

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNIVERSITY OF PUERTO RICO AT MAYAGUEZ
AND
AHKEO HOLDINGS LLC**

THIS MEMORANDUM OF UNDERSTANDING is made by and between the University of Puerto Rico at Mayaguez (UPRM), a land-grant public institution of higher learning located in the Commonwealth of Puerto Rico, here represented by its Chancellor John Fernández Van Cleve, _____, in exercise of the duties and powers conferred upon him by the Law of the University of Puerto Rico, established by University Rules and regulations, approved January 20, 1966 and Ahkeo Holdings LLC a Limited Liability Company organized under the laws of the Commonwealth of Puerto Rico and operating in Puerto Rico ("Ahkeo") here represented by Manager, Chairman and Chief Executive Officer, Brent M. Skoda,

WHEREAS, UPRM and Ahkeo are aware that high quality education, training, research, development, knowledge dissemination, service and outreach are the basis for the economic well-being and development of Puerto Rico;

WHEREAS, UPRM and Ahkeo are concerned with the issues of assessment and understanding, the advancement of knowledge, and the development of human resources as basic elements necessary for redressing economic underdevelopment;

WHEREAS, UPRM and Ahkeo are interested in establishing close ties in research, development, and design of projects, products, services and intellectual property related to the same;

WHEREAS, UPRM and Ahkeo is concerned with issues of continued and sustainable development of the economy, low-technology to high-technology industries, and the need for creative, competent and entrepreneurial personnel;

WHEREAS, UPRM and Ahkeo would like to jointly develop a model for generation and distribution of affordable and clean energy that can be implemented by all Universities around the world as to provide efficient, cost effective and environmentally friendly energy to campuses across the world and their respective neighbors and other fellow citizens;

WHEREAS, collaboration between the two institutions which share economic, and human development goals is highly desirable;

NOW, THEREFORE, in consideration of the mutual understandings set forth, the Parties do hereby mutually agree as follows:

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I. PURPOSE

- a. This Memorandum of Understanding is intended to facilitate all exchanges and cooperative initiatives between UPRM and Ahkeo.
- b. This Memorandum of Understanding sets forth a basis for agreements between UPRM and Ahkeo to provide and seek funding, and to engage in the joint preparation of proposals for such funding.
- c. This Memorandum of Understanding sets forth a basis for future agreements between UPRM and Ahkeo to initiate and conduct joint programs.

II. IMPLEMENTATION

The intent of this Memorandum of Understanding shall be implemented by collaborative planning, development, proposals and implementation of programs in the areas of education, training, research, development, and dissemination of knowledge related to microgrids power systems. UPRM and Ahkeo shall each appoint a program manager to be charged with implementing the terms of this Memorandum of Understanding. In the initial phases, all activities shall be coordinated by the Research and Development Center UPRM, and by the Department of Electrical and Computer Engineering. These initiatives will include, but not be limited to the following:

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- a. Development of the System Laboratory in the facilities or on the property of UPRM. This laboratory must have capabilities for research and development of technology related to energy generation and distribution, simulation capabilities for educational purposes, simulation capabilities for community services, and simulation capabilities for commercial ventures.
 - b. Collaboration of UPRM faculty and students with Ahkeo, through the design and development of initiatives ranging from low-technology to high-technology for educational purposes, service, and commercial purposes with the intention of training the future entrepreneurs and personnel necessary for the development of healthy, sustainable economies in the Puerto Rico, the United States of America, and favorable nations around the World..

III. SUPPLEMENTAL AGREEMENTS

This memorandum of understanding may be supplemented by agreements for specific projects signed by authorized representatives of UPRM and Ahkeo.

Each agreement shall specify:

- a) Objectives;
- b) Implementation plan;
- c) Responsibilities of each institution;
- d) Budget and sources(s) of funding;
- e) Timetables and evaluation criteria;
- f) Effective dates; and
- g) When applicable, the cost apportioned to each institution.

IV. OTHER TERMS AND CONDITIONS

- a. UPRM and Ahkeo shall be responsible for their respective costs associated with the activities in this Memorandum of Understanding. Payments for costs associated with future agreements will be subject to negotiations between UPRM and Ahkeo.
- b. Nothing in this Memorandum of Understanding shall obligate UPRM and Ahkeo , individually or collectively, to any current or future expenditure of resources in advance of the availability of appropriations through their respective fiscal authorization procedures.
- c. Any previous and existing UPRM copyrights, trademarks, patents, provisional or otherwise, trade secrets and/or inventions shall remain at all-times exclusive property of the UPRM.
- d. Any previous and existing Ahkeo copyrights, trademarks, patents, provisional or otherwise, trade secrets and/or inventions shall remain at all-times exclusive property of the UPRM.
- e. UPRM will have all, right, title and interest to all of the Intellectual Property UPRM develops on its own in the future without the participation of Ahkeo.
- f. Ahkeo will have all, right, title and interest to all of the Intellectual Property Ahkeo develops on its own in the future without the participation of UPRM.
- g. UPRM and Ahkeo will jointly own Intellectual Property developed amongst the UPRM and Ahkeo, which will be owned on mutually acceptable arrangement, which will be documented and contracted on a case-by-case basis.

V. PERIOD OF AGREEMENT

This Memorandum of Understanding shall be effective immediately when signed by authorized representatives of both UPRM and Ahkeo and shall remain in force for five (5) years from the date unless terminated according to the provisions of paragraph VIII (Termination) below. This Memorandum of Understanding shall be renewable for additional time periods as mutually agreed upon by representatives of UPRM and Ahkeo.

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VI. EQUAL OPPORTUNITY

UPRM and Ahkeo subscribe to the policy of Equal Opportunity and will not discriminate on the basis of race, sex, sexual orientation, age, political orientation, ethnicity, religion, or natural origin. UPRM and Ahkeo shall abide by these principles in the administration of this Memorandum of Understanding, and neither entity of any of its representatives shall knowingly impose criteria for the exchange of scholars, staff or students that would violate the principles of nondiscrimination.

VII. MODIFICATION

This Memorandum of Understanding may be modified only in writing by authorized representatives of UPRM and Ahkeo. Modifications shall be incorporated by reference and made a part of this Memorandum of Understanding.

VIII. TERMINATION

This Memorandum of Understanding may be terminated at any time by written mutual agreement of upon ninety (90) days advance notice. This Memorandum of Understanding may be terminated Termination for cause upon a forty-five (45) day prior written notice to the breaching party describing the alleged material breach of the Memorandum of Understanding, during which forty-five (45) day period the breaching party shall have the right to cure the alleged breach; provided, however, that if the alleged breach were to required more than forty-five (45) days to cure, the alleged breaching party will have to submit a plan for curing said breach within a term not to exceed ninety (90) days. Each party shall be responsible for its own costs incurred during the preparation and execution of this Memorandum of Understanding.

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IX. FINAL DISPOSITONS

1) The two parties are committed to maintaining records of all reports of timesheets for jobs, communications and all other documents related to the coordination of activities discussed in this agreement in order that they be available for examination or copying by the Office of Internal Auditors of the University of Puerto Rico, by a firm of outside auditors hired by the University of Puerto Rico, by the Office of the Comptroller of Puerto Rico in its auditing of the University of Puerto Rico as required by law. Audits will be carried out at reasonable times during the course of the services or after their completion, in accordance with generally recognized auditing practices. Said documents will be kept for a period of no less than six (6) years or until the Office of the Controller of Puerto Rico has made its investigation, whichever occurs first.

2) Neither party shall use the name of the other institution, its initials, stamp, logos, seal, or any other identifying emblem or distinctive symbol of the other institution without the express written authorization of the institution to which said objects belong.

3) Except as expressly provided to the contrary in this Memorandum of Understanding, neither party shall assume any liability to the other. As to liability to each other the parties do not waive any defense as a result of this agreement. Likewise, this provision shall not be construed to limit the parties' rights, claims or defenses which arise as a matter of law pursuant to any provisions of this Memorandum of Understanding. Additionally, this agreement shall not be construed to limit the sovereign immunity of the Government of Puerto Rico and the University of Puerto Rico.

4) Each of the parties consents to exempt and exonerate the other party from responsibility in the case of any judicial or extrajudicial claim, and to provide indemnity for damages and/or mental or moral anguish that may be suffered by any person or legal entity, when said damages have been caused by the grossly negligent, reckless, and/or culpable actions, conduct, or omissions of the indemnifying party, its agents or employees, when such damages shall have occurred totally or partially during the realization of this Memorandum of Understanding.

5) This Memorandum of Understanding shall be constructed and governed under the laws and regulations of the Commonwealth of Puerto Rico.

6) LAW 127 OF MAY 31, 2004 CLAUSE- No service shall be rendered or received based on the terms of this Memorandum of Understanding until it is presented for registry in the Office of the Controller of the Commonwealth of Puerto Rico according to Law No. 18, dated October 30, 1975.

7) INDEPENDENT CONTRACTOR CLAUSE: In performing activities under this Memorandum of Understanding, Ahkeo shall be considered as an independent contractor and shall not be entitled to any benefits applicable to employees of UPRM. The employees of Ahkeo shall not be considered as employees of the UPRM. Nothing in this Memorandum of Understanding will be deemed to create an employer-employee or principal-agent relationship between UPRM and Ahkeo's employees, consultants, agents or independent contractors.

8) FORCE MAJEURE. In the event that the performance of the obligations under this Memorandum of Understanding are impeded by reason of Force Majeure, the parties shall be released from their obligations and neither party shall be responsible for any damage sustained and have no further recourse against the other party. Force Majeure shall mean accident before and after the installation of the equipment, fire, earthquake, hurricane, flood, Act of God or natural disaster, epidemics or pandemics, nuclear explosions, strike, work stoppages, or other labour disturbance, riots or civil commotions, vandalism, war or other act of any nation, terrorism, power of government, or government agency, or any other cause which is beyond the control of the parties.

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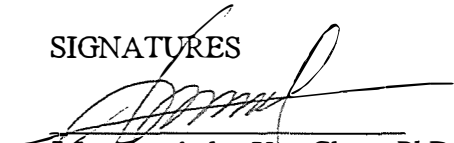
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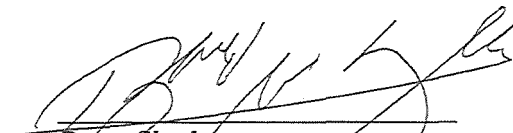
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9) ASSIGNMENT. Neither party shall transfer this Memorandum of Understanding, or assign any rights or delegate any obligations hereunder, in whole or in part, whether voluntarily or by operation of law, without the prior written consent of the other party. Any purported transfer, assignment or delegation by either party without the appropriate prior written approval will be null and void and of no force or effect. Subject to the foregoing, this Memorandum of Understanding is binding upon the parties' successors, heirs and assigns. Notwithstanding the aforesaid, Akheo may assign this Memorandum of Understanding or its rights hereunder without the consent of the other parties hereto if such assignment is to any entity controlling, controlled by or under common control with Akheo.

In Mayaguez, Puerto Rico.

SIGNATURES



John Fernández Van Cleve, PhD
Chancellor *mtc*
University of Puerto Rico
Mayaguez Campus


Brent Skoda
Manager, Chairman of the Board and Chief
Executive Officer of Akheo Holdings LLC

Date: 4/5/15

Date: 4/15/15

Recommended by:


Agustín Rullán, Ph.D
Interim Dean, College of Engineering

Date: 4/15/15