



The Korean Peninsula Energy Development Organization
600 3rd Avenue, 12th Floor
New York, NY 10004

**Protocol between the Korean Peninsula Energy Development Organization
and the Government of the Democratic People's Republic of Korea on Site
Take-over, Site Access and Use of the Site for the Implementation of a
Light-Water Reactor Project**

The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK"),

Reaffirming that KEDO and the DPRK shall faithfully perform their respective obligations under the Agreement on Supply of a Light-Water Reactor Project to the DPRK between KEDO and the Government of the DPRK, signed on December 15, 1995 (hereinafter referred to as the "Agreement") and protocols to the Agreement,

Desiring to conclude a protocol in accordance with Article V, paragraph 3 of the Agreement concerning take-over, access and the use of the light-water reactor (LWR) project site, and related issues (hereinafter referred to as the "Protocol"),

Have agreed as follows:

ARTICLE 1

DEFINITIONS

For the purposes of the Protocol:

1. "KEDO Persons" means all personnel sent to the DPRK by KEDO, its contractors and subcontractors, and members of KEDO delegations, as well as other persons under the auspices of KEDO and their accompanying family members in connection with the LWR project.
2. "Materials" means all equipment, raw materials, goods, amenities and other items necessary for working and living by KEDO Persons, directly or indirectly related to the LWR project.

3. "Site," referenced as LWR Project Sites and Project Site in protocols to the Agreement, means the location of the LWR plants and related facilities as specified in Annex 1 of the Protocol.
4. "Site Survey" means a preliminary investigation and analysis of the Kumho area near Sinpo City, South Hamgyong Province conducted by KEDO to ensure that the area satisfies the site selection criteria as shall be agreed between KEDO and the DPRK and to identify the requirements for design, construction and operation of the LWR plants, including infrastructure improvements. The Site Survey forms part of the site studies which shall be included in the preliminary safety analysis report (PSAR) referenced in Article X, paragraph 2 of the Agreement.

PART 1

SITE BOUNDARIES AND SITE TAKE-OVER

ARTICLE 2

SITE BOUNDARIES

1. The boundaries outlining the Site, as specified in Annex 1 of the Protocol, and as indicated on the map are attached as Annex 2 of the Protocol. Such boundaries may be amended as required for the expeditious and smooth implementation of the LWR project and as agreed between KEDO and the DPRK.
2. KEDO shall prepare a Site Survey report, which shall include detailed coordinates of the boundaries referenced in paragraph 1 of this Article based on the Site Survey, relevant data provided by the DPRK in accordance with Annex 2, paragraph 2 of the Agreement, and the site selection criteria. The Site Survey report shall demonstrate that the Site can meet the site selection criteria. Final confirmation that the Site meets the site selection criteria shall be made in the PSAR.

ARTICLE 3

SITE TAKE-OVER CERTIFICATE

1. As soon as possible after receiving the Site Survey report, the DPRK shall issue a site take-over certificate to KEDO, the form and the type of content of which shall be agreed between KEDO and the DPRK. The site take-over certificate shall be valid for the duration of the LWR project. The site take-over

certificate issued by the DPRK shall in no way transfer ownership of valuable mineral resources and cultural relics, but the assertion of this ownership shall not impede the smooth and expeditious implementation of the LWR project. Following the issuance of the site take-over certificate, KEDO may allow DPRK nationals to use portions of the Site temporarily for agricultural purposes provided such use does not affect the safety or the implementation of the LWR project, as deemed necessary by KEDO.

2. The site take-over certificate, including the boundaries referenced in Article 2, paragraph 1 of the Protocol, may be amended as required for the expeditious and smooth implementation of the LWR project and as agreed between KEDO and the DPRK. This shall include amending the site take-over certificate when the DPRK issues a plant take-over certificate for the first LWR plant and related facilities as specified in Article III, paragraph 2 of the Agreement.
3. The DPRK shall fulfill the relevant tasks specified in Annex 2, paragraphs 1, 2, 5 and 6 of the Agreement before the issuance of the site take-over certificate specified in paragraph 1 of this Article. Existing structures and facilities, in the Site, referenced in Annex 2, paragraph 1 of the Agreement shall include buried explosive materials, underground utilities, fish farm facilities, and cultural and other properties, except any roads.

PART 2

ACCESS TO, USE OF AND RIGHTS WITHIN THE SITE

ARTICLE 4

USE OF THE SITE

1. KEDO, its contractors and subcontractors shall have exclusive rights to use the Site without interference from the DPRK for: construction of LWR plants and related facilities; offices for KEDO, its contractors and subcontractors; housing and recreation for KEDO Persons; services; and any other purposes related directly or indirectly to the LWR project.
2. In accordance with paragraph 1 of this Article, the DPRK shall not interfere with the performance or personal life of KEDO Persons, including the right to conduct religious services, within the Site.
3. KEDO, its contractors, subcontractors and KEDO Persons shall respect the relevant laws and regulations of the DPRK, including those on the

environment and construction, as shall be agreed between KEDO and the DPRK, and shall conduct themselves at all times in a decent and professional manner. KEDO, its contractors and subcontractors shall not restore any topographical features that are altered during the implementation of the LWR project or compensate the DPRK in lieu of such restoration, unless otherwise agreed between KEDO and the DPRK. KEDO, its contractors and subcontractors shall restore to practical use the road, railway, protective installations of the river and lake, and irrigation facilities at the Site that have been altered during the implementation of the LWR project, as agreed between KEDO and the DPRK. Such restoration shall include leveling, as agreed between KEDO and the DPRK. KEDO, its contractors and subcontractors shall take measures to remove facilities and structures, except those which shall be taken over by the DPRK, after a mutually agreed duration following the completion of the second LWR plant. KEDO and the DPRK shall agree on the criteria for which facilities and structures shall be taken over by the DPRK or removed by KEDO, its contractors or subcontractors.

4. KEDO, its contractors, subcontractors and KEDO Persons may use explosives within the Site in connection with the LWR project as agreed between KEDO and the DPRK.
5. In carrying out construction work within the Site, KEDO, its contractors and subcontractors shall take appropriate measures to protect and preserve the environment. KEDO, its contractors and subcontractors shall also take into consideration the protection and preservation of the surrounding areas, and shall cooperate with the DPRK for this purpose. The DPRK shall take appropriate measures to protect its properties when KEDO, its contractors and subcontractors are engaged in construction activities likely to affect areas beyond the Site.
6. KEDO shall be responsible for the maintenance of order within the Site and shall take appropriate measures to establish a system to ensure such maintenance of order. DPRK nationals shall not enter the Site without prior arrangement with KEDO.
7. When necessary for the implementation of the LWR project, KEDO Persons shall be allowed to photograph or videotape objects outside the Site, with the consent of the DPRK. KEDO Persons shall not be allowed to photograph or videotape DPRK means of transportation passing through the Site, without the consent of the DPRK. KEDO Persons shall conduct themselves at all times in a decent and professional manner at the Site.

ARTICLE 5

SITE ACCESS

1. KEDO, its contractors, subcontractors, KEDO Persons and Materials shall be allowed unimpeded entry to and exit from the Site on the routes referenced in Annex 5 of the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project and on roads connecting non-contiguous areas of the Site. When KEDO Persons enter and exit the Site, they each shall carry an identification certificate issued by KEDO.
2. To ensure the safety of the Site, KEDO shall take appropriate measures to control the entry and exit of persons, goods, and means of transportation to and from the Site. For this purpose, a fence, stakes or similar structures may be erected to indicate the boundaries of the Site. The DPRK may establish checkpoints for identification at locations agreed between KEDO and the DPRK outside the Site for the purpose of securing the safety of the vicinity of the Site. KEDO and the DPRK shall agree on the identification procedure, which shall not impede the smooth and expeditious implementation of the LWR project, to be used at such checkpoints.
3. For the purpose of securing the safety of the Site, KEDO and those contractors and subcontractors authorized by KEDO shall issue an entry and exit permit to each DPRK national working in connection with the LWR project as KEDO deems necessary. DPRK nationals who do not possess such a permit may be refused entry to the Site. Such DPRK nationals who enter the Site shall respect the internal rules and regulations of KEDO, its contractors and subcontractors and shall act in a cooperative manner within the Site.

ARTICLE 6

TRANSPORTATION WITHIN THE SITE AND ON ROADS BETWEEN NON-CONTIGUOUS AREAS OF THE SITE

1. KEDO, its contractors and subcontractors shall be allowed to import to and export from the DPRK any means of transportation for use within the Site and on roads between non-contiguous areas of the Site for the expeditious and smooth implementation of the LWR project. Such means of transportation, which shall be imported and exported through the entry and exit points specified in the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project, may be imported to and exported from the DPRK without discrimination and shall

be permitted to be equipped with secure means of communications, as deemed necessary by KEDO, its contractors and subcontractors, based on a timely and case-by-case review of equipment requests and in accordance with relevant telecommunications regulations of the DPRK.

2. KEDO may place on all means of transportation brought to or purchased in the DPRK for use by KEDO, its contractors or subcontractors within the Site and on roads between non-contiguous areas of the Site marks specified in Annex 3 of the Protocol to indicate that the means of transportation are used in connection with the LWR project.
3. The DPRK shall provide KEDO, its contractors and subcontractors with, upon request, appropriate means of transportation to the extent possible for use within the Site and on roads between non-contiguous areas of the Site for the expeditious and smooth implementation of the LWR project. The price for such means of transportation shall be a fair price determined in accordance with the Protocol between KEDO and the Government of the DPRK on Labor, Goods, Facilities and Other Services for the Implementation of a Light-Water Reactor Project.
4. In the event KEDO, its contractors or subcontractors bring their own means of transportation for use within the Site and on roads between non-contiguous areas of the Site as provided in paragraph 1 of this Article, the DPRK shall issue any permits necessary for the operation of such means of transportation at the Site. Following clearance through DPRK customs, KEDO Persons may drive such means of transportation to the Site, if necessary, for this purpose. Applications for approval of such permits shall be processed expeditiously and free of charge as specified in Article IX, paragraph 1 of the Agreement. KEDO, its contractors and subcontractors shall be exempt from any taxes and duties, and charges and fees as agreed between KEDO and the DPRK regarding the issuance of such permits. Permits necessary to operate the means of transportation within the DPRK shall be valid for the duration of the LWR project.
5. The DPRK shall process for approval and issue any permits necessary to KEDO Persons who will drive or operate means of transportation used by KEDO, its contractors or subcontractors within the Site and on roads between non-contiguous areas of the Site. For this purpose, KEDO, its contractors or subcontractors shall provide the DPRK with a copy of the driver's or operator's license certified by KEDO together with two passport photographs. Applications for approval of such driver's or operator's permits shall be processed expeditiously and free of charge as specified in Article IX, paragraph 1 of the Agreement. KEDO, its contractors, subcontractors and KEDO Persons shall be exempt from any taxes and duties, and charges and

fees as agreed between KEDO and the DPRK regarding the issuance of such driver's or operator's permits. Permits necessary for KEDO Persons to drive or operate such means of transportation within the DPRK shall be valid for an agreed duration.

6. KEDO, its contractors and subcontractors may use their own means of transportation, except as specified in Article 5, paragraph 2 of the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project, to transport KEDO Persons and Materials to areas within the DPRK outside the Site for official purposes with prior consent by the DPRK.
7. The DPRK shall inspect annually at the Site the means of land transportation, except for construction equipment, used by KEDO, its contractors and subcontractors and shall be responsible for traffic safety outside the Site. Exemptions from charges and fees for such inspections and other related matters shall be agreed between KEDO and the DPRK.

ARTICLE 7

CONSTRUCTION AND INSTALLATION WITHIN THE SITE

1. KEDO, its contractors and subcontractors shall construct and install any offices, facilities, Materials and other properties within the Site (hereinafter referred to as "Properties" in this Article), in accordance with the Agreement and as deemed necessary by KEDO for the purpose of implementing the LWR project.
2. Upon issuance of the site take-over certificate, any permits and licenses for construction and operation within the Site required by the Agreement and its protocols, other than those permits specified in Article X, paragraph 2 of the Agreement, shall be considered to have been issued by the DPRK.
3. KEDO may place on all Properties marks specified in Annex 3 of the Protocol to indicate such Properties are used in connection with the LWR project.
4. The DPRK shall limit or stop temporarily any road, rail or sea traffic that may impair the construction or installation of Properties, at the request of KEDO, its contractors or subcontractors and as shall be agreed between KEDO and the DPRK.

ARTICLE 8

IMPORT AND EXPORT OF MATERIALS FOR KEDO PERSONS

KEDO, its contractors and subcontractors shall be allowed to import to and export from the DPRK Materials for KEDO Persons. Such Materials may include amenities such as foreign newspapers, books, periodicals and brochures etc.; audio and video tapes; software; CD-ROMS, etc.; and devices, including satellite dishes, based on a timely and case-by-case review of equipment requests for such satellite dishes, for receiving foreign television and radio broadcasts, which shall be made available only to KEDO Persons. Materials imported to the DPRK under the provisions of this Article will be for the exclusive use of KEDO, its contractors, subcontractors and KEDO Persons within the Site, unless otherwise agreed between KEDO and the DPRK.

ARTICLE 9

BONDED AREAS

1. In order to facilitate the expeditious processing of Materials through customs and in accordance with Article 9, paragraph 2 of the Protocol Between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project, the DPRK shall designate locations within the Site agreed between KEDO and the DPRK where Materials may be stored and maintained pending customs clearance (hereinafter referred to as "Bonded Areas"). The designation of Bonded Areas shall be valid for the duration of the LWR Project unless otherwise agreed between KEDO and the DPRK.
2. In the event the Bonded Areas are unavailable for storing Materials, due to their nature or unavoidable circumstances, the DPRK, upon the request of KEDO, shall permit KEDO, its contractors and subcontractors to store and maintain Materials pending customs clearance in other areas.
3. With reference to Article 9, paragraph 4 of the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project, it is agreed that upon inspection and approval, Materials shall be considered completely cleared through customs.
4. Customs inspections by the DPRK shall be carried out as expeditiously as possible on the basis of documents submitted by KEDO, its contractors and subcontractors. When DPRK customs authorities deem it appropriate, customs inspections shall be carried out through the examination of documents only. Those Materials which are not appropriate for unpacking at the entry points may be sealed by the DPRK customs authorities and shall be

inspected by such authorities when they are unpacked by KEDO, its contractors or subcontractors at the Bonded Areas or areas specified in paragraphs 1 and 2 of this Article.

5. Upon the request of KEDO, its contractors and subcontractors and for the expeditious and smooth implementation of the LWR project, the DPRK shall permit Materials to be transported for inspection directly between entry and exit points specified in the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project and Bonded Areas at the Site.

ARTICLE 10

PUBLIC HEALTH AND SANITATION WITHIN THE SITE

1. KEDO, its contractors, subcontractors and KEDO Persons shall take appropriate measures to maintain public health and sanitation within the Site.
2. In the event of any public health or sanitation emergencies within the Site or surrounding areas, KEDO and the DPRK shall promptly inform the other. Both sides shall cooperate to resolve any such emergency as safely and expeditiously as possible.
3. KEDO Persons shall not raise any animals or plants within the Site except for pets and decorative plants.
4. KEDO, its contractors and subcontractors who enter the DPRK through the entry and exit points specified in the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project shall carry a quarantine certificate as appropriate. KEDO and the DPRK shall make arrangements for medical checkups of KEDO Persons and DPRK nationals working at the Site, respectively, to ensure that public health at the Site is consistent with international standards. KEDO and the DPRK shall cooperate with each other and take appropriate measures in the event a KEDO Person or DPRK national working at the Site presents a public health risk.

ARTICLE 11

OTHER WORKING AREAS

The DPRK shall provide KEDO, its contractors, subcontractors and KEDO Persons with other working areas outside the Site as specified in Annex 4 of the Protocol (hereinafter referred to as "Other Working Areas"). When detailed locations and boundaries of such Other Working Areas and the duration of their use are agreed between KEDO and the DPRK through the consultations specified in Article 16 of the Protocol, such Other Working Areas shall enjoy the same status as LWR Project Sites and the Project Site in protocols to the Agreement and the same status applied to the Site in the Protocol, other than those provisions in Article 2, Article 3, paragraph 2 and Article 9, paragraph 5 of the Protocol, only for the duration of their use. KEDO shall not be responsible for maintenance of order in Other Working Areas, except within KEDO offices.

ARTICLE 12

CORRIDOR/REST AREA CONNECTING THE HOUSING AND RECREATION AREA AND THE POWER PLANT CONSTRUCTION AREA

KEDO Persons shall have unimpeded access at any time to the corridor of land between the housing and recreation area and the power plant construction area. The precise boundary of this corridor/rest area shall be determined through the consultations specified in Article 16 of the Protocol.

ARTICLE 13

SEA AREA

1. KEDO Persons shall have unimpeded access at any time to the sea area in front of the housing and recreation area after 500 KEDO Persons are living at the housing and recreation area or fourteen months after the formal ground breaking ceremony for the site preparation for the LWR project, whichever comes first. The boundaries of the sea area are specified in Annex 5 of the Protocol. The boundaries of the sea area shall be confirmed through the same local survey referenced in Annex 2, footnote 3 of the Protocol.
2. The sea area referenced in paragraph 1 of this Article shall be made available only for KEDO Persons, except for the maintenance of order, which shall be the responsibility of the DPRK. KEDO and the DPRK shall cooperate to make practical arrangements on the maintenance of order and to ensure the safety of KEDO Persons and this area through the consultations specified in Article 16 of the Protocol.

ARTICLE 14

WAIVER OF NOTIFICATION REQUIRED FOR KEDO CONSULAR OFFICERS

Notification, as specified in Article 11, paragraph 2 of the Protocol between KEDO and the Government of the DPRK on the Juridical Status, Privileges and Immunities, and Consular Protection of KEDO in the DPRK, shall not be required when KEDO consular officers travel to and reside in the areas specified in Articles 12 and 13 of the Protocol.

PART 3

COOPERATION AND IMPLEMENTATION

ARTICLE 15

COOPERATION

1. KEDO and the DPRK shall cooperate with each other to ensure the safety of KEDO Persons and Materials within the Site. In the event an emergency situation within the Site requires immediate decision and action for the safety of KEDO Persons, buildings, offices, facilities, Materials and other properties, related directly or indirectly to the LWR project, the DPRK shall render immediate and necessary assistance and cooperate with KEDO, its contractors and subcontractors to ensure maximum safety in accordance with relevant international agreements and internationally accepted practices.
2. KEDO, its contractors and subcontractors may repair, fabricate, assemble, test and replace Materials in areas within the DPRK outside the Site with prior consent by the DPRK. The DPRK shall cooperate with KEDO, its contractors and subcontractors in performing the above tasks if requested.
3. Upon the request of KEDO, the DPRK shall cooperate with KEDO, its contractors and subcontractors for the physical protection of installations in connection with the LWR project such as pipelines, facilities for communications, electrical distribution lines, and environmental radiation monitoring systems, including thermo luminescence dosimeters.

ARTICLE 16

ARRANGEMENT FOR THE IMPLEMENTATION OF THE PROTOCOL

KEDO and the DPRK shall have consultations to ensure the expeditious and smooth implementation of the Protocol. Such consultations, which shall include technical experts from KEDO and the DPRK as needed, shall occur upon the request of either side at the Site or, if necessary, at any other mutually agreed place.

ARTICLE 17

MISCELLANEOUS

1. To facilitate the implementation of the LWR project, the DPRK shall decide, after consultation with KEDO, upon the official names of the two LWR plants to be supplied by KEDO before the issuance of the site take-over certificate.
2. Details of the referenced bench mark and the original (triangulation) points, provided by the DPRK, for the construction of the LWR project are specified in Annex 6 of the Protocol.

ARTICLE 18

GENERAL PROVISIONS

1. The Protocol shall enter into force on the date of its signature.
2. The Annexes of the Protocol, including their footnotes, shall be an integral part of the Protocol.
3. This Protocol may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.
4. Article XV of the Agreement shall apply to any disputes arising under the Protocol.

IN WITNESS WHEREOF, the undersigned, being duly authorized, have signed this Protocol.

Done at New York on the 8th of January, 1997, in duplicate in the English language.

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| For the Korean Peninsula Energy | For the Government of the Democratic |
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| <p>Development Organization</p> <hr/> <p>Stephen W. Bosworth Executive Director Korean Peninsula Energy Development Organization</p> | <p>People's Republic of Korea</p> <hr/> <p>Ho Jong Ambassador-at-Large Ministry of Foreign Affairs Democratic People's Republic of Korea</p> |
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ANNEX 1

The "Site," referenced in Article 1, paragraph 3 of the Protocol, shall include the following:

1. a power plant construction area, including: a power generating facilities area; a temporary electricity generating facilities area; intake/discharge structure areas; a barge-docking facilities area; breakwater and relevant harbor areas on the sea; warehouse and yard storage areas; low- and medium-radioactive waste storage areas; roads from barge-docking facilities to areas specified in this paragraph; borrow and disposal areas for soil; areas for permanent and temporary buildings; construction waste screening and temporary storage areas; and other areas required to construct and operate the LWR plants;
2. a housing and recreation area, including: areas for the housing, welfare and recreation of KEDO Persons; a communications facilities area; and an electricity generating facilities area;
3. water, quarry and aggregate sources areas, including: a water catchment area; a quarry site area, including quarry source and storage areas for quarry-run rock; an aggregate sources area; and a water source area for potable and process water.

ANNEX 2

The map of the Site boundaries, referenced in Article 2, paragraph 1 of the Protocol, is as follows:

ANNEX 3

The marks specified in Article 6, paragraph 2 and Article 7, paragraph 3 of the Protocol shall include the following:

1. The name and symbol(s) of KEDO;
2. The names and commercially used symbols of KEDO's contractors and subcontractors along with the name and symbol(s) of KEDO;
3. The names and commercially used symbols of manufacturers of the means of transportation and equipment along with the name and symbol(s) of KEDO;
4. Other names and symbols as agreed between KEDO and the DPRK. KEDO shall notify the DPRK in advance of the above names and symbols before such names and symbols are used in the DPRK.

ANNEX 4

The Other Working Areas, referenced in Article 11 of the Protocol, shall include the following:

1. areas at the entry and exit points specified in the Protocol between KEDO and the Government of the DPRK on Transportation for the Implementation of a Light-Water Reactor Project for loading, unloading and storing Materials and offices used by KEDO, its contractors and subcontractors;
2. fixed working areas including, easements for interconnecting necessary utilities such as pipelines and electrical distribution lines; areas for living waste disposal; an area for disposal of surplus earth materials and dredged materials; and areas for environmental radiation monitoring systems, including thermo luminescence dosimeters;
3. temporary working areas including, roads specified in Annex 1, paragraph 3 of the Agreement, or parts thereof, while such roads are under construction, improvement or repair by KEDO, its contractors or subcontractors;
4. any areas other than those specified in this Annex where KEDO Persons work for an extended period of time for the purpose of implementing the LWR project.

ANNEX 5

The map of the sea area boundaries, referenced in Article13, paragraph 1 of the Protocol, is as follows:

ANNEX 6

Details of the referenced bench mark and the original (triangulation) points specified in Article 17, paragraph 2 of the Protocol shall be as follows:

(Unit: meter)

1. Referenced bench mark (beside Daein Lake)

$$X = 896,095.030$$

$$Y = 329,843.005$$

$$H = 0.338$$

2. Original triangulation point

a. Power plant construction area

Triangulation point (on Oin Peak)

$$X = 894,634.260$$

$$Y = 328,838.410$$

$$H = 136.70$$

Triangulation point (on the bank of Hyonkum lake)

$$X = 895,351.730$$

$$Y = 327,567.680$$

$$H = 2.00$$

b. Housing and recreation area

Triangulation point (on the peak of the mountain near the housing and recreation area)

$$X = 890,904.750$$

$$Y = 326,722.870$$

$$H = 85.02$$

Triangulation point (on Sinho Peak)

$$X = 891,495.970$$

$$Y = 325,083.740$$

$$H = 215.30$$

c. Construction area for water catchment facilities and waterway

Triangulation point (on peak of mountain west of Dangu-ri)

X = 906,330.410
Y = 324,440.230
H = 135.76

Triangulation point (on peak of Sung-san mountain west of Ryongjon-ri)

X = 903,657.880
Y = 326,330.930
H = 314.76

Note: coordinates of the above referenced bench mark and triangulation points are the local coordinates of the DPRK.

X = latitude
Y = longitude
H = altitude

**MEMORANDUM OF UNDERSTANDING BETWEEN THE KOREAN
PENINSULA ENERGY DEVELOPMENT ORGANIZATION AND THE
GOVERNMENT OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA IN
CONNECTION WITH THE PROTOCOL ON SITE TAKE-OVER, SITE ACCESS
AND USE OF THE SITE FOR THE IMPLEMENTATION OF A LIGHT-WATER
REACTOR PROJECT**

The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK") have agreed to the following provisions in this Memorandum of Understanding (hereinafter referred to as the "Memorandum") which shall supplement Articles 11, 12 and 13 of the Protocol Between KEDO and the Government of the DPRK on Site Take-over, Site Access and Use of the Site for the Implementation of a Light-Water Reactor Project (hereinafter referred to as the "Protocol"). The contents of the Memorandum shall be interpreted within the framework of the Protocol.

I. Definitions

1. "Corridor/Rest Area" means the area specified in Article 12 of the Protocol.
2. "Sea Area" means the area specified in Article 13 of the Protocol.
3. "Power Plant Construction Area" means the area specified in Annex 1, paragraph 1 of the Protocol.
4. "Housing and Recreation Area" means the area specified in Annex 1, paragraph 2 of the Protocol.
5. "Connecting Road" means the road between the Housing and Recreation Area and the Power Plant Construction Area.
6. "KEDO Persons" means those persons specified in Article 1, paragraph 1 of the Protocol.

II. Corridor/Rest Area

1. The width of the Connecting Road shall be no more than 15 meters.
2. On the inland side of the Connecting Road, the width of the Corridor/Rest Area shall be 100 meters beginning at the inland edge of the road. In some sections in which DPRK facilities exist, excluding the existing helipad, the

width of the Corridor/Rest Area may be decreased and in some sections in which the DPRK has no development plans the width of the Corridor/Rest Area may be increased to 125 meters.

3. On the sea side of the Connecting Road, the width of the Corridor/Rest Area shall be 30 meters beginning at the seaside edge of the road
4. Any DPRK facilities adjacent to the Corridor/Rest Area which shall be used by KEDO Persons, as agreed between KEDO and the DPRK, shall be considered part of the Corridor/Rest Area.

III. Road Between Guest House and Railway

KEDO Persons shall have unimpeded access to the existing road between the guest house and the railway until the completion of a new road.

IV. Sea Area

1. The longitudinal length of the Sea Area shall be 1,200 meters starting at the 580 meter point south of the Housing and Recreation Area's northern boundary and running north. The latitudinal length of the Sea Area shall be determined through the consultations specified in Article 16 of the Protocol.
2. The DPRK shall ensure that there shall be two passageways connecting the Housing and Recreation Area and the Sea Area for the purpose of allowing access to the latter.

V. Areas at the Entry and Exit Points Specified in Annex 4, Paragraph 1 of the Protocol, with respect to Yanghwa Port, shall include the following:

1. An area for the Bonded Area, as defined Article 9 of the Protocol, and offices used by KEDO, its contractors and subcontractors. The size of such area, the location of which is indicated on the map attached as the Annex of the Memorandum, shall be 107 meters x 50 meters.
2. An area for the oil-storage tank. The location of such oil-storage tank is indicated on the map attached as the Annex of the Memorandum.

VI. Entry into Force

1. The Memorandum shall enter into force on the date of its signature.

2. The Annex shall form an integral part of the Memorandum.
3. The Memorandum may be amended by written agreement between the two parties. Any amendment shall enter into force on the date of its signature.

Done at New York on the 2nd of July, 1997, in duplicate in the English language.

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| <p>For the Korean Peninsula Energy Development Organization</p> <hr/> <p>Stephen W. Bosworth Executive Director Korean Peninsula Energy Development Organization</p> | <p>For the Government of the Democratic People's Republic of Korea</p> <hr/> <p>Ho Jong Ambassador-at-Large Ministry of Foreign Affairs Democratic People's Republic of Korea</p> |
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**MEMORANDUM OF UNDERSTANDING BETWEEN THE KOREAN
PENINSULA ENERGY DEVELOPMENT ORGANIZATION AND THE
GOVERNMENT OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA
TO AMEND THE PROTOCOL ON SITE TAKE-OVER, SITE ACCESS AND
USE OF THE SITE FOR THE IMPLEMENTATION OF A LIGHT-WATER
REACTOR PROJECT**

The Korean Peninsula Energy Development Organization (hereinafter referred to as "KEDO") and the Government of the Democratic People's Republic of Korea (the Democratic People's Republic of Korea is hereinafter referred to as the "DPRK") hereby agree to the following amendments to Article 17 and Annex 6 of the Protocol Between KEDO and the Government of the DPRK on Site Take-over, Site Access and Use of the Site for the Implementation of a Light-Water Reactor Project (hereinafter referred to as the "Protocol"):

1. Delete the following words from Article 17, paragraph 1 of the Protocol:
"before the issuance of the site take-over certificate"
2. Delete Annex 6, paragraph 1 of the Protocol and substitute:

Referenced bench mark (at the entrance of Maeba village):

X = 896,785.56

Y = 328,302.13

H = 0.650

3. Delete the following from Annex 6, paragraph 2 (a) of the Protocol:

Triangulation point (on the bank of Hyonkum lake)

X = 895,351.730

Y = 327,567.680

H = 2.00

and substitute the following:

Triangulation point (on the peak of A-site in Hyonkum lake)

X = 896,739.740

Y = 327,495.030

H = 63.42

4. Delete the following from Annex 6, paragraph 2 (c) of the Protocol:

Triangulation point (on the peak of Sung-san mountain west of Ryongjon-ri)

X = 903,657.880

Y = 326,330.930

H = 314.76

and substitute the following:

Triangulation point (on the peak of Chonoi mountain southwest of Chongo-Dai)

X = 907,149.260

Y = 322,781.820

H = 364.85

This Memorandum of Understanding shall enter into force on the date of its signature.

Done at New York on the 2nd of July, 1997, in duplicate in the English language.

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| <p>For the Korean Peninsula Energy Development Organization</p> <hr/> <p>Stephen W. Bosworth Executive Director Korean Peninsula Energy Development Organization</p> | <p>For the Government of the Democratic People's Republic of Korea</p> <hr/> <p>Ho Jong Ambassador-at-Large Ministry of Foreign Affairs Democratic People's Republic of Korea</p> |
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