

**COPY**

**MEMORANDUM OF AGREEMENT**

**BETWEEN**

**THE UNIVERSITY OF PUERTO RICO  
MAYAGÜEZ CAMPUS  
AGRICULTURAL EXPERIMENT STATION (AES)  
(Montaña)**

**AND**

**MONSANTO CARIBE, LLC**

**AS THE FIRST PARTY: THE UNIVERSITY OF PUERTO RICO, MAYAGÜEZ  
CAMPUS, ACTING THROUGH THE AGRICULTURAL EXPERIMENT  
STATION,** represented by its  
Chancellor, Dr. Jorge I. Vélez Arocho,

**AS THE SECOND PARTY: MONSANTO CARIBE, LLC,** represented by Carlos  
Morales-Figueroa,

**BOTH PARTIES CONCUR**

**WHEREAS: THE UNIVERSITY OF PUERTO RICO, MAYAGÜEZ CAMPUS,  
ACTING THROUGH THE AGRICULTURAL EXPERIMENT STATION** has  
vested interests both in evaluating new crops that may contribute self-sufficiency in food  
and feed supplies, and in training of students to work with such crops.

**WHEREAS: MONSANTO CARIBE, INC.** manifests interest in using land from the  
AES in Isabela for the development of food crop varieties for temperate and tropical  
areas.

**THUS BOTH PARTIES AGREE**

1. To enter a contract for the period of five years.
2. The Agricultural Experiment Station (AES) agrees to:
  - a) Make available an area of land of approximately 100 acres at the Montaña  
Experiment Station for establishing crop nurseries. Land use fee is  
established at \$1,000.00/acre for a total of \$100,000 per year for the first

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three years. Land use fee may be amended for the fourth and fifth year. If the fee is not amended it will remain the same \$1,000 per acre per year. See attachment A with description and location of the leased property.

b) The AES is not responsible for any damage or losses to crops due to weather conditions and does not guarantee any amount of production.

3. Monsanto Caribe, Inc., agrees to:

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- a) Plan and supervise all fieldwork.
  - b) Supply detailed instructions for irrigation, and for needed crop management, harvest and post-harvest procedures.
  - c) Keep and make available records of such non-proprietary management practices, such as crop species, records on pesticide and fertilization applications, copies of Federal and State planting permits (if applicable), and final crop residue disposal procedures used each year.
  - d) Completely remove irrigation hoses and plastic mulch after each planting cycle, and to incorporate the crop residue into the soil.
  - e) Securing the necessary permits and sanitary certificates from the corresponding regulating state and federal agencies.
  - f) Avoid any dissemination or escape of transgenic plants or that might occur in the AES's surroundings. In the event that this happens, Monsanto Caribe, Inc., will be responsible for the recuperation and destruction of transgenic seeds or any vegetative material. Monsanto Caribe, Inc., will also be responsible for the necessary post-harvest monitoring.
  - g) Provide professional or academic enrichment opportunities to University of Puerto Rico, College of Agriculture's students and faculty by sponsoring in-service programs, such as summer internships.
  - h) Provide free of charge, all the herbicide (Round-up) needed in the AES for weed-control purposes. The AES estimates this need in 200 gallons per year.

#### TERMS AND CONDITIONS

1. The **SECOND PARTY** states that at the time of the signing of this agreement Second Party or its parent corporation, Monsanto Company has

filed and paid income taxes that were due over the course of the five (5) years preceding the date of this agreement and that Second Party or its parent corporation, Monsanto Company owes no income tax debt either to the Commonwealth of Puerto Rico or to the United States of America, to the Municipal Revenue Center (CRIM) or to the Child Support Administration (ASUME) or that a repayment plan has been established for such debt as there may be and that the **SECOND PARTY** is currently in compliance with the terms and conditions of said plan. The **SECOND PARTY** specifically understands that this is an essential condition to the present agreement and that if the above certification is materially or fraudulently incorrect in all or in part, such will be sufficient cause for the annulment of said agreement on the part of the contractor, with no remuneration to the **SECOND PARTY** and that the latter will be responsible for restoring any monies received under the terms of this agreement.

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2. The **SECOND PARTY** certifies and guarantees that at the time of the signing of this agreement Second Party has paid the contributions for Unemployment, Temporary Handicap Insurances (FSE) and Social Security for Chauffeurs; or is currently in compliance with the terms and conditions of a payment plan. The **SECOND PARTY** specifically understands that this is an essential condition to the present agreement and that if the above certification is materially or fraudulently incorrect in all or in part, such will be sufficient cause for the annulment of said agreement on the part of the **FIRST PARTY**, with no remuneration to the **SECOND PARTY** and that the latter will be responsible for restoring any monies received under the terms of this agreement.
  3. The **SECOND PARTY** recognizes that in carrying out its duty, Second Party has the responsibility of complete loyalty towards the agency, which means having no adverse interests with the government agency. Adverse interests include the representation of clients who have conflicting interests with the contractual party. This responsibility, also, includes the continued

obligation of keeping the agency informed about all circumstances related to clients or third persons and any interest that may influence the agency at the moment of executing the contract or during its term. The **SECOND PARTY** incurs in conflicting interests when, on behalf of a client it is its duty to promote something which it should oppose to in compliance with fulfillment of its obligations to a prior, present or potential client. The **SECOND PARTY** also has a conflict of interest when its behavior described as such in the ethical standards normally applicable to its profession or business or in the laws or regulations of the Commonwealth of Puerto Rico are violated.

4. Subject to the terms of Section 12, The **SECOND PARTY** agrees to keep applicable reports, working and assistance sheets, and other documents all of which are not confidential, related with the performance of this contract, so they can be audited or reviewed by the Office of Internal Auditors of the University of Puerto Rico, by an external audit firm hired by THE UNIVERSITY OF PUERTO RICO, or by the Office of the Controller of Puerto Rico in their auditing of THE UNIVERSITY OF PUERTO RICO. The audits will be made on reasonable dates during the course of the services or after rendering the same according to audit practices generally accepted. Such documents will be kept for a period no less than six (6) years or until an investigation by the Office of the Controller of Puerto Rico is made, whichever comes first.

5. **EXONERATION OF ALL RESPONSIBILITY:** Second Party shall indemnify and defend First Party against and First Party shall be held harmless from any costs expenses, demands or liabilities (including reasonable attorney's fees) for injury to any person (including death) or damage to any property in or upon the Leased Property including the person and property of Second Party and its employees and all persons on the Leased Property at Second Party's invitation excluding however, any loss, damage or injury (including death) caused by the negligent or willful conduct of First Party, its agents, contractors, employees, invitees or

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servants. Upon reasonable notice from First Party, Second Party shall defend any such action or proceeding.

6. **BOTH PARTIES** are equal opportunity employers and do not discriminate on the basis of sex, race, color, age, religion, national origin, handicap, veteran status, religious or political beliefs when applicable under law. This policy is consistent with relevant governmental statues and regulations, including those pursuant to Title IX of the Federal Rehabilitation Act of 1973 as amended.
7. The **SECOND PARTY** states that no employee or university authority of the **FIRST PARTY** has direct or indirect pecuniary interest in the fulfillment of this agreement as established by Law Num. 12, July 14, 1985 known as Government Ethics Law. In the same way, the university authority representing the **FIRST PARTY** has no pecuniary interest in the above mentioned agreement.
8. The **FIRST PARTY** certifies and guarantees that, in accordance with the requirement of the Office of Government Ethics, a copy of the Government Ethics Law (Law Num. 12, July 14, 1985) has been given to the **SECOND PARTY**. The **SECOND PARTY** certifies that at the moment of signing this agreement, it received a copy of the above mentioned law.
9. **THE SECOND PARTY** certifies that it does not hold a regular or trusted position in any of the instrumentalities of the Commonwealth of Puerto Rico and that does not receive payment or compensation for regular services rendered under appointment or professional services contract with any organism of the Commonwealth of Puerto Rico, except in those cases authorized by law.
10. **THE SECOND PARTY** understands that it shall not begin to render service of any kind to the **FIRST PARTY** under this agreement until such time as the agreement has been signed by both parties. **THE SECOND PARTY** shall not continue to render service of any kind to the **FIRST PARTY** after the date of expiration of this contract. **THE FIRST PARTY** shall not pay for services rendered in violation of this clause.

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11. **TERMINATION.** THE UNIVERSITY OF PUERTO RICO could rescind the contract by notifying thirty (30) days prior to the date of the termination, but leaving enough time for Monsanto Caribe LLC to complete a full cycle of production, and crop residual disposal.
12. **CONFIDENTIALITY.** It is recognized that, in leasing the Leased Premises to Second Party hereunder, First Party will or may acquire or develop certain confidential information and data ("Information") concerning the products, business, plans, programs, processes, equipment, customers and operations of or belonging to Second Party and its customers. Therefore, First Party shall maintain the Information in confidence and shall not (except for the limited purpose of performance of First Party's obligations hereunder and then only on a confidential basis satisfactory to Second Party) use or disclose such Information to third parties, without in each instance securing the prior written consent of Second Party. All notes, memoranda, records, tapes, print-outs, and other documents (including, but not limited to, all drafts, copies and excerpts thereof) embodying or referring to the Information shall be the property of Second Party. Notwithstanding anything to the contrary contained herein, the above obligations of this Section 12 shall survive for five (5) years after the completion or termination of the Memorandum or any extension thereof.
13. **ASSIGNMENT.** a) Second Party will not assign, transfer, mortgage or otherwise encumber this Memorandum or its interest herein in whole or in part nor sublet all or any part of the Leased Premises, without the prior

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addition, Second Party shall have the right to assign its respective rights or obligations and delegate its performance hereunder, in whole or in part, to any of its Affiliates. In either event, the assignees shall agree in writing to be bound by the terms of this Agreement, and Second Party shall thereafter be released from all obligations hereunder.

Definitions. As used herein, the following words shall have the meaning ascribed to them as set forth below. 1. "Affiliate" shall mean with respect to any person or entity, any other person or entity which, directly or indirectly, Controls, is Controlled by or is under common Control with such person or entity. 2. "Control" shall mean (i) the possession, direct or indirect, of power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, by contract or otherwise; (ii) the direct or indirect ownership of more than 50% (in the aggregate) of the voting power of all outstanding shares entitled to vote at a general election of directors of the person or entity; or (iii) the direct or indirect ownership of more than 50% of the equity interest in a partnership or a limited liability company. 3. "Party" shall mean Second Party or First Party. "Parties" shall mean both First Party and Second Party.

**14. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.**

All of Second Party's operations shall be conducted so as to minimize any disturbance to First Party's adjacent property and crops growing thereon. Second Party shall disclose to the First Party the general nature of the research being conducted on the Leased Property and the manner in which such research and the agricultural practices associated therewith may affect or impact the Leased Property. However, Second Party is not obligated to disclose to First Party any information which Second Party deems to be proprietary in nature.

Field Trials may be performed in strict accordance with any and all local, state and Federal laws, rules and regulations and Second Party will obtain all required governmental permits before conducting said Field Trial. First

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Party acknowledges that the terms and conditions of such governmental approval shall require, among other matters, that fields containing transgenic plants be monitored for volunteer plants in the following growing season and that all such volunteer plants shall be removed and destroyed prior to flowering. First Party agrees that Second Party may monitor for and destroy all such volunteer plants. First Party will comply with the terms and conditions of any Second Party permit covering the Leased Premises and will not do anything that would cause Second Party to be in violation of any applicable law or regulation. Second Party may enter upon the Leased Premises at all reasonable times for up to twelve months after the end of the lease term to eradicate such volunteer plants.

15. **NOTICES.**

Any notice, demand, request or other instrument which may be or are required to be given under this Memorandum shall be in writing and shall be deemed given when personally delivered (including, without limitation, by means of telecopier or telefax systems) or the day following delivery to a nationally recognized, reputable overnight courier service which guarantees delivery within 24 hours, charges prepaid, or three (3) days following mailing by United States certified mail, postage prepaid, addressed to each Party as set forth below:

If to First Party:  
Agricultural Exp. Station  
PO Box 9030  
Mayaguez, PR. 00681

If to Second Party:  
Monsanto Caribe, LLC  
2229 Avenue Militar  
Isabella, Puerto Rico 00662

With a copy to:  
Monsanto Company  
800 North Lindbergh  
St. Louis, Missouri 63167  
Attn: Legal Department

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or at such other addresses as First Party or Second Party shall designate by written notice.

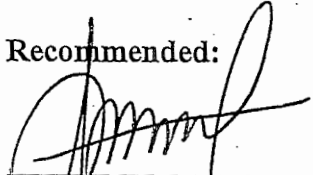
16. THE UNIVERSITY OF PUERTO RICO could immediately cancel the contract without previous notice when the Second Party incurs any negligence, unfulfillment or violation of any term or condition of the contract. This contract may be terminated if during its term the **SECOND PARTY** is guilty of felony against the state treasury, or that a crime that involves funds, state or federal public property.
17. The Second Party certifies and guarantees that during the performance of this agreement it will comply with the Executive Order 11246 of September 24, 1965, Subpart B, Section 202 (41 CFR 60-1.4); the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (41 CFR 60-250.5); the Rehabilitation Act of 1973, Section 503 (41 CFR 60-741.5), all as amended, and any other appliance rules and regulations of the Office of Federal Contract Compliance Programs (OFCCP). The Second Party is therefore deemed to have complied with these regulations, unless otherwise exempted under the rules, regulations and orders of the Secretary of Labor. The second party recognizes that the absence of truth in this statement will constitute sufficient cause for the first party to cancel, terminate or suspend, in whole or in part, this agreement and that the second party may be declare ineligible for further agreements with the first party. The second party also certifies that it has a valid Assurance of Compliance on file.
18. The Second Party shall not use the name of the University of Puerto Rico, its initials UPR, its stamp, logos, seal, or any other identifying emblem or symbol distinctive of the Institution, for any matter related to the activities that are object of this agreement, without express and written authorization by the University of Puerto Rico.

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19. According to Law Num. 18, October 30, 1975, no service object of this contract will be demanded until the contract has been registered in the Office of the Comptroller of Puerto Rico.
20. This Agreement shall be performed during the period of five (5) years from the date signed by the FIRST PARTY.

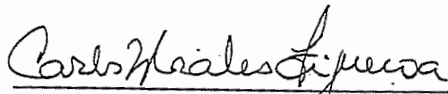
Signed in Mayaguez, Puerto Rico on 13 julio 07.

Recommended:

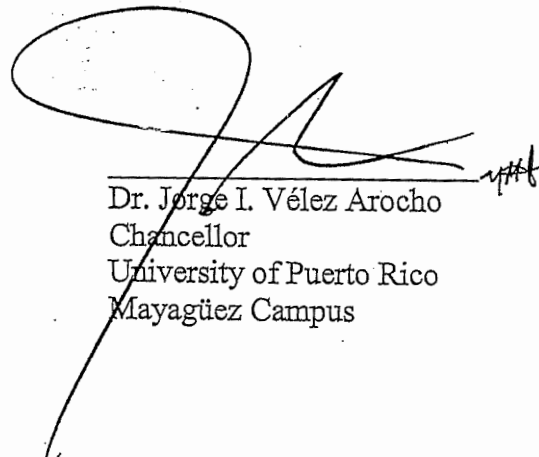


Dr. John Fernández Van Cleve  
Dean and Director  
College of Agricultural Sciences

Approved:



Carlos Morales-Figueroa  
Monsanto Caribe LLC



Dr. Jorge I. Vélez Arocho  
Chancellor  
University of Puerto Rico  
Mayagüez Campus