

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNIVERSITY OF PUERTO RICO AT MAYAGUEZ
AND
ETHICON J&J SAN LORENZO**

THIS MEMORANDUM OF UNDERSTANDING is made by and between the University of Puerto Rico at Mayagüez (UPRM), a land-grant public institution of higher learning located in the Commonwealth of Puerto Rico, here represented by Professor Pablo Rodríguez, UPRM Chancellor, and ETHICON J&J SAN LORENZO, a corporation established and operating in Puerto Rico, here represented by Ing. Francisco J. Aponte, Plant Manager.

WHEREAS, UPRM and ETHICON J&J SAN LORENZO are aware that high quality education, training, research, development, knowledge dissemination, technology transfer, service, and outreach are the basis for the economic well being and development of Puerto Rico;

WHEREAS, UPRM and ETHICON J&J SAN LORENZO are concerned with issues of assessment and understanding, the advancement of knowledge, and the development of human resources as basic elements necessary for addressing economic development;


WHEREAS, UPRM and ETHICON J&J SAN LORENZO are interested in establishing close ties in research and development of environmental technologies in the areas of Biodiesel Applications, pollution prevention and waste minimization;

WHEREAS, UPRM and ETHICON J&J SAN LORENZO are concerned with issues of continued and sustainable development of high-technology industries, and the need for creative, competent, and entrepreneurial personnel;

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

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

I. UNDERSTANDING

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- a. ETHICON J&J SAN LORENZO and UPRM will collaborate in the development of Biodiesel Applications in order to demonstrate the environmentally friendly performance properties of this fuel.
 - b. In such project, UPRM will provide the necessary support, expertise and fuel up to 500 gallons of B100 during a demonstration of an emergency generator unit utilizing Biodiesel. Any additional fuel will be negotiated between ETHICON J&J SAN LORENZO and UPRM on a contract or requisition basis.
 - c. In such project, ETHICON J&J SAN LORENZO will operate the aforementioned unit for a testing period of 1 to 4 days depending on the success of the demonstration. ETHICON J&J SAN LORENZO will only provide the required supervision, maintenance and repairs that may result from the demonstrations. They will also perform the required infrastructure modifications. This includes all permitting activities related to the project.
 - d. No additional expenses will be incurred by ETHICON J&J SAN LORENZO than those mentioned in **I.c.** except for any additional fuel exceeding 500 gallons of B100 as stated in **I.b.**
 - e. In such project, ETHICON J&J SAN LORENZO shall in no event be responsible or held liable for any damage, including without limitation, any liability to UPRM personnel and equipment arising from the execution of this MOU.
 - f. In such project, UPRM shall in no event be responsible or held liable for any damage, including without limitation, any liability to ETHICON J&J SAN LORENZO personnel and equipment arising from the execution of this MOU.
 - g. The present MOU provides the mechanism whereby this and other demonstrations, interactions, initiatives and proposals development between ETHICON J&J SAN LORENZO and UPRM will be facilitated.
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II. IMPLEMENTATION

UPRM and ETHICON J&J SAN LORENZO shall each appoint a program manager to be charged with implementing the terms of this Memorandum of Understanding.

III. OTHER TERMS AND CONDITIONS

- a. UPRM and ETHICON J&J SAN LORENZO shall be responsible for their respective costs associated with the activities in this Memorandum of Understanding. Payment for cost associated with future agreements will be subject to negotiations between UPRM and ETHICON J&J SAN LORENZO.
- b. Nothing in this Memorandum of Understanding shall obligate UPRM and ETHICON J&J SAN LORENZO, individually or collectively, to any current or future expenditure of resources in advance of the availability of appropriations through their respective fiscal authorization procedures.

IV. PERIOD OF AGREEMENT

This Memorandum of Understanding shall be effective immediately when signed by authorized representatives of both UPRM and ETHICON J&J SAN LORENZO, and shall remain in force for one year from that date unless terminated according to the provisions of paragraph VII below. This Memorandum of Understanding shall be renewable for additional time period as mutually agreed upon by representatives of UPRM and ETHICON J&J SAN LORENZO.

V. EQUAL OPPORTUNITY

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

VI. MODIFICATION

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

VII. TERMINATION

This Memorandum of Understanding may be terminated at any time by written mutual agreement or upon 90 days advanced notice by either Party.

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UNIVERSITY OF PUERTO RICO
AT MAYAGUEZ CAMPUS

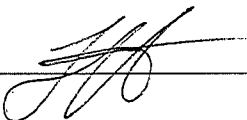
ETHICON J&J SAN
LORENZO



Professor Pablo Rodríguez *PR*
Chancellor

UNIVERSITY OF PUERTO RICO
AT MAYAGUEZ CAMPUS

Date 5/24/02



Engineer Francisco J. Aponte
Plant Manager

ETHICON J&J SAN
LORENZO

Date 3/21/02