occurring in the utilization by the Lessee of any material procured hereunder; provided, that insofar as such materials are prepared or used or services utilized in the performance of a Government of the United States of America contract, this indemnity agreement shall not apply and the terms of such contract shall govern the rights of the parties.

Article XX

Right to use and publish information

The Commission shall have the right to publish and use any information of data developed by the Commission or persons acting for or on behalf of the Commission as the result of any service, analysis or test performed hereunder for the Lessee.

Article XXI

Other contracts and agreements

This Lease contemplates the possibility of separate contracts between the Lessee and the Commission for processing services of irradiated material which are subject to this Lease, and/or agreements between the Lessee and the Commission under which material subject to this Lease is made available to the Commission for its benefit, which may provide for suspension or termination of use-charges and suspension, termination, or revision of other obligations hereunder, and/or for measurement of amounts of material which the Lessee is returning. Except for such suspension, termination, revision, or the use of measurement data in determining amounts of material returned for which the Lessee will be allowed credit hereunder, the Lessee's obligations under this Lease for material subject to this Lease shall continue notwithstanding the existence of such separate contract or contracts.

Article XXII

Officials not to benefit

No member of Congress or resident commissioner of the United States of America shall be admitted to any share or part of this Lease or to any benefit that may arise therefrom.

Article XXIII

Covenant against contingent fees

The Lessee warrants that no person or selling agency has been employed or retained to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established or selling agencies maintained by the Lessee for the purpose of securing business. For breach or violation of this warranty the Government of the United States of America shall have the right to annul this Lease without liability or in its discretion to adjust the Lease price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

Article XXIV

Applicable law

This Lease shall be construed according to the laws applicable in the federal courts of the United States of America for contracts in the United States of America to which the Government of the United States of America is a party.

Article XXV

Notices

- a. Any notice required by this Lease of the Lessee shall be submitted in writing to the Commission addressed to:

Director

Division of International Affairs

United States Atomic Energy Commission

Washington 25, D. C.

- b. Any notices required by this Lease of the Commission shall be submitted in writing to the Lessee addressed to:

Embassy of the Netherlands

4200 Linnean Avenue, N.W.

Washington, D. C.

Article XXVI

Disputes

Except as otherwise provided in this Lease, any dispute concerning a question of fact arising under this Lease which is not disposed of by agreement shall be referred to arbitration by a board composed of three competent arbitrators. One of such arbitrators shall be appointed by the Commission, one shall be appointed by the Lessee, and the third arbitrator shall be selected by the first two. In the event that the first two arbitrators so selected are unable to agree upon a third arbitrator, then each of the Parties shall designate another person to act as an arbitrator in lieu of the person previously appointed by such Party, which two new arbitrators shall endeavor to agree upon the third arbitrator. Such procedure shall be repeated until a third arbitrator shall have been selected. The decision of a majority of the arbitrators on the arbitration board shall be final and binding. Allocation of the costs of the arbitration shall be as determined by the board of arbitrators; provided, however, that neither Party shall be obliged to pay the costs of the other Party's arbitrator.

Article XXVII

Effective date

This Lease shall, upon signature of representatives of both the Commission and Lessee, be effective as of July 1, 1963.

IN WITNESS WHEREOF, the parties have executed this Lease at Washington in duplicate, this 30th day of June, 1963.

The United States Atomic Energy Commission acting for and on behalf of the Government of the United States of America:

By: (sd.) MYRON B. KRATZER
Title: *Deputy Director,*
Division of International Affairs

The Government of the Netherlands:

By: (sd.) E. L. C. SCHIFF
Title: *Minister*
Netherlands Embassy

Uitgegeven de vierde maart 1965.

De Minister van Buitenlandse Zaken,
J. LUNS.