

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is by and between NATEX Research & Development, LLC (“NATEX”), and the City of Rochelle, a local governmental entity, (“Lead Applicant”), and collectively referred to as (“the Parties”), and is entered into effective as of November 27, 2017.

1. The Parties acknowledge that NATEX has Unmanned Aircraft System (“UAS”) technical knowhow, access to UAS technologies and is developing analytical tools to analyze and implement UAS usage and application in the rural, suburban and urban environments.
2. Lead Applicant desires to partner with NATEX to test, develop, and implement UAS technology within its jurisdictional limits.
3. Lead Applicant also desires to become a Lead Applicant pursuant to the FAA UAS Integration Pilot Program (UAS Program), and desires NATEX’s assistance to facilitate its participation in the Lead Application Process.
4. Lead Applicant recognized that a Notice of Intent must be submitted by 2:00 p.m. on November 28, 2017 to be eligible to participate in the UAS Program; and subsequent volumes of the Lead Application are due by 2:00 p.m. on December 13, 2017 and 2:00 p.m. on January 4, 2018.
5. NATEX will apply best efforts to assist in the preparation of the submissions pursuant to the UAS Program.
6. The Parties also acknowledge that NATEX may submit an application to become an Interested Party pursuant to the UAS Program.
7. Lead Applicant will cooperate with NATEX in its submission of the Interested Party Application.
8. Lead Applicant will provide to NATEX:
 - a. Cooperation with the submission of the Lead application Notice of Intent on or before November 28, 2017;
 - b. Cooperation with the preparation and completion of Volume II of the Lead Application to allow for submission on or before 2:00 p.m. on December 13, 2017;
 - c. Cooperation with the preparation and completion of Volumes III-IV of the Lead Application to allow for submission on or before 2:00 p.m. on January 2, 2018;
 - d. Coordination with Lead Applicant residents in furtherance to the application; and
 - e. Permitting infrastructure implementation in the Lead Applicant’s city limits.
9. NATEX will provide to Lead Applicant:

- a. All necessary assistance to prepare Lead Applicant submissions Volumes I through IV;
 - b. Develop and implement a UAS Program plan;
 - c. Personnel and equipment necessary for implementation of UAS Program, and
 - d. Cooperation with Lead Applicant in all facets of the UAS Program application.
10. Independently Developed New Products and Inventions. The Parties agree that any new products that are developed by NATEX are the property of NATEX, and NATEX shall be free to use, license, protect and exploit any new products anywhere in the world, without limitation.
11. Non-Competition. Lead Applicant will not, without NATEX's express prior written consent, provide services to, or assist in any manner, any business or third party which directly competes with the current business of NATEX in the UAS development and implementation. Within 30 days of the execution of this Agreement, NATEX shall provide a detailed list of its current business as contemplated by this provision of the Agreement.
12. Non-Circumvention. Lead Applicant will not, without NATEX's express prior written consent, intentionally circumvent, isolate, leave out, ignore or avoid NATEX and its personnel in any important meeting or development project involving the UAS technology or development.
13. Governing Law/Arbitration. Governing law will be Illinois. All disputes shall be settled with binding arbitration in Rochelle, Illinois, unless equitable or injunctive relief is sought, in which case any suit may only be filed in state or federal Court located in either Ogle County (state court) or Rockford, Illinois (federal court).
14. No Obligation Proceed with the Potential Development or Financial Commitment. This MOU does not legally obligate Lead Applicant to initiate or continue discussions or negotiations with respect to the UAS Program and Lead Applicant shall not be under any legal obligation to complete the UAS Program or commit any funds to the UAS Program until such time as its City Council approves any such agreements or expenditures.
15. Disclosure Required by Law. If either party, or any of its representatives, is requested or becomes legally compelled (by deposition, interrogatory, request for documents, subpoena, civil investigative demand, request pursuant to the Illinois Freedom of Information Act (FOIA), or request of governmental or regulatory agency, or similar process) to disclose any Confidential Information of the other party or any information referred to above of which it is the recipient, then it shall provide the other party with prompt written notice of such request or requirement so that the other party may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this agreement.
16. The Parties understand that this is a non-binding MOU and that neither party is relying upon any agreements, verbal or written, outside of the representations herein.

IN WITNESS WHEREOF, the parties hereto have executed this MOU as of the date first above written.

NATEX Research & Development, LLC

CITY OF ROCHELLE

BY: _____

BY: _____

ITS: _____

ITS: _____