

2014-000177

LEASE AGREEMENT

In the city of San Juan, Puerto Rico this 6th day of March, 2014.

On the one part: The Puerto Rico Land Authority hereinafter referred to as "Landlord", a public corporation and government instrumentality of the Commonwealth of Puerto Rico, represented in this act by its Executive Director SALVADOR E. RAMIREZ CARDONA, who is of legal age, married, agronomist and resident of Bayamon, Puerto Rico.

On the other part: Monsanto Caribe, LLC, a limited liability company duly authorized to do business in Puerto Rico and dedicated to, among other things, agricultural biotechnology, hereinafter referred to as "Tenant" or as "Monsanto", represented in this act by Juan Santiago Cabán, who is of legal age, married, agronomist and resident of Juana Diaz, Puerto Rico.

The parties mentioned above by means of the present agreement:

SET FORTH

I. That Landlord is the owner in fee simple of the real property hereinafter described (collectively, the "Property") and by the present agreement (the "Agreement") leases such Property to Tenant under the terms and conditions set forth in this document. The Property that is described herein is part of Amelia and Juana Diaz Farm located at Barrio Rio Cañas Abajo in the municipality of Juana Diaz, Puerto Rico;

II. The Property has a total of approximately 791.00 "cuerdas" and is described in Spanish language as follows:

Juana Díaz Farm (Santi Farm), Municipality of Juana Díaz

Lot Number 3

RÚSTICA: Predio radicado en el Barrio Río Cañas Abajo del término municipal de Juana Díaz, Puerto Rico, con una cabida superficial aproximada de 208 cuerdas y en lindes: **por el NORTE**, con terrenos privados y con el Cauce del Río Descalabrado; **por el SUR**, con terrenos privados, con Cauce del Río Descalabrado y con camino en tierra de la Finca Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico; **por el ESTE**, con terrenos privados, remanente de la Finca Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico y con el Cauce del Río

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Descalabrado y con remanente de la Finca Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico; **y por el OESTE**, con camino en tierra de la Finca Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico y con terrenos privados.

Lot Number 9

RÚSTICA: Predio radicado en el Barrio Río Cañas Abajo del término municipal de Juana Díaz, Puerto Rico, con una cabida superficial aproximada de **68 cuerdas** y en lindes: **por el NORTE**, con camino en tierra de la Finca Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico y con el Cauce del Río Descalabrado; **por el SUR**, con camino en tierra y remanente de la Finca Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico y con terrenos privados; **por el ESTE**, con terrenos privados, con el Cauce del Río Descalabrado y con camino en tierra de la Finca Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico; **y por el OESTE**, con camino en tierra y remanente de la Finca Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico.

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Amelia Farm, Municipality of Juana Díaz

Lot Number 5

RÚSTICA: Predio radicado en el Barrio Río Cañas Abajo del término municipal de Juana Díaz, Puerto Rico, con una cabida superficial aproximada de **219.00 cuerdas** y en lindes: **por el NORTE**, con terrenos privados; **por el SUR**, con terrenos privados y Servidumbre de la Carretera Estatal Número PR-535; **por el ESTE**, con la Servidumbre de la Carretera Estatal Número PR-535; **y por el OESTE**, con terrenos privados.

Lot Number 13

RÚSTICA: Predio radicado en el Barrio Río Cañas Abajo del término municipal de Juana Díaz, Puerto Rico, con una cabida superficial aproximada de **90.00 cuerdas** y en lindes: **por el**

NORTE, con camino en tierra y remanente de la Finca Amelia, propiedad de la Autoridad de Tierras de Puerto Rico y con terrenos privados; **por el SUR**, con camino en tierra de la Finca Amelia, propiedad de la Autoridad de Tierras de Puerto Rico y con terrenos privados; **por el ESTE**, con camino en tierra de la Finca Amelia, propiedad de la Autoridad de Tierras de Puerto Rico y con terrenos privados; y **por el OESTE**, con camino en tierra de la Finca Amelia, propiedad de la Autoridad de Tierras de Puerto Rico y con terrenos privados.

Lot Number 3

RÚSTICA: Predio radicado en el Barrio Río Cañas Abajo del término municipal de Juana Díaz, Puerto Rico, con una cabida superficial aproximada de **135.00 cuerdas** y en lindes: **por el NORTE**, con camino en tierra y remanente de la Finca Amelia, propiedad de la Autoridad de Tierras de Puerto Rico; **por el SUR**, con remanente de la Finca Amelia y Finca Potala Poyal, propiedad de la Autoridad de Tierras de Puerto Rico; **por el ESTE**, con camino en tierra y remanente de la Finca Amelia, propiedad de la Autoridad de Tierras de Puerto Rico; y **por el OESTE**, con camino en tierra y remanente de la Finca Amelia, propiedad de la Autoridad de Tierras de Puerto Rico.

Lot Number 9

RÚSTICA: Predio radicado en el Barrio Río Cañas Abajo del término municipal de Juana Díaz, Puerto Rico, con una cabida superficial aproximada de **71.00 cuerdas** y en lindes: **por el NORTE**, con camino en tierra y remanente de la Finca Amelia, propiedad de la Autoridad de Tierras de Puerto Rico; **por el SUR**, con remanente de las Fincas Potala Poyal y Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico y terrenos privados; **por el ESTE**, con terrenos privados, con camino en tierra de la Finca Amelia y remanente de la Finca Hacienda Juana Díaz, propiedad de la Autoridad de Tierras de Puerto Rico; y **por el OESTE**, con remanente de las Fincas Amelia y Poyal, propiedad de la Autoridad de Tierras de Puerto Rico.

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The Property appears geographically described in the attached sketches which are hereby made a part to this Agreement as its Exhibit "A".

III. The terms and conditions of this Agreement are the following:

1. The term of this Agreement shall be for a period of five (5) years (the "Term") beginning on the date the Agreement is signed by the Parties. Landlord reserves the right to terminate the Agreement if necessary to fulfill its purposes or those of any governmental agency or municipality. If such is the case and Landlord terminates the Agreement prior to its expiration, Tenant shall have the right to be compensated or reimbursed for the permanent improvements made in the Property which it cannot recover and which were previously approved. Tenant shall submit reliable evidence of the improvements made by it on the Property at the termination of the Agreement by Landlord. If Tenant should have the right to be compensated for any improvements, such compensation will be made by the Agency or Municipality interested in the Property, excluding Landlord from any responsibility regarding such claim.

1.1 If Landlord elects to terminate this Agreement by exercising the powers bestowed by Article III Paragraph 1, or if termination occurs for any other reason under this Agreement, including the expiration of the Term, Landlord will permit upon notice of Tenant that during the year following the effective date of termination (the "Monitoring Term"), Tenant shall have full access to the Property in order to carry out volunteer monitoring as generally required by 7 C.F.R., Part 340, including 7 C.F.R. 340.3 (c) (6), and other requirements of the United States Department of Agriculture (U.S.D.A.), as some of the plants that may be grown are experimental and require permits from the U.S.D.A. and for such, the abovementioned monitoring is required. The parties agree that during such additional term, Tenant will pay Landlord the same rent per "cuerda" as the average rent per "cuerda" for the previous twelve (12) month period, per month, before the effective date of termination multiplied by the number of "cuerdas" under monitoring. It is understood by the Parties that Tenant's access to the Property during the additional term will be limited to the part of the Property under monitoring, unless otherwise provided for in writing.

2. Tenant has agreed to pay Landlord for the term of the Agreement the following amounts:

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Year 1 thru 5	Rent	
	Monthly	Annual
791 cuerdas @ \$450.00 per "cuerda"	\$29,662.50	\$355,950.00

The payment of the rent will prevail even if Tenant is granted a tax exemption. The rent will be paid in advance, on the 14th of each month in the offices of Landlord, located at Stop 19 1/2, Fernández Juncos Avenue, Number 1311, Santurce, Puerto Rico.

2.1 In case any agency or court of law requires the payment of property taxes, said responsibility is hereby transferred to Tenant. Any increase in property taxes will be the responsibility of the Tenant. Tenant shall have the right to all real property tax exemptions that may be available at law relating to the Property (in which event Landlord agrees to assign any such rights to Tenant.)

2.2 In addition, Tenant shall pay the sum of \$10,678.50 before this Agreement is completed to cover part of the administrative expenses of this transaction.

2.3 The Parties acknowledge that in regards to the "Property" there is a previous contract which expired September, 2006 and that since the expiration date until this day, Tenant has maintained the immediate control and possession of said "Property" and a month to month contract exists until this day. Landlord recognizes that as of this day Tenant has complied with all obligations thereunder including the payment of the rent as established in the previous contract on a monthly basis and accepts that as of this day there is no amount accrued or in arrears.

2.4 Tenant is hereby advised that the Landlord reserves the right to reasonably change the invoice cycle, as it deems necessary, and that such change will not be deemed as a change or modification of this Agreement. Tenant shall be provided timely notice of such modification. Any such change will be notified to Tenant thirty (30) days prior to its date of effectiveness.

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3. DEFINITIONS

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- a. "Developmental Corn" means a corn line or hybrid being developed by Monsanto whether genetically transformed (commonly referred to as "transgenic corn") or not, and including seed and all plant tissue.
 - b. "Developmental Soybean" means a soybean line being developed by Monsanto whether genetically transformed (commonly referred to as "transgenic soybean") or not, and including seed and all plant tissue.
 - c. "Developmental Cotton" means a cotton line or variety being developed by Monsanto whether genetically transformed (commonly referred to as "transgenic cotton") or not, and including seed and all plant tissue.
 - d. "Regulatory Compliance Requirements" means requirements of the USDA, Animal Plant and Health Inspection Service (APHIS) and/or the EPA regulating the planting and growing of transgenic Developmental Corn, Developmental Soybean and Developmental Cotton on the Property. Such requirements include, but are not limited to, shipping, maintenance at a destination, preventing persistence in the environment, providing access to USDA officials for compliance inspections, preventing inadvertent mixing of materials in environmental releases, devitalization and post harvest monitoring for volunteer plants as well as certain more stringent requirements of Monsanto, including but not limited to, shipping materials used in field trials of its transgenic Developmental Corn, Developmental Soybean and Developmental Cotton.
 - e. "Regulated Trial Area" means an area defined by Monsanto within the Property and planted with Developmental Corn, Developmental Soybean and/or Developmental Cotton, which may be subject to Regulatory Compliance Requirements, and may include non-regulated seed or plant material planted as border rows or for other purposes. Landlord understands and acknowledges that Section III.5.3 is critical to Monsanto's ability to meet the Regulatory Compliance Requirements.
 - f. "Buffer Zone" means the minimum distance, within the Property that borders the Regulated Trial Area, which clearly separates the Regulated Trial Area from the applicable Isolation Zone, which may be subject to Regulatory Compliance Requirements.
 - 1. "Corn Buffer Zone" means a minimum 15 foot distance within the Property that borders the Regulated Trial Area, which clearly

separates the Regulated Trial Area from the Corn Isolation Zone, which may be subject to Regulatory Compliance Requirements.

2. "Soybean Buffer Zone" means a minimum 15 foot distance within the Property that borders the Regulated Trial Area, which clearly separates the Regulated Trial Area from the Soybean Isolation Zone, which may be subject to Regulatory Compliance Requirements.
 3. "Cotton Buffer Zone" means a minimum 50 foot distance within the Property that borders the Regulated Trial Area, which clearly separates the Regulated Trial Area from the Cotton Isolation Zone, which may be subject to Regulatory Compliance Requirements.
- g. "Corn Isolation Zone" means a 660 foot distance from the Regulated Trial Area, within the Property and as identified by Monsanto, that borders the Corn Buffer Zone, and that clearly separates the Corn Buffer Zone from any other corn crop.
- h. "Soybean Isolation Zone" means a distance from the Regulated Trial Area, within the Property and as identified by Monsanto, that borders the Soybean Buffer Zone, and that clearly separates the Soybean Buffer Zone from any other corn crop.
- i. "Cotton Isolation Zone" means a distance from the Regulated Trial Area, within the Property and as identified by Monsanto, that borders the Cotton Buffer Zone, and that clearly separates the Cotton Buffer Zone from any other corn crop.
- j. "Volunteer Monitoring Period" means a period of time commencing after harvest that may extend beyond the Lease Term, during which Monsanto shall have access to that part of the Property under monitoring to inspect for Developmental Corn, Developmental Soybean, and Developmental Cotton volunteers as certain Regulatory Compliance Requirements may require. The Volunteer Monitoring Period typically does not extend beyond 12 months from the harvest of Developmental Corn, Developmental Soybean and Developmental Cotton, but may be extended by Monsanto as strictly necessary to comply with USDA or EPA requirements. The rent to be paid during this period will be equivalent to the average rent per "cuerda" for the previous twelve (12) month period, per month, before the effective date of termination multiplied by the number of "cuerdas" under monitoring.

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4. Tenant will not be allowed to, and it will not build in the Property any structures, nor shall it allow any other person to build in such Property or make any improvements, without obtaining the prior written approval of Landlord. Tenant will be responsible to Landlord for any damages resulting from the non-compliance of this clause.
5. Except as otherwise provided in this Agreement, Tenant agrees to exclusively use this Property for the cultivation, plant breeding, seed production, seed time, observation and investigation and related activities of the following seeds: cotton, corn, soybean and sorghum.

5.1 The use of office and workshop space, if any, will comply with the permits and regulations issued by the concerned agencies.

5.2 Tenant hereby understands and agrees that the Property is being leased "as is" and is suitable for the proposed uses as stated in section 4 of this Agreement. If Tenant should have any doubt as to such suitability it shall conduct the necessary studies at its sole cost and expense prior to the signing of this agreement.

5.3 Landlord acknowledges and agrees that Tenant may, at Tenant's discretion, grow Developmental Corn, Developmental Soybean and Developmental Cotton, that may be subject to Regulatory Compliance Requirements and that these requirements include certain obligations regarding the Regulated Trial Area, Buffer Zone, Corn Isolation Zone, Soybean Isolation Zone, Cotton Isolation Zone and Volunteer Monitoring Period. Landlord further acknowledges and agrees that it will not interfere with Tenant in complying with Tenant's Regulatory Compliance Requirements, including as they may relate to Tenant's activities on and access to the Property.

6. The parties agree that the access to the Property will be by Road PR 1, km. 108.9 interior and internal roads of the Juana Diaz and Amelia Farms, property of the PRLA. Tenant shall maintain the access roads to the Property with a resistant material such as dirt aggregate with a grade size no larger than .75 inches or caliche (limestone) and shall maintain the access road and internal roads of the Property in good condition. It is clearly prohibited the use of gravel, asphalt or similar materials.

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7. Any permanent improvements of any kind or type, made to the Property by Tenant, excluding Tenant's temporary fencing or improvements related to the irrigation system, such as drip tape) will be kept by Landlord for its own benefit at the expiration of the Agreement, either because the Agreement expired or because Landlord ended the Agreement, because of Tenant's non-compliance with its terms or because Tenant voluntarily surrendered the Property. Landlord shall not indemnify Tenant for said improvements unless Landlord provides in writing for such, by means of an amendment to this Agreement.
8. Tenant shall deposit in favor of Landlord, in Landlord's office, the amount of \$88,987.5 as a security to guarantee the rental payments corresponding to the five (5) year term of the Agreement. Landlord shall promptly refund the deposit to Tenant upon expiration or termination of this Agreement subject to any applicable deductions for unpaid rent.
9. Tenant will be responsible for any damages caused to any individuals, or to any third party's property or Landlord's property, as a result of any negligent use of the Property by Tenant inconsistent with the terms of this Agreement, unless the same is due to Landlord's negligence or misconduct (the "Damages").
 - 9.1 Tenant will assume the defense of Landlord in any suit brought against Landlord for any Damages. If after being duly notified Tenant fails to assume the defense of a claim for such Damages ("Claim"), then, Tenant will reimburse Landlord for the reasonable costs and expenses incurred by Landlord in its defense. Moreover, Tenant will have to satisfy any judgments issued by a court of law against Landlord as a result of the Claim.
10. Tenant is not permitted to extract, sow or sell sod from the Property.
11. Tenant will take adequate care of the Property; it will be obliged to return the Property in substantially the same condition as it was at the beginning of the lease period, except for its normal wear and tear, damage resulting from acts of God, casualty, condemnation and permitted alterations.
 - 11.1 Other than Tenant's drip irrigation system, Tenant will not, without the consent of Landlord, install nor permit the installation of plastic water

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hoses in the Property and will remove any such if installed, nor will it accumulate or permit the accumulation of solid wastes in the Property.

12. If Tenant files a petition, or an order of relief is entered against it, under any dispositions of the Bankruptcy Law, Landlord will have the right to terminate this Agreement, and take lawful possession of the Property.
13. The parties agree that the area of the Property was determined by planimetry. If Tenant wishes to obtain the exact measurements of the Property, Tenant should take care of the matter, at its expense, in a term not exceeding six (6) months from the date of execution of this Agreement. Any adjustment in measurements of the Property, if any results, will be made after Landlord verifies the corresponding surveyors plan. Likewise, any adjustments in the rental payments as a result of the above will be retroactive to the date of the execution of this Agreement or the date Tenant took possession of the Property.
14. Tenant shall be responsible for the payment of utilities services such as electricity, water, telephone and other general services expenditures, if any is incurred, in connection with Tenant's use of the Property.
15. Tenant shall be responsible for any maintenance and repair needed to keep and preserve the Property in adequate condition to be used for the purposes abovementioned, and all these expenses will be the sole responsibility of Tenant.

15.1 Tenant shall have the right to use Landlord's irrigation system at all times during the Term and effectiveness of this Agreement for purposes contemplated hereunder. Landlord will provide Monsanto access to Landlord's irrigation system so that Monsanto may conduct inspections of the irrigation system's electrical components for purposes of compliance with Monsanto's policies.

16. During the Term of the Agreement, Tenant shall repair the fences of the Property, if any, and replace those fences that have been destroyed or have disappeared; in case that no fences exist Tenant will be obligated to fence the Property and keep said fences in good condition. Moreover, Tenant will not move or alter existing fences or markings that identify the boundaries of the Property with its adjacent lots, and it will ensure that no one moves, changes

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or alters said existing fences or markings that identify the boundaries of the Property with any adjacent lots. Tenant must also clean the irrigation ditches or channels and/or the drainage of these, if any, and carry out any clearing out of weeds that may be necessary around them, according to use or custom.

16.1 With Landlord's permission (not to be unreasonably withheld), and while complying with all applicable laws, rules and regulations, Tenant, at its sole expense, may establish gates/roadways to gain access to water channels, recognizing that in addition, it must secure the consent/authorization from the Puerto Rico Energy Power Authority.

17. Tenant shall request written permission from Landlord in order for it to cut trees or palms on the Property, if any.

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18. Tenant shall permit the employees of Landlord to enter the Property premises to carry out official duties assigned by Landlord such as measurements, preparation of topographical maps, and inspections. In the same manner, Tenant will permit the entrance of any Puerto Rico's Agriculture Department employees and any of its related agencies to perform such duties required by law. Landlord will provide reasonable and adequate prior notice to Tenant and coordination for any such visit or activity.

19. Except with Landlord's written consent (not to be unreasonably withheld), Tenant shall not transfer this Agreement in whole or in part, nor assign the administration or operation of the Property nor any right derived from it to any person or entity, nor may it sublet the Property or any part thereof to any person or entity.

20. Landlord will have the right to terminate the Agreement, and lawfully evict Tenant or make use of any pertinent right or lawful action in the case that Tenant does not comply with rental payments as stipulated in Article III, Paragraph 2 of this Agreement.

21. Subject to Sections 22 and 43 below, Landlord may make use at any moment of any of the rights or actions provided by law in relation to the lack of compliance of Tenant with the terms of the Agreement. Landlord's failure to terminate the Agreement or lawfully evict Tenant at the moment of any particular breach of this Agreement shall not be construed as a waiver of Landlord's rights.

22. If Landlord has to file any judicial action against Tenant for the collection of rent owed by Tenant, Tenant obliges itself for the payment and shall be responsible for all reasonable costs and expenses of any such judicial action(s), as well as reasonable attorney's fees incurred by Landlord, even if said lawyer is an employee of Landlord. Tenant expressly agrees to submit itself to the jurisdiction and venue of any court of the Commonwealth of Puerto Rico selected by Landlord for any action filed by Landlord in relation to Tenant's failure to pay rent except as otherwise provided for in Section 41 of this Agreement.
23. Tenant shall comply with all laws, orders and regulations of the Commonwealth of Puerto Rico and of the Municipal Government where the Property is located, reasonably applicable to its operation.
24. Tenant shall pay to Landlord annual interest for any amount in arrears due under this Agreement (beyond any applicable notice and cure periods) at the rate of one percent (1%) per annum over the prevailing interest rate published by the Government Development Bank of the Commonwealth of Puerto Rico, at the time of such action.
25. Tenant shall respect the easements established in relation to the Property if any, and will not permit the establishment of new easements and rights of way without the written consent of Landlord.
26. Landlord will notify Tenant in writing of any default of the terms of the Agreement, in the manner specified in Article IV (a). Except as otherwise provided for in paragraph 20 and 38, once Landlord has provided Tenant with the notice of violation Tenant must cure the default within the "Cure Period" by complying with the terms and conditions contained in the Agreement.
- 26.1 The "Cure Period" is a sixty (60) day period in which the default must be corrected in its entirety, provided, however, that if the nature of the default is such that more than sixty (60) days are reasonably required for its cure, then Tenant shall not be deemed in default if Tenant commences such cure within said sixty (60) days cure period and thereafter diligently pursues such cure to completion. If Tenant fails to comply with the obligation to cure as set forth above, Landlord may proceed as provided in the Agreement and in the law.

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27. Tenant has the option to terminate this Agreement at any time. If Tenant elects to exercise this termination option, it must notify Landlord in writing at least thirty (30) days in advance of its desired date of termination, and shall accompany said notice with an amount equivalent to the rental payments corresponding to six (6) months of the lease. If the Agreement expires in less than six (6) months, Tenant shall only pay Landlord the rent corresponding to the remaining period, excluding the extension, if any.
28. Tenant shall notify Landlord of any change in its physical address, postal address and/or telephone number immediately after such change.
29. Tenant accepts and it is agreed that once it starts working in the Property in the agricultural activity for which purpose the Property is leased, Tenant will assume the risk of losses or damages to Tenant's crops and personal property on the Property resulting from acts of God, such as floods, rains, drought, tornados, hurricanes, and/or damages caused by any other natural causes such as fire, plagues and disease, without Landlord having to compensate Tenant for any such losses or damages. Landlord agrees to assume the risk of losses or damages to the Property resulting from Landlord's acts or acts of God such as floods, rains, drought, tornados, hurricanes, and/or damages caused by any other natural causes such as fire, plagues and disease, without Tenant having to compensate Landlord for any such losses or damages.
30. The Puerto Rico Land Authority and/or any affiliated agency or program will not be responsible for any inconveniences caused to the crops and/or animals, if any, that Tenant might have on the Property resulting from the application of pesticides or chemicals used in the adjacent lots.
31. The parties expressly agree that this Agreement will not be recorded at the Puerto Rico Property Registry.
32. Tenant shall comply with all federal and state safety regulations and agrees to follow proper procedures to minimize environmental and human hazards. To the extent permitted by law, Tenant shall be solely responsible for any damages caused as a result of Tenant's negligent activities, to any life or property, including the Property as well as third parties' property, and also shall be responsible for any lawsuits or penalties that might be imposed on Landlord or Tenant concerning the same by any court of law (either State or

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Federal) or any Administrative Agencies. For the avoidance of doubt, Tenant shall not be responsible for any damages, lawsuits, penalties, claims, or other actions to the extent not caused by Tenant's own negligent activities or willful misconduct.

33. In order to guarantee the payment of any liability damages that may arise due to damages caused to any person, or to properties of third parties or of Landlord due to Tenant's activities on the Property, Tenant shall, during the term of this Agreement and any other period of occupancy of the demised premises, at Tenant's sole cost and expense, maintain comprehensive general liability insurance, with an insurance company duly registered and authorized to do business in Puerto Rico, covering Tenant and Landlord, as additional insured party. Such insurance shall be in the amount of not less than \$200,000.00 dollars per occurrence and \$200,000.00 dollars for property damages. Such policy shall include a "Hold Harmless Agreement" clause in favor of the Landlord. If both responsibilities are combined (C.S.L.), the amount of the policy shall not be less than the sum of both quantities, with an aggregate equal to the sum of both limits of the policy.
34. Tenant will be responsible for the payment of electric energy and will pay directly to the Puerto Rico Electric Power Authority, if applicable. Tenant cannot use available water for sale purposes or any other use other than agricultural purposes, on the Property.
35. Landlord will not be responsible for any action taken by the Puerto Rico Electric Power Authority in relation to reduction, elimination or control of irrigation water. Matters related to the supply of water must be agreed to by and between Tenant and the Puerto Rico Electric Power Authority.
36. The cost of the construction and installation of water meters will be paid by Tenant. The meters if installed will remain as permanent improvements for the benefit of Landlord at the end of the Agreement. Landlord will not reimburse Tenant for the cost of such improvements.
37. The parties hereby expressly agree that if at the termination of this Agreement Landlord does not request Tenant to surrender the demised premises, this Agreement will not be considered as having been automatically renewed. The fact that Landlord accepts rent payments from Tenant, after this Agreement terminates, will not be considered as an automatic renewal of this

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Agreement. In such a case, if Tenant remains in the possession of the Property due to Landlord's indulgence or carelessness, there will be considered to be in existence a month to month contract until both parties agree, to the execution of a new lease agreement. This provision does not limit in any way the right of Landlord to recover lawful possession of the Property if it is necessary to comply with its public policies or if Tenant is in default of any of the provisions of this Agreement (beyond any applicable notice and cure period), as otherwise expressed hereinbefore.

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38. The determination of the water served to Tenant will be made by a representative of Landlord, in accordance with agreed to parameters, who will inform the amount served to the Puerto Rico Electric Power Authority for invoicing purposes.
 39. All confidential information or data with respect to any Developmental Corn, Developmental Soybean and Developmental Cotton planted and/or grown on the Property and any of Tenant's activities thereon, including any field trial screening, whether oral or written, shall be proprietary and remain the confidential information of Tenant. To the extent that Landlord acquires or has access to any of Tenant's confidential information or data, Landlord agrees, except as required by law, to keep such information confidential, not to use such information and not to disclose such information to any third party.
 40. The parties agree that Tenant may from time to time establish crops for the purpose of Crop Rotation as it deems necessary for the benefit of its business. However, Tenant recognizes and accepts that any Crop Rotation Agreement with a third party shall require the previous written consent of Landlord. The violation of this clause will constitute sufficient grounds for the immediate resolution of this lease agreement and Landlord will have the right to proceed with the eviction of Tenant from the Property.
 41. Tenant accepts and agrees to follow Law Number 238 and Regulation Number 1 of the Office of Regulation and Promotions of the Puerto Rico Crop Industry in order to establish an organized system for the cultivation of crops as defined in Article III, Paragraph 4 of said Regulation. This condition guarantees Tenant and other area farmers that they will be part of the process to organize the crop sector.

42. Landlord acknowledges and agrees that it will have no rights in or to (including, but not limited to, no right of setoff) any property owned by Tenant, including but not limited to intellectual property relating to Tenant's proprietary or in-licensed seed lines, proprietary or in-licensed agricultural chemicals, or any modifications or derivatives thereof. Landlord acknowledges and agrees that this paragraph shall be effective even in litigation or arbitration between the parties.

42.1. All seeds and crops produced by Tenant on the Property shall remain at all times property of Tenant. Landlord shall not have any right, title and interest in such seeds, crops and pollen produced from said seeds or crops. Landlord shall not use or sell the grains produced on the Property except if Landlord and Tenant have agreed otherwise in writing. However, in the event seeds produced by Tenant are scattered by acts of nature to lots other than the Property, Tenant agrees to take all remedial actions required by law and/or that Tenant deems necessary and prudent. In the event of the dissipation of seeds which result in a crop outside the boundaries of the Property, the Parties hereby agree that there shall operate a *juris tantum* presumption that the dissipation and resulting crop outside the Property was caused by nature. Tenant, regardless of any dissipation caused by nature or resulting crop therefrom, retains at all times all intellectual rights in the scattered seeds or other plant materials, including, without limitation, patent and other property rights.

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43. The parties expressly agree that they will negotiate in good faith any claim between each other for damages resulting from the alleged infringement of any obligations under this Agreement with the goal of amicably resolving the claim between them, but failing that, any claim arising under this Lease against each other regarding damages shall be resolved exclusively through arbitration and expressly renounce the right to recur to the courts for such resolution except as otherwise expressly set forth in Section 22 of this Agreement in connection with Tenant's failure to pay rent.

43.1 The proceedings for an arbitration claim for damages shall be as follows. Any party making a claim against the other shall notify the other Party in writing by certified mail, return receipt requested, or through a commercial courier service such as FEDEX, UPS or DHL, of such claim indicating the facts and legal bases for the claim, the amount claimed, and shall provide a description of the documentary and testimonial evidence

available to sustain the allegations. The Party against which the claim is made shall have thirty (30) days in which to answer the claim in writing. If the response denies the claim or there is no response within the aforementioned term, the claiming Party within the term of thirty (30) days shall request in writing that the case be submitted to arbitration indicating the name of the arbitrator selected by it. The other Party shall respond in writing within thirty (30) days naming the arbitrator it has selected. The two arbitrators so selected shall name a third arbitrator who together with the two already named arbitrators shall have the power to hear the controversy and decide the matter. The Parties shall have the right to conduct discovery as regulated by the arbitrators. After an evidentiary hearing, the arbitrators shall issue an award by majority and the same shall be final for the Parties from the date of the award. The Parties shall share the costs and expenses of the arbitration equally, except if the arbitrators make a finding that the claim brought or the defense against the claim has been frivolous, in which case the arbitrators may also award costs, expenses (including the Party's share of the arbitrators' fees) and attorney's fees to the prevailing Party.

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44. Subject to USDA and any other relevant regulatory requirements, the PRLA reserves the right to take soil samples as it deems necessary in order to verify the good use of the property by Tenant. PRLA shall provide a three working day notice to Tenant advising of its intention of taking said samples.
 45. Tenant shall provide PRLA on a yearly basis a detailed report of all the substances applied, poured or by any other means has come into contact with the leased property as a pesticide, a fertilizer or any other purpose that includes the quantities used, concentration and frequency in which it was used. As a supplement to this report Tenant shall submit evidence of the federal approval for each product used.
 46. Upon request, Tenant shall provide PRLA with copies of all the permits, certifications and endorsements applicable to the operations being conducted on the leased property provided by any state or federal agency or any municipality including any reports and samplings required by the agency in order to maintain the operations on the leased property. Tenant also agrees to keep PRLA informed of any proceedings, administrative or legal brought against Tenant as a result of its operations on the leased property. However, Tenant is will not have any obligation to provide Landlord, and may omit or redact, with any of Tenant's confidential, proprietary and/or trade secret

information that may be contained in any permit, certification or endorsement.

IV. GENERAL PROVISIONS.

- a. Any notice to be given to Landlord or Tenant as required by this Agreement, including change of address or other contact information, shall be reputed to have been validly served upon Tenant or Landlord, as the case may be, if mailed and delivered, in writing, by Certified Mail, Return Receipt Requested, or by commercial courier service such as FEDEX, UPS or DHL, if addressed in the following manner:

If to Tenant:

ISC
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Monsanto Caribe, LLC.
Carretera numero 2, km. 114.4
Bo. Guerrero
Isabela, Puerto Rico

Attention: Station Manager

Copy to:

Monsanto Caribe, LLC.
Ave. Militar 2229
Isabela, Puerto Rico 00602

Attention: Station Manager

Copy to:

Monsanto Caribe, LLC.
800 North Lindbergh
St. Louis, Missouri 63167
Attn: Legal Department

If to Landlord:

➤ Puerto Rico Land Authority

P.O. Box 9745
San Juan, Puerto Rico 00908
Attention: Executive Director

Copy to:

➤ Puerto Rico Land Authority
Legal Division
P.O. Box 9745
San Juan, Puerto Rico 00908
Attention: Director, Legal Division

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- b. The above are the terms and conditions freely and voluntarily agreed by the Parties, which represent they have read and understood the same.
 - c. Landlord and Tenant shall perform hereunder as independent contractors and neither is the agent of the other.
 - d. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements, and understandings, whether oral or written, express or implied, with respect to the subject matter hereof. The parties further agree that no other agreements, or verbal or written representations of any of the parties, will amend or modify the terms and conditions expressed in this Agreement unless such amendments or modifications are documented in writing and following the same formalities followed in this Agreement, including a specific reference to this Agreement.
 - e. If any of the dispositions of this agreement were declared invalid by any court of law the remaining parts shall be deemed in full force and effect, except if the parts that are deemed invalid so affect the totality of the agreement that enforcement be not possible.

EXECUTION

Such is the Lease Agreement that the parties hereby execute in accordance with their understandings, dated on the date shown at the beginning of this document.

PUERTO RICO LAND AUTHORITY

LANDLORD

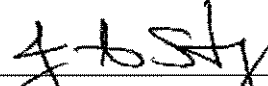


Salvador E. Ramirez Cardona
Executive Director

Employer identification number

MONSANTO CARIBE, LLC.

TENANT

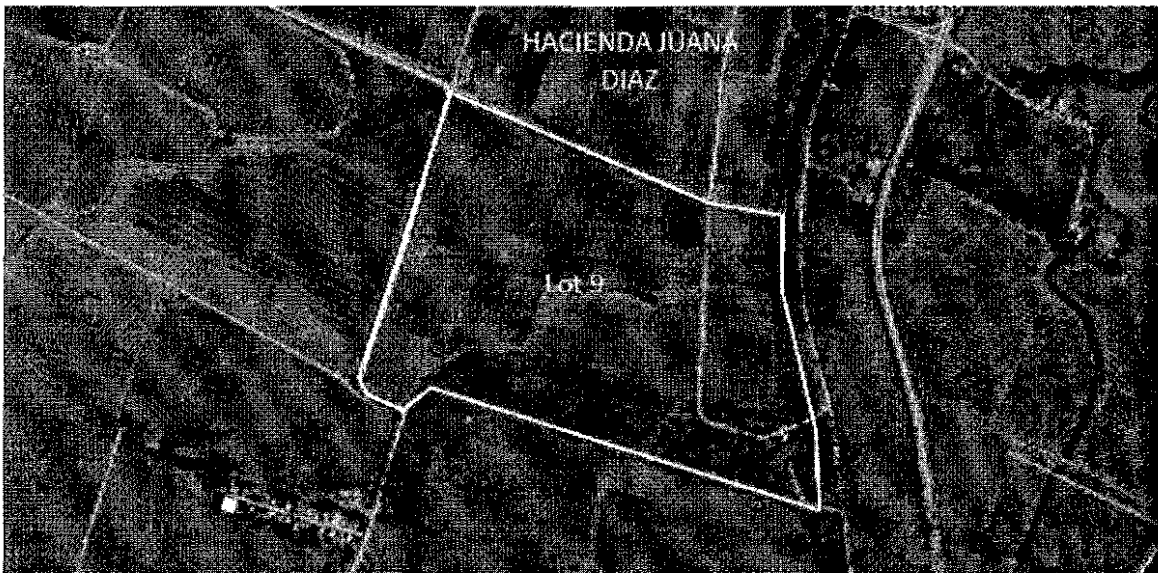
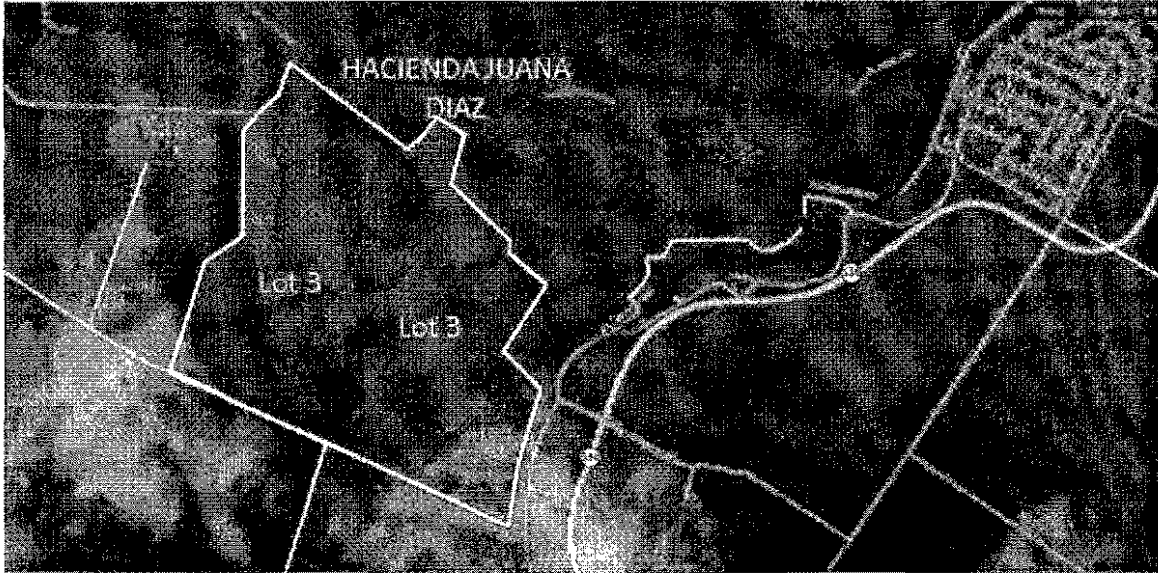


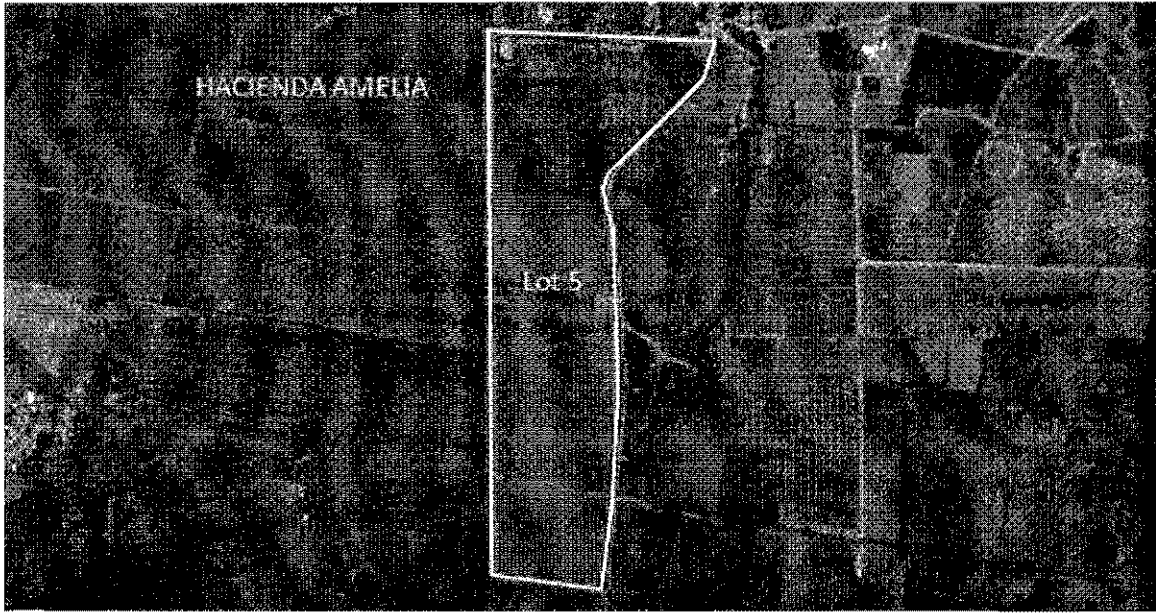
Juan Santiago Cabán
Station Manager

Employer identification number

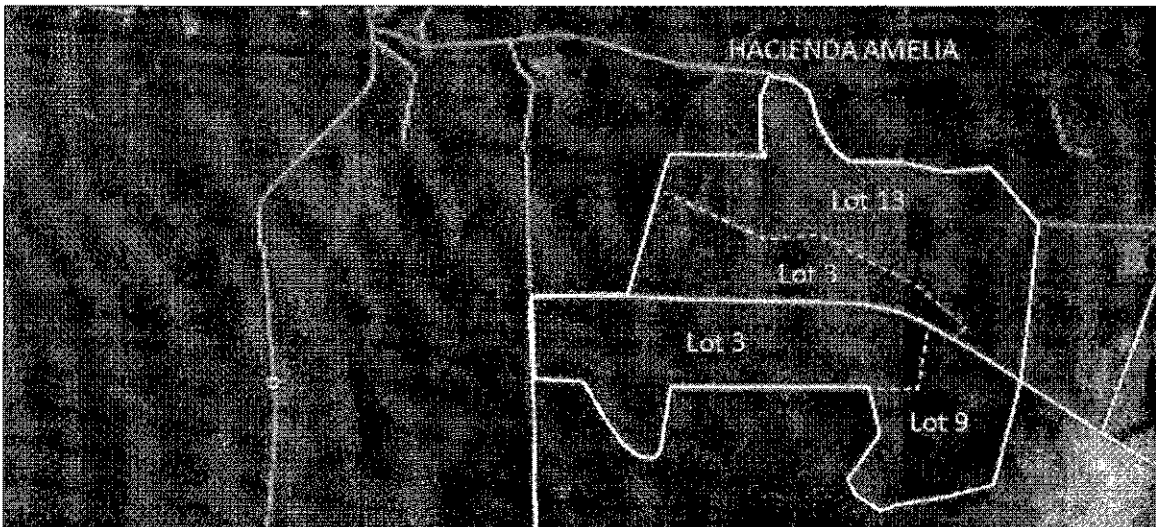
EXHIBIT A

DESCRIPTION OF THE PROPERTY





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LEY DE ÉTICA GUBERNAMENTAL *

Leyes:

(Ley Núm. 12 de 24 de julio de 1985 - contiene enmiendas incorporadas por las siguientes leyes: Ley Núm. 7 de 30 de abril de 1990,

Ley Núm. 3 de 5 de abril de 1991,
Ley Núm. 150 de 22 de diciembre de 1994,
Ley Núm. 24 de 16 de febrero de 1995,
Ley Núm. 93 de 30 de julio de 1996,
Ley Núm. 6 de 4 de abril de 1997,
Ley Núm. 131 de 15 de noviembre de 1997,
Ley Núm. 143 de 18 de julio de 1998,
Ley Núm. 157 de 18 de julio de 1999,
Ley Núm. 228 de 29 de agosto de 2000,
Ley Núm. 291 de 1 de septiembre de 2000,
Ley Núm. 381 de 6 de septiembre de 2000,
Ley Núm. 13 de 11 de abril de 2001,
Ley Núm. 53 de 6 de julio de 2001,
Ley Núm. 8 de 5 de enero de 2002,
Ley Núm. 41 de 3 de enero de 2003,
Ley Núm. 269 de 14 de septiembre de 2004,
Ley Núm. 274 de 14 de septiembre de 2004,
Ley Núm. 275 de 14 de septiembre de 2004,
Ley Núm. 540 de 30 de septiembre de 2004 y
Ley Núm. 541 de 30 de septiembre de 2004).

Para promover y preservar la integridad de los funcionarios e instituciones públicas del Gobierno del Estado Libre Asociado de Puerto Rico; establecer un Código de Ética para los funcionarios y empleados de la Rama Ejecutiva, establecer disposiciones referentes a los funcionarios y empleados de las Ramas Judicial y Legislativa y para los ex servidores públicos de las Ramas Ejecutiva, Legislativa y Judicial; crear la Oficina de Ética Gubernamental y determinar sus funciones; requerir que funcionarios gubernamentales que ocupen cargos electivos, de alto nivel y sensitivos sometan informes sobre sus finanzas personales para evitar posibles conflictos de intereses; imponer ciertos deberes y conceder ciertas facultades al Secretario de Justicia; establecer penalidades, proveer fondos para la ejecución de esta Ley, y para derogar la Ley Núm. 110 de 12 de mayo de 1943, según enmendada y la Ley Núm. 28 de 8 de junio de 1948, según enmendada.

EXPOSICION DE MOTIVOS

Nuestro pueblo creció históricamente con una ejemplar tradición cultural y una moralidad de corrección y de excelencia. Como pueblo, como personas y, aún más, como funcionarios públicos, no podemos alejarnos de esa orientación.

