

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNIVERSITY OF PUERTO RICO AT MAYAGUEZ
AND
WESTERN PETROLEUM ENTERPRISES, INC.**

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 Western Petroleum Enterprises, Inc., a company established and operating in Puerto Rico,

here represented by Maria D. Cintron, Controller.

WHEREAS, UPRM and WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC., 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. WESTERN PETROLEUM ENTERPRISES, INC., 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 a trucks unit utilizing Biodiesel. Any additional fuel will be negotiated between WESTERN PETROLEUM ENTERPRISES, INC., and UPRM on a contract or requisition basis.
 - c. In such project, WESTERN PETROLEUM ENTERPRISES, INC., will operate the aforementioned trucks unit for a period of 1.0 to 3.0 months depending on the success of the demonstration. WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC., than those mentioned in **Lc.** except for any additional fuel exceeding 100 gallons of B20 as stated in **Lb.**
 - e. In such project, WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC., personnel and equipment arising from the execution of this MOU.
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- g. The present MOU provides the mechanism whereby this and other demonstrations, interactions, initiatives and proposals development between WESTERN PETROLEUM ENTERPRISES, INC., and UPRM will be facilitated.

II. IMPLEMENTATION

UPRM and WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC.
- b. Nothing in this Memorandum of Understanding shall obligate UPRM and WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC..

V. EQUAL OPPORTUNITY

UPRM and WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC., 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 WESTERN PETROLEUM ENTERPRISES, INC.. Modifications shall be incorporated by reference and made a part of this Memorandum of Understanding.

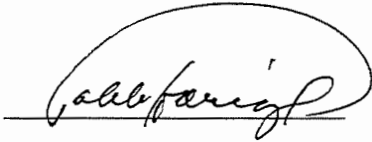
VII. TERMINATION

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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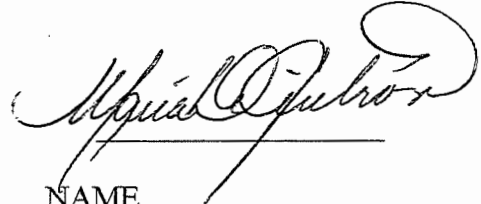
UNIVERSITY OF PUERTO RICO
AT MAYAGUEZ CAMPUS

WESTERN PETROLEUM
ENTERPRISES, INC.



Professor Pablo Rodriguez
Chancellor
UNIVERSITY OF PUERTO RICO
AT MAYAGUEZ CAMPUS
DATE 5/24/02

EEC



NAME
Controller
WESTERN PETROLEUM
ENTERPRISES, INC.
DATE 5/17/02