

Republic of Croatia, Ministry of Science and Technology

Mediterranean Institute for Life Sciences

**AGREEMENT ON BUSINESS AND TECHNICAL
COOPERATION**

Split, 16 November 2003

THE REPUBLIC OF CROATIA, MINISTRY OF SCIENCE AND TECHNOLOGY, ID No. 3205967, hereinafter referred to as the Ministry of Science and Technology, Zagreb, Trg J.J. Strossmayera 4, represented by Minister Prof. Gvozden Flego,

and

the Mediterranean Institute for Life Sciences, international scientific institute, ID No. 1772953, hereinafter referred to as MedILS, Zagreb, Primorska 28, represented by the Interim Director Mr. Luka Gjakun,

concluded the following

AGREEMENT ON BUSINESS AND TECHNICAL COOPERATION

Article 1

The contracting parties hereby agree and establish that, for the development of science, for the development and application of new scientific achievements, and in order to employ scientists and associates, it is in their mutual interest to open the Mediterranean Institute for Life Sciences, International Scientific Institute in Split.

Article 2

The contracting parties hereby establish that the City of Split, Split-Dalmatia County, and the Ministry of Science and Technology of the Republic of Croatia concluded an Agreement on Business and Technical Cooperation on 7 June 2001, No. 595/2001-06-07, Registry Number: 2181/01-15/01-01-1 and its Annex on 17 July 2003, No. 360-01/02-01/10, Registry Number 533-12/918-03-34, in which City of Split, Split-Dalmatia County gives the following real estate to the Ministry of Science and Technology of Republic of Croatia, to be used for a period of 40 years:

-plot No. 9209/2 in Cadastre District of Split, which fully corresponds with Land Titles entry No.7664/5

-plot No. 9209/20 in Cadastre District of Split, which fully corresponds with Land Titles entry No. 7657

-a part of plot No. 9209/10 in Cadastre District of Split, which corresponds with a part of Land Titles entry No. 7664/1

-a part of plot No. 9209/1 in Cadastre District of Split, which corresponds with a part of Land Titles entry No. 7664/2

In the Agreement and its Annex, described in this Article, the contracting parties established that, for the duration of business and technical cooperation, the described real estate shall be used for activities and scientific research for which the MedILS is registered.

It is hereby established that MedILS is entered in the Register of the Commercial Court in Zagreb, Entry No. Tt-03/9772-2 with MBS No. 080474326.

On 12 November 2003, the Ministry of Science and Technology of the Republic of Croatia issued a ruling CLASS: UP/I-640-02/03-10/17, REGISTRY NUMBER: 533-12/800-03-4, according to which, the Mediterranean Institute for Life Sciences from Zagreb, Primorska 28, is entered as a scientific institute into the Registry of Scientific Organisations of the Ministry of Science and Technology, entry No. 0272, in the scientific field of: Natural Sciences.

Article 3

The contracting parties hereby agree and establish that, up to the day of signing this Contract, the Ministry of Science and Technology has renovated and adapted the facility to the level of “completed structural work”, and that the facility, at the moment of signing, is not suitable, from the point of view of building and technical completion, for the activities and scientific research for which the MedILS is registered.

It is also established that, on 28 October 2003, the Ministry of Science and Technology concluded a Contract on drawing up a Building Plan for the building in the Complex of “Vila Dalmacija” in Split, with EKO KOING Ltd, CLASS: 360-01/02-01/10, REGISTRY NUMBER: 533-12/918-03-65, according to which, EKO KOING Ltd. undertook to draw up a Building Plan for the “Mediterranean Centre for Life Sciences”, for the building of the former barracks, in the “Vila Dalmacija” residential and tourist complex in Split, as well as for the related out-door works within the limits of the building plot No. 7664/5, of Cadastre District of Split and also to perform the project supervision during the building works on the facility.

Considering the established condition of the facility, as described in Paragraph 1 of this Article, the parties establish that the further renovation of the facility and bringing it to a condition suitable for its activities, as described in the provision of Article 5, Paragraph 1 of the Agreement on Business and Technical Cooperation between the City of Split, Split-Dalmatia County, and the Ministry of Science and Technology, shall be covered by a separate written agreement, concluded by the parties.

Article 4

In order to fulfil the common interests of the contacting parties, the Ministry of Science and Technology gives the real estate described in Article 2 of this Agreement to the Mediterranean Institute for Life Sciences to use until 7 June 2041.

A preliminary drawing with measurements, on which the surface area and the shape of the land hereby given for use are clearly established, is a constituent part of this Contract.

The established surface area given for use should not be physically fenced off from the “Vila Dalmacija” Complex.

Article 5

The contracting parties hereby agree and establish that the MedILS shall start using the above-mentioned real estate at the latest on 1 January 2005.

If the MedILS, for justified reasons, cannot start using the premises by the above-mentioned date, it shall immediately inform the Ministry of Science and Technology accordingly, so that a possible extension of the period can be agreed upon. The parties shall draw up a separate written agreement on the possible extension of that period.

From the moment it starts using the premises, the MedILS undertakes to pay the recurring costs of the activities, which refers to the insurance of the premises, utility bills for electricity, water, telephones, water and municipal services, and the day-to-day maintenance and cleaning of the premises.

On the day of the take-over, the parties shall do the handover and acceptance and draw up the take-over protocol. The protocol shall be drawn up by a committee consisting of the representatives of the Ministry of Science and Technology and the MedILS.

The Ministry of Science and Technology allows the MedILS, during the term of the Contract, to perform the necessary work on the above-mentioned real estate, as well as the reconstruction and adaptation of the facility necessary for the regular activities of the scientific institute, without having to request the Ministry's approval, with the condition that the adaptation and reconstruction in question as well as the renovation of the facility, do not interfere with the structure, external appearance, surface area or the purpose of the facility given for use.

Article 6

The MedILS shall use the above-mentioned real estate exclusively for the purpose of the activities and the scientific research it is registered for.

The real estate taken over is not permitted to be given for use to third parties without a separate written agreement from the Ministry of Science and Technology, unless that use covers the purposes of activities and scientific research for which the MedILS is registered.

Upon expiry of this Agreement, the MedILS is obliged to return the above-mentioned real estate to the Ministry of Science and Technology in a working condition, excluding any damages which result of wear and tear and regular usage of the real estate in question.

Upon expiry of this Agreement or in case of its earlier termination, the MedILS has the right to remove any equipment used for the regular activities of the MedILS, which are not a part of permanent investments into the facility, with the condition, that the facility shall not be damaged as a result of this removal. In cases where the equipment cannot be removed without damaging the facility, the parties will draw up a separate written agreement about the possible compensation for damages on the equipment in question.

Article 7

The business and technical cooperation described in this Agreement shall not be interrupted as a result of any status changes of the MedILS.

In the case described in the preceding Paragraph of this Article, the rights and obligations from this Agreement shall be transferred to the legal successor of the MedILS.

Article 8

The Ministry of Science and Technology can terminate this Agreement if:

- after the written notification by the Ministry of Science and Technology, MedILS still uses the premises for purposes different from those stated in this Agreement, or if it is afflicting a significant damage to it by using it without due care;
- the MedILS for whatever reason permanently ceases to engage in scientific and research activities;
- the MedILS, without prior approval of the Ministry of Science and Technology makes changes to the facility, which interfere with the structure, the external appearance, the surface area or the purpose of the facility given for use;
- the MedILS does not pay utility fees for three subsequent months, and if it does not pay them 15 days after an additional written reminder by the Ministry of Science and Technology.

The MedILS can terminate the Contract if:

- the MedILS is not able to perform the registered activities as a result of changes in legislation or by-laws or if the MedILS is for whatever reason not able to obtain the necessary work permits, or if the work permits are for whatever reason cancelled;
- the MedILS is not able to finance its regular activities for more than three months;
- for whatever reasons (including, but not limited to Force Majeure, a decision by the public authorities and similar) the work of the MedILS is rendered impossible for more than 3 months.

The termination notice is 3 months. If circumstances arise that can, in accordance with this Article, be considered as reasons for terminating the Agreement, the party terminating the Agreement is obliged, without delay, to notify the other contracting party about such circumstance, leaving the other party a period of 15 days from the day the notification was received to remedy the circumstance.

If, after the period of 15 days, the other contracting party has not remedied the circumstance in question, the contracting party who asked for the circumstance to be remedied can terminate the Agreement by sending a registered letter of notification about the termination of the Agreement.

It is considered that the receiving party has received the notification mentioned in the preceding Paragraph, 3 days after the registered letter has been mailed at the post-office.

Article 9

If the business and technical cooperation, pertaining to the Agreement on Business and Technical Cooperation of 7 June 2001, No: 595/2001-06-07, registry number: 2181/01-15/01-01-1, between the City of Split, Split-Dalmatia County and the Ministry of Science and Technology of the Republic of Croatia continues after the period mentioned in this Agreement expires, the Mediterranean Institute for Life Sciences shall be given priority when the new agreement is concluded, to using the above-mentioned real estate for purposes of science and research.

If the Agreement on Business and Technical Cooperation mentioned in the preceding Paragraph is not extended, the rights of MedILS, established by Article 14 of the Agreement on Business and Technical Cooperation between the City of Split, Split-Dalmatia County, and the Ministry of Science and Technology of the Republic of Croatia from 7 June 2001, shall survive.

Article 10

The contracting parties undertake to resolve any dispute relating to this Agreement on Business and Technical Cooperation amicably. In case they fail to reach an agreement, they agree to the jurisdiction of the relevant Court in Zagreb.

Article 11

This Agreement shall enter into force on the day it is signed by the contracting parties.

Article 12

Any amendments to this Agreement shall be made in the written form.

Article 13

This Agreement is concluded in 6 (six) identical copies, 3 (three) for each party.

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FOR THE MINISTRY OF
SCIENCE AND TECHNOLOGY

Minister of Science and
Technology of the Republic of
Croatia
Prof. Gvozden Flego, Ph.D.
(signature, stamp)

Split, 16 November 2003.

CLASS: 360-01/02-01/10
REGISTRY NO: 533-12/918-03-73

FOR THE MEDITERRANEAN
INSTITUTE FOR LIFE SCIENCES

Interim Director
Mr. Luka Gjakun

(signature, stamp)