

## Service Agreement

This agreement entered into on October 1, 2015 is made by and between El Corredor Tecno Económico de Puerto Rico y el Caribe Inc. (PRTEC) a non profit corporation registered and authorized to operate a technology business incubator doing business under the laws of the Commonwealth of Puerto Rico hereby represented by Nelson J. Perea Fas, hereinafter called "ViTEC2", and Universidad de Puerto Rico, Mayaguez Campus (UPRM) represented by Chancellor, John Fernández Van Cleve, Ph.D., as authorized by Law #1 of January 20, 1966 as amended, hereinafter called **UPRM**.

### WITNESSETH:

WHEREAS, ViTEC2 is a Technology Business Incubator, dedicated to provide the success environment where scientists, inventors and entrepreneurs can transform their technology-based research findings into successful business ventures as they pertain to economic development, research and instruction; and

WHEREAS, the University of Puerto Rico, Mayaguez Campus is promoting the entrepreneurial activity within their Students and Faculty and is interested in facilitating appropriate incubation space for University Startups and

WHEREAS, the incubator offers access to incubation office space, shared equipment, meeting facilities, and consulting / mentoring services in the areas of business planning, marketing, finance, operations management and information systems;

NOW THEREFORE, in consideration of the mutual covenants and conditions herein, ViTEC2 and UPRM agree as follows:

#### 1.0 SCOPE OF THE SERVICES AND CHARGES

##### 1.1 ViTEC2 will provide UPRM the following services:

1.1.1 As an incubation program participant, UPRM is granted the use of office/ cubicle space, to facilitate incidental office needs. Consisting of furnished work areas for up to eight start up teams of students hereinafter called participants, and basic Internet connection.

1.1.2 UPRM will occupy the premises in room VT-109a to allow UPRM participants or start up teams to develop

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their incubation processes. Such room will be identified as UPRM Startup Lab.

- 1.1.3 During the initial Incubation period UPRM must coordinate with Vitec2 Administration to complete the corresponding assessment and acceptance of participants or start up teams as per Vitec2 UPRM Manual regarding their ability to complete a business plan and the corresponding strategy to finance and implement such. The process of referral startups of teams will be managed by the Center for Business and Economic Development. UPRM agrees to require participants to engage in periodic progress reviews and selected PRTEC sponsored educational and or training activities.
- 1.1.4 Reception services, mailbox and limited telephone answering service will be provided between 9:00 am and 5:00 pm from Monday to Friday, except public holidays, details to be specifically agreed with the administration office.
- 1.1.5 One wired connection to Internet service for incidental use with bandwidth 10/1 mb. There is no explicit guarantee of upload or download speeds. Access to Vitec WIFI connection is available in the front portion of the building. Access code is available at administration office.
- 1.1.6 Complementary, Photocopy and Fax Service for incidental use, provided service is coordinated with the Vitec2 Administration Office. Large amounts of copies are charged per Client Manual section 1.3.
- 1.1.7 Conference room co-working space and Makers Lab space is available for bookings on a first come first serve scheduled basis.
- 1.1.8 Share the use of lunch room and other common area facilities.
- 1.2 Access to ViTEC2 expert network is available through Vitec2 Administration at no cost to participants. Vitec2 expert network includes but is not limited to the following organizations: Medical Device and Aerospace Industry Clusters, University of Puerto Rico, Mayagüez Campus

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(UPRM), PR Small Business Development Center, Technology Commercialization Center (PR-SBDTC), Puerto Rico Industrial Development Company (PRIDCO), International Council for Small Business (ICSB), Grupo Guayacán, SWIA, PRMA. Some specific Services offered by Expert Network might require payment by participants.

- 1.3 ViTEC2 can provide participants with Telephone Service on a cost recovery basis. Telephone service will be charged at a rate of \$30.00 per month and 0.05 \$ per minute for long distance calls plus setup charges.
- 1.4 ViTEC2 at its own discretion may accept deliveries of supplies, equipment, USPS, express mail or other items on behalf of participants.
- 1.5 If UPRM activities involve the acquisition of any licenses or permits, including but not limited to Patente Municipal, Fire Department Permit, Administration of Regulations and Permits, Taxpayer Id Number, it is understood that it is UPRM and their participants sole responsibility to take the necessary steps with the appropriate local, state or federal agency.
- 1.6 Services pursuant to this agreement will be provided according to current ViTEC2 Client Manual and Policies. All policies are subject to change without notice, and are offered at the sole discretion of ViTEC2, as they are available and as determined by policy and/or ViTEC2 staff

### 2.0 FEES, EXPENSES AND PAYMENT

In consideration for the services provided, UPRM agrees to pay PRTEC based on a variable rate based on the amount of participants enrolled in the incubation program the amount of \$60.00 per month per participant or start up team up to a maximum of 8 participants or start up teams for a maximum yearly budget of \$3,000.00. Funds will be paid from account #30130.371.000.XXXX.470.300100010601.00 (FRS: 2-78100). UPRM has the option to request from participants to directly pay PRTEC a portion of the amount charged per month (suggested 50% or \$30.00) for their participation in the program. Invoice certifications for processing will be in charge of the director of the Business & Economic Development Center or his representative.

Vitec2 Administration will maintain records of the amount of participants per month and the authorized share of the cost to be

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paid directly by each participant. Invoices will be issued on a monthly basis as per section 2.1 of the client manual.

Should there be a need to operate equipment or maintain a work schedule of more than one regular work shift; participant will be notified and charged an additional fee to cover such additional costs.

2.1 PRTEC agrees, to provide UPRM and participants or start up teams with quarterly billing statements, and UPRM and participants agree to pay PRTEC within the first 30 days of the current month.

2.2 Any account which has not been paid within 90 days, and or which no agreement to extend a payment deadline has been made in writing, will be considered in default. PRTEC may withhold any and all services under this contract when payment for said services has not been made and the account for said services is in default pursuant to the terms herein. A default account will be the grounds for termination of this contract upon 30 day's notice from the day PRTEC considers the account to be in default. The default may be remedied during the 30-day notice period by either paying the outstanding account in full, or through another agreement in writing with PRTEC.

### 3.0 TERM

3.1 This contract will be for a period of 10 months beginning on October 1, 2015. UPRM and PRTEC will re-evaluate the need for additional time and space requirements and if necessary change the location and relationship details of the agreement. Notice not to exercise the option to renew must be received by PRTEC within 30 days of the current contract expiration. Renewal of the contract will be subject to revision of rate charges in fees, expenses and costs, and subject to the extent, type, nature and availability of services. Actual renewal of the contract will be the sole discretion of PRTEC, and provided that UPRM is not in default under the terms of paragraph 2.0.

### 4.0 REPAIRS / MAINTENANCE

4.1 ViTEC2 will provide all repair and maintenance to the equipment it owns and is used by participants pursuant to this agreement. Participants agrees to notify ViTEC2 of any operational problems, and not attempt to repair any

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equipment it uses without the express authority of ViTEC2 Administration.

5.0 AUDITS

5.1 ViTEC2 will not provide audit services to UPRM. It is the UPRM responsibility to provide for the auditing of its own programs required by law or regulations. ViTEC2 will provide any financial information it has available concerning UPRM upon request of UPRM or UPRM auditors.

6.0 COMPUTER SERVICES

6.1 It is understood by both parties that backup for information stored or accessed using the ViTEC2 network or tenant and participants servers is not guaranteed. It is the responsibility of UPRM to back up or insure that its information is protected. ViTEC2 will not be responsible for insuring the safety and preservation of stored data in any manner whatsoever.

*MS*  
*JS*

7.0 COMMUNICATION/CONSULTATION

7.1 Due to the nature of the business information discussed as part of the services provided by ViTEC2 and its Expert Network complete confidentiality is maintained regarding business plans, intellectual property, trade secrets and business intelligence strategies. Confidentiality agreements are available and can be signed by the appropriate parties to support and protect the interests of the UPRM.

7.2 UPRM acknowledge and agree that because ViTEC2 receives funds from Government grants which are considered public entities, ViTEC2 is subject to State and Federal Laws and regulations including, but not limited to Public Record Laws, Anti-Discrimination Laws, and Health and safety Regulations. Tenant and participants agrees to comply with the laws that may also apply to their program by virtue of entering into this contract. Tenant and participants further certify that its business and/or enterprise are engaged in a lawful business under the law of Puerto Rico and the United States.

8.0 GENERAL LIABILITY INSURANCE

8.1 UPRM shall indemnify, hold harmless and defend PRTEC and agents, servants and employees against and from any and all

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liability, fines, suits, claims, demands, expenses, including attorneys' fees, and actions of any kind or nature arising by reason of injury to person or property including the loss of use resulting thereof or, violation of law occurring in the Premises occasioned in whole or in part by any negligent act or omission on the part of UPRM or an employee (whether or not acting within the scope of his employment), officer, servant, agent, licensee, visitor, assignor or under-tenant of UPRM, or by any neglectful use or occupancy of the premises or any breach, violation or non-performance of any covenant in this agreement on the part of UPRM to be observed or performed.

- 8.2 Pursuant to the foregoing, UPRM shall, maintain during the term of this agreement, at its own cost and expense, a Comprehensive General Liability Policy covering the activities held in the premises and tenants operation thereat. Said policy shall: (i) be for a combined single limit of no less than **\$1,000,000** per accident, (ii) include PRTEC as additional **insured** and hold it harmless against any and all liability as hereinbefore stated, and (iii) the care, custody & control exclusion shall be deleted from this coverage.

UP  
JS

### 9.0 MODIFICATION / NON-ASSIGNABILITY

- 9.1 This agreement may be modified by mutual consent of the parties. Any modifications agreed to must be in writing to be valid.
- 9.2 All rights and obligations under this agreement may not be assigned by the UPRM without the written consent VITEC2.
- 9.3 This document and all its attachments constitute the entire agreement and understanding of the parties, and will supersede any and all prior written or verbal agreement of the parties. All agreements between the parties relative to the subject matter of this contract must be reduced to writing and properly executed to be valid and enforceable.
- 9.4 If any provision of this agreement is determined to be void, invalid or unenforceable or illegal for any reason, it will not affect the enforceability and validity of other provisions.
- 9.5 This contract and its provision will be governed by the laws of the Commonwealth of Puerto Rico.

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10.0 The failure of either party to exercise any of its rights under this contract for breach thereof will not be deemed to be a waiver of such rights.

11.0 TERMINATION

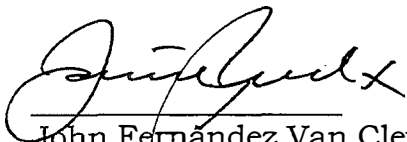
11.1 At the expiration of the contract term, this agreement will terminate and neither party will be held to the right and obligations hereunder. A renewal of this agreement with the same or different conditions may be renegotiated pursuant to the terms in 3.0.

11.2 If UPRM breaches the contract, PRTEC shall have the right to terminate this contract after giving thirty (30) days' written notice to UPRM of the acts constituting such breach and PRTEC's intention to terminate the contract: provided PRTEC shall not have the right to terminate this contract if UPRM remedies such breach within such thirty (30) day period. PRTEC further reserves the right to terminate or renegotiate this agreement if PRTEC operations are relocated, restricted or otherwise changed, in such a way that it affects PRTEC's ability to meet the obligations under this contract.

IN WITNESS WHEREOF, LANDLORD and UPRM have respectively signed upon proper authority this Lease, this day of September 30, 2015.

For: University of Puerto Rico:  
Mayagüez Campus

For: PRTEC:



John Fernández Van Cleve, PhD.,  
Chancellor  
University of Puerto Rico,  
Mayagüez Campus



Nelson J. Perea Fas  
Executive Director, PRTEC