

MEMORANDUM OF UNDERSTANDING

BETWEEN

**UNIVERSITY OF PUERTO RICO-MAYAGÜEZ CAMPUS BIOREFINERY
RESEARCH CONSORTIUM (UPRM's BFR),**

SUSTAINABLE AGROBIOTECH, LLC (SABI),

&

**UNIVERSITY OF PUERTO RICO-MAYAGÜEZ CAMPUS INDUSTRIAL
BIOTECHNOLOGY PROGRAM (UPRM's IBP)**

THIS MEMORANDUM OF UNDERSTANDING ("MOU") made by and between the parties listed below (collectively, hereinafter the "Parties"), whose authorized representatives are affixing their signatures to this document, relates to mutually beneficial collaborative efforts aimed at training students in and for support of biorefinery research.

The Parties to this MOU are:

1. The University of Puerto Rico-Mayaguez Industrial Biotechnology Program ("UPRM's IBP"), here represented by the Chancellor, Dr. Jorge Iván Vélez-Arocho, and its Coordinator, Dr. Rosa Buxeda;
2. The University of Puerto Rico-Mayaguez Biorefinery Research Consortium ("UPRM's - BRC"), here represented by the Chancellor, Dr. Jorge Iván Vélez-Arocho, and Dr. Govind Nadathur; and
3. Sustainable Agrobiotech, LLC (SABI), an emerging biofuels company in Puerto Rico, with the goal to build and operate integrated biorefinery operations in partnerships with the academia, government and the private sector, here represented by its managing partner, Dr. Arup Sen.

WHEREAS, the Parties are aware of and agree 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, the Parties are concerned that issues of assessment and understanding, the advancement of knowledge, and the development of human resources are basic elements necessary for addressing economic development;

WHEREAS, the Parties are interested in establishing close ties in research and development of energy and environmentally friendly technologies in the areas of biorefineries, energy efficiency, sustainable/renewable energy, waste conversion, energy production from biomass and biomass fuel storage and preparation.

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

WHEREAS, collaboration across different private and public entities that share economic, and human development goals is highly desirable;

WHEREAS, the Parties share a common objective of contributing certain resources and cooperating in the expansion of skilled professionals experienced in the technology and operations of renewable energy production;

WHEREAS, SABI (including its U.S. affiliate, Sustainable Cellulosics, Inc.(SCI) and UPRM have entered into licensing and collaborative research and development agreements aimed at advancing and commercializing technologies and know-how of the two entities by building commercially feasible "biorefinery businesses" in PR;

WHEREAS, SABI and University of Puerto Rico-Mayagüez have entered into a memorandum of understanding related to the establishment and operation of the Biorefinery Research Consortium and have been diligently pursuing the implementation of a strategy to commercialize integrated biorefinery operations to produce biofuels and other high value products for the benefit of Puerto Rico.

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

I. PURPOSE

This Memorandum of Understanding is intended to facilitate cooperative initiatives between SABI, UPRM's BRC and UPRM's IBP in the areas of research, development and education. This Memorandum of Understanding sets forth a basis for cooperation between the Parties for mutual benefit and the benefit of Puerto Rico.

II. IMPLEMENTATION

The intent of this Memorandum of Understanding shall be implemented by collaborative planning, development, proposals, and the implementation of joint interdisciplinary programs in areas of education and, training. The anticipated efforts under this collaborative program will include, but not be limited to the following:

1. Training UPRM's IBP students at the UPRM's BRC.
2. Certain funding support by UPRM's IRB for training conducted at UPRM's BRC.
3. The Parties to jointly design short courses (perhaps a weekend) in the general area of biotechnology with a focus on biomass processing, fermentation and carbon recycling. It is anticipated that such courses may be offered once or twice a year with funding support from the Parties.
4. UPRM's BRC and SABI intend to cooperate with UPRM's IBP to find industrial sponsorship and opportunities for UPRM's IBP students.

5. UPRM's IBP intends to make available the Biotech learning center to train UPRM's BRC and SABI technical staff.
6. Upon completion of the contemplated biorefinery pilot plant, UPRM's BRC and SABI intend to make the facilities reasonably available for the training of UPRM's IBP students.
7. UPRM's IBP intends to sponsor one or more lecture series in the general area of biofuels and biotechnology to be administered in cooperation with UPRM's BRC and SABI.

III. SUPPLEMENTAL AGREEMENTS

This Memorandum of Understanding may be supplemented by agreements for specific projects by authorized representatives of the respective Parties. Each agreement shall specify: a) Objectives; b) Implementation plan; c) Responsibilities of each institution; d) Budget and funding sources; e) Timetables and evaluation criteria; f) Non-disclosure and intellectual property agreements and; g) When applicable, the costs apportioned to each institution.

IV. OTHER TERMS AND CONDITIONS

- a. Each Party 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 the Parties, as necessary.
- b. Nothing in this Memorandum of Understanding shall obligate SABI, UPRM's BRC or UPRM's IBP, individually or collectively, to any current or future expenditure of resources in advance of the availability of appropriations through their respective fiscal authorization procedures.

V. PERIOD OF AGREEMENT

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This Memorandum of Understanding shall be effective immediately when signed by authorized representatives of the Parties, and shall remain in force for five (5) years from that date unless terminated according to the provisions of paragraph VIII below. This Memorandum of Understanding shall be renewable for additional time period as mutually agreed upon by one or more of the Parties as necessary.

VI. EQUAL OPPORTUNITY

The Parties 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, and accordingly, agree to abide by these principles in the administration of this Memorandum of Understanding, and neither entities or any of its representatives shall knowingly impose criteria for the exchange of scholars, staff, or students that would violate the principles of nondiscrimination.

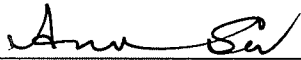
VII. MODIFICATION

This Memorandum of Understanding may be modified only in writing by authorized representatives of the Parties. 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 or upon 90 days advanced notice by either Party.

In witness thereof the appearing parties with full legal capacity sign this MOU in Mayagüez, Puerto Rico, this ____ day of March, 2008.

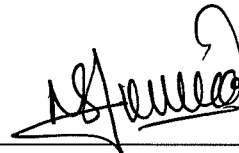


Sustainable Agrobiotech, LLC

Dr. Arup Sen

Date: 03/03/08

City: _____



Biorefinery Research Consortium

Dr. Govind Nadathur

Date: 3/3/08

City: Lajas



UPRM's Industrial Biotechnology Program

Dr. Rosa Buxeda, Professor and Coordinator

Date: _____

City: _____



University of Puerto Rico, Mayagüez Campus

Dr. Jorge Iván Vélez Arocho, Chancellor

Date: March 6, 2008

City: _____