

Grant No. 40

AGREEMENT
ON
THE RYOICHI SASAKAWA YOUNG LEADERS FELLOWSHIP FUND
BETWEEN
EL COLEGIO DE MEXICO, A.C.
AND
THE SASAKAWA FOUNDATION

Dated March 13, 1992

AGREEMENT dated March 13, 1992 on THE RYOICHI SASAKAWA YOUNG LEADERS FELLOWSHIP FUND (hereinafter called the Fund) between EL COLEGIO DE MEXICO, A.C., a university having its principal office at Camino Al Ajusco No. 20,Codigo Postal 01000, Mexico, D.F. (hereinafter called the University) on the one hand and THE SASAKAWA FOUNDATION, a Japanese non-profit foundation having its principal office at 1-15-16 Toranomom, Minato-ku, Tokyo 105, Japan (hereinafter called the Foundation) on the other.

WHEREAS

(A) The Foundation has the US\$50,000,000 scholarship/fellowship program known as the "Ryoichi Sasakawa Young Leaders Fellowship Fund Program" whereby endowments of US\$1,000,000 each will be granted to 50 selected institutions of higher learning worldwide to establish 50 funds for the purpose of financially assisting young graduate students with leadership potential who are enrolled in master's or doctoral programs in the humanities and social sciences by such institutions;

(B) The University has applied to the Foundation for a grant as the endowment to establish the Fund;

(C) The Foundation has agreed to provide such a grant to the University upon the terms and conditions hereinafter set forth;

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

The Fund

Section 1.1. The Foundation agrees to provide to the University a grant of one million United States dollars (US\$ 1,000,000) as the endowment for the establishment of the Fund.

Section 1.2. The endowment of the Fund shall be maintained intact permanently and only proceeds, not capital, of the Fund shall be used for the operation of the program stipulated in Appendix 2 of this Agreement. No proceeds of the Fund shall be used for any purpose other than for such operation of the program.

Section 1.3. The Fund shall be deposited or invested in a safe and secure manner, and denominated in a convertible currency agreeable to both the University and the Foundation. The University agrees to make arrangements for exemption or reduction of any taxes or duties on the proceeds of the Fund whenever such tax exemption or reduction is available under the applicable laws or regulations.

Section 1.4. The University shall apply annual proceeds accruing to the Fund exclusively for the objective and scope of the Sasakawa Scholarship Program (hereinafter called the Program) and for financing items of expenditure of the Program described in Appendix 2 of this Agreement. When the University desires to alter the objective, scope and items of expenditure of the Program, the University shall obtain the prior written approval of the Foundation.

ARTICLE II

Management of the Fund and the Program

Section 2.1. In management and operations of the Fund and the Program, the University shall perform all obligations hereinafter set forth.

Section 2.2. A Committee on the Fund for the Program to be established within the University shall be responsible for the management and operations of the Fund and the Program. The Committee shall consist of a chairman and members be appointed by the President of the University. The term of the chairman and the members of the Committee shall be for three (3) years with possibilities of renewal. The Committee shall meet at least twice in each academic year. The Committee shall invite a representative of the Foundation to its meetings as an observer.

Section 2.3. The University shall furnish to the Foundation an annual plan of the Program with the detailed budget allocation, necessary procedures to implement it, and the names and addresses of scholarship recipients within two (2) weeks after such decisions are made by the Committee.

Section 2.4. The University shall maintain a separate account for the Fund; have such an account and related financial statements audited annually; and furnish to the Foundation certified copies of such audited financial statements, all in English within three (3) months after the end of each academic year. Any balance remaining at the end of the program year shall be added to the Fund.

Section 2.5. The University shall furnish to the Foundation an annual report on the accomplishments and performance of the Program within three (3) months after the end of each academic year.

Section 2.6. The University shall furnish to the Foundation all such reports and information as the Foundation shall reasonably request concerning the Fund, the Program and any other relevant matters.

Section 2.7. The University shall state in any public announcements and publications that activities under the Fund are financially assisted by the Foundation. The University shall furnish to the Foundation copies of all published materials which may develop in connection with the Fund. The University shall consent that the Foundation may publicize the activities of the Fund for the purposes of public information.

ARTICLE III

Effective Date and Remittance of the Grant

Section 3.1. The effective date of this Agreement shall be the date on which the second of the parties hereto to execute this Agreement has effected such execution.

Section 3.2. The Foundation shall remit to the University a grant of one million United States dollars (US\$ 1,000,000) within one (1) month after the effective date of this Agreement.

ARTICLE IV

Due Operation of the Program

Section 4.1. (a) If any circumstances arise which interfere with the sound operations of the Fund as well as the Program upon the terms and conditions stated in this Agreement, the Foundation may take initiatives in raising the issues with the University.

(b) In the event of any such initiatives to be taken by the Foundation, the University shall convene the Committee and attempt at resolving the issues with the participation of the Foundation.

(c) Any matter not specifically provided for in this Agreement or any doubts that may arise with regard to the interpretation of the provisions of this Agreement shall be resolved by mutual consultation between the University and the Foundation, having due regard to the applicable rules and regulations of the Foundation.

Section 4.2. In the event that the University is found to have used all or part of the capital of the Fund for any purpose whatsoever or all or a part of the proceeds of the Fund for any purpose other than for the operation of the Program in accordance with this Agreement, or in the event that the University is no longer capable of operating the Program as contemplated by this Agreement, the Foundation may at any time terminate this Agreement. Upon termination of this Agreement, the University shall, upon demand by the Foundation, repay the grant funds received from the Foundation pursuant to this Agreement, together with all proceeds of the Fund that remain to be expended or committed for operation of the Program.

ARTICLE V

Other Matters

Section 5.1. Any notice or request required under this Agreement shall be made in writing.

Section 5.2. This Agreement may be amended or altered only by written agreement of the parties hereto through their duly authorized officers or representatives. If one of the parties wishes to amend or alter part of this Agreement, the party shall inform the other of such an intention as soon as possible and the parties hereto shall consult with each other on the purposed amendment or alteration in good faith.

Section 5.3. This Agreement is written in English and each party will keep one signed copy. This English language version of this Agreement is the true, valid and binding Agreement between the parties hereto and, in the event of any differences between this version and a translation hereof into Spanish, Japanese or any language, this version shall prevail.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be signed in their respective names as of the dates hereunder.

The Sasakawa Foundation
Sempaku Shinko Bldg.
1-15-16 Toranomom, Minato-ku
Tokyo 105, Japan

笹川 良一

By _____ Date March 13, 1992
Ryoichi Sasakawa
Chairman

El Colegio de Mexico, A.C.
Camino Al Ajusco No. 20
Codigo Postal 01000
Mexico, D.F.

By M. Ojeda G. Date March 17, 1992
Mario Ojeda Gomez
President

Appendix 1

Management of the Fund Pursuant to

Section 1.2. of this Agreement

The capital of the Fund in the amount of 1,000,000 United States dollars to be remitted to the University by the Foundation shall be deposited into the Chase Manhattan Bank in United States Dollars permanently administered by the Committee specified in Section 2.2 for earning the yield.

Account Number 949-2-417457

Account Name El Colegio de Mexico-Sasakawa
Scholarship Program

Bank Name The Chase Manhattan Bank, New York

Address International Agencies Banking
825 United Nations Plaza
New York, New York 10017

Telephone 223-60-29

Telex _____

Fax 652-62-33

The Committee specified in Section 2.2 of this Agreement shall be responsible for ensuring that the real value of the capital of the Fund is maintained to the greatest possible extent. The Committee shall therefore decide, at the end of each accounting year, how large a portion of the yield on the capital it wishes to add to the capital of the Fund, dependent on the rate of inflation and the general interest level. The Committee shall distribute the disposable income to the annual expenditure items of the Sasakawa Scholarship Program as specified in section 1.3 and Appendix 2 of this Agreement.

The Fund shall not be mixed with other financial sources of the University, and a separate account for the Fund shall be maintained by the University in accordance with the regulations specified in Section 2.4 of this Agreement.

The Sasakawa Scholarship Program
of
El Colegio de Mexico, A.C.

A. Objective and Scope of the Program

The objective of the Program is to educate graduate students at the University with high potential for future leadership in international affairs, in public life as well as in private endeavor, providing these students with a wide range of courses in:

- * Master's Program in Asian and African Studies with specialization in one of five areas: Japan, China, India, Middle East and Sub-Saharan Africa
- * Doctoral Program in Population Studies
- * Master's Program in Urban Studies

The scholarships will be provided to outstanding graduate students for a period not exceeding three (3) years to enable them to attend in the University's regular academic courses.

B. Annual Allocation of Proceeds of the Ryoichi Sasakawa Young Leaders Fellowship Fund for the Program

Following are the items and percentages of expenditure of the Program to be financed annually out of the proceeds of the Fund, based on the highest possible annual interest rate of the Fund.

<u>Items of Expenditure</u>	<u>Budget Allocated</u>
1. Scholarships for graduate students to cover their cost for tuition fees, textbooks, school supplies and other school fees.	95 percent
2. Administrative support for the program to cover publications, conference fees, communication fees, expenditures on the purchase of office supplies and the like.	5 percent
Total	100 percent

The Proposed Breakdown of an Average Fellowship for a
Graduate Student in the Sasakawa Scholarship Program

as of January 1992
1 US dollar = \$3,057 Mexican Pesos

- A. An average scholarship for a graduate student in the
Program shall be approximately as follows:

	<u>Mexican Pesos</u>	<u>US dollars</u>
Tuition and fees	-----	-----
Living expenses	9,629,550	3,150
Text book allowance	2,384,460	780
Research costs	2,384,460	780
Total	<u>14,398,470</u>	<u>\$4,710</u>

- B. An average annual fellowship for a doctoral student in the
Program shall be approximately as follows:

	<u>Mexican Pesos</u>	<u>US dollars</u>
Tuition and fees	-----	-----
Living expenses	10,821,780	3,540
Text book allowance	3,595,032	1,176
Research costs	4,218,660	1,380
Total	<u>18,635,472</u>	<u>\$6,069</u>

It is expected that approximately eight (8) graduate students will receive scholarships and one (1) doctoral student will receive a fellowship each year, based on an annual interest rate of 6.6%, with 33% of the interest being returned to the principal each year.