

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
UNIVERSITY OF PUERTO RICO AT MAYAGUEZ
AND
BAXTER HEALTHCARE CORPORATION OF PUERTO RICO**

THIS MEMORANDUM OF UNDERSTANDING dated December 18, 2002 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 Dr. Jorge I. Vélez Arocho, UPRM Chancellor, and Baxter Healthcare Corporation of Puerto Rico, Aibonito Facility (Baxter-Aibonito), a company established and operating in Puerto Rico, with federal id number 66-0311002, here represented by Edwin Betancourt, General Manager.

WHEREAS, UPRM and Baxter-Aibonito 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 Baxter-Aibonito 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 Baxter-Aibonito are interested in establishing close ties in research and development of environmental technologies in the areas of Biodiesel Applications, pollution prevention and waste minimization;

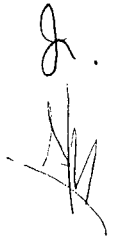
WHEREAS, UPRM and Baxter-Aibonito are concerned with issues of continued and sustainable development of high-technology industries, and the need for creative, competent, and entrepreneurial personnel;

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

- a. Baxter-Aibonito 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 100 gallons of B100 during a demonstration of a Ford F7000 Truck unit utilizing Biodiesel. Any additional fuel will be negotiated between Baxter-Aibonito and UPRM on a contract or requisition basis.
- c. In such project, Baxter-Aibonito will operate the aforementioned Ford F7000 Truck unit for a period of 1.0 to 3.0 months depending on the success of the demonstration. Baxter-Aibonito 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. Cost to Baxter shall not exceed \$1,000.00.
- d. No additional expenses will be incurred by Baxter-Aibonito than those mentioned in **I.c.** except for any additional fuel exceeding 100 gallons of B20 as stated in **I.b.**
- e. In such project, Baxter-Aibonito shall in no event be responsible or held liable for any damage caused by other parties, 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 caused by other parties, including without limitation, any liability to Baxter-Aibonito 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 Baxter-Aibonito and UPRM will be facilitated.



II. IMPLEMENTATION

UPRM and Baxter-Aibonito 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 Baxter-Aibonito 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 Baxter-Aibonito.
- b. Nothing in this Memorandum of Understanding shall obligate UPRM and Baxter-Aibonito, 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 Baxter-Aibonito, 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 Baxter-Aibonito.

V. EQUAL OPPORTUNITY

UPRM and Baxter-Aibonito 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 Baxter-Aibonito 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 Baxter-Aibonito. Modifications shall be incorporated by reference and made a part of this Memorandum of Understanding.

VII. TERMINATION

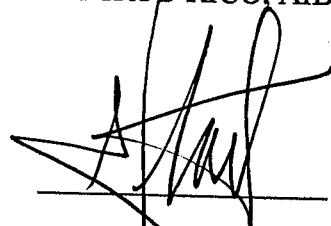
This Memorandum of Understanding may be terminated at any time by written mutual agreement upon 90 days advance notice by either Party.

UNIVERSITY OF PUERTO RICO
AT MAYAGUEZ CAMPUS



Dr. Jorge I. Vélez Arocho
Chancellor
UNIVERSITY OF PUERTO RICO
AT MAYAGUEZ CAMPUS

BAXTER HEALCARE CORP. OF
PUERTO RICO, AIBONITO FACILITY



Edwin Betancourt,
General Manager
BAXTER HEALTHCARE CORP. OF
PUERTO RICO, AIBONITO FACILITY