



Memorandum of Agreement No. 16/NWUAV-EXRO/004

This Memorandum of Agreement No. 16/NWUAV-EXRO/004 (hereinafter the "AGREEMENT") is entered into and effective as of February 15, 2016 (hereinafter the "Effective Date",

BY AND BETWEEN EXRO Technologies Inc. with offices located at P.O. Box 16093 Lynn Valley, North Vancouver, BC V7J 3S9 (hereinafter referred to as "EXRO"),

AND Northwest ULD, Inc. dba Northwest UAV 11160 SW Durham Lane Ste 1, McMinnville, Oregon 97128 (hereinafter referred to as "NWUAV"), and

WHERE EXRO and NWUAV may be referred to herein individually as a "Party" or collectively as the "Parties".

This AGREEMENT summarizes the essential terms of cooperation discussed on September 24, 2015 and latest on January 28, 2016 to develop an engineering proof-of-concept prototype generator and separate regulator (the Generator Control Unit (GCU) assembly), resulting in an electrical power system package enabled with EXRO's DCM (Dynamic Current Management) technology for a NWUAV selected aerial vehicle propulsion system. The technology, developed in a phased approach, will be designed, built, and bench tested within Phase I. Phase II, to be fully defined later, would consist of a flight test program to validate the system under actual flight conditions. If successful it will be commercialized where NWUAV will manufacture the resulting components for sale in the Unmanned Aerial Vehicle marketplace and pay EXRO a royalty for each component sold under a license agreement that uses EXRO Intellectual Property.

[REDACTED]

The information contained in this document is covered by Proprietary Information Agreement signed between the Parties and dated 19 February 2015, is confidential and/or proprietary and may not be disseminated or shared without the prior written permission of Northwest UAV.

[REDACTED]
[REDACTED]
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1.2 Parties Responsibilities

The Parties will carry responsibility and their own costs for the following areas:

EXRO Technologies

- o Project management for the engineering design, build and bring-up phases of the initiative
- o Design lead for the EXRO DCM generator and GCU circuit assembly and wire harness interfaces, as well as lead for design and development collaborations with suppliers
- o Initial bring-up and test of hardware in preparation for bench testing at NWUAV
- o Third-party Non-Recurring Engineering fees required for the new generator and regulator
- o Test plan preparation in collaboration with NWUAV
- o EXRO design and prototyping responsibilities do not include packaging, connector selection and wire harness final design

NWUAV

- o Provide information including existing electrical and mechanical designs and solid models, wire harnesses, design space and other information as needed to ensure success. Initial data is listed in Attachment A
- o Provide sample NW-44 hardware useful for EXRO's design, build and bring-up tasks
- o Support for engineering, design review and hardware including piece part manufacturing at NWUAV and Rapid Manufacturing in-house facilities, if required
- o Test plan preparation in collaboration with EXRO
- o Hardware testing including NWUAV's typical generator system tests, plus efficiency over the operating range in the various DCM coil configurations, under an agreed upon test plan
- o Packaging and cooling design, prototyping of same, including the GCU housing, generator housing, all connectors selection and wiring harness final design
- o Final assembly of the components for testing at NWUAV, utilizing third party manufactured generator and regulator and incorporating EXRO IP technology

2. Phase II

Upon the successful conclusion of Phase I and provided the EXRO DCM generator and regulator passes all qualification and bench tests, NWUAV shall approach its customer base and seek to secure a UAV platform for the Phase II test flight. The timing of the test flight will be dependent upon platform availability and customer agreement to participate.

The scope of this work for NWUAV will include a series of tasks like the following. The integrated component package would undergo an endurance test series on the NW-44 which would typically accumulate 100 to 150 operational hours with the engine and respective load on the generator system. [REDACTED]

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[REDACTED]

At the conclusion of flight testing the new components as integrated on the NW-44 would be qualified for subsequent manufacture for delivery as flight ready systems.

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3. Time to Completion

A time frame of six months from commencement to completion of a successful bench test in preparation for the Phase II prototype test flight is anticipated. The Parties will agree to project milestones within an agreed target time frame, ahead of commencement.

4.

[REDACTED]

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5.

[REDACTED]

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[REDACTED]

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6. **Notices**

6.1 All technical communications between the Parties shall be sent to the individuals below:

EXRO:

[REDACTED]

NWUAV:

[REDACTED]

6.2 All commercial communications between the Parties shall be sent to the individuals below:

EXRO

[REDACTED]

NWUAV:

[REDACTED]

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Handwritten signature

7. Expiration/Termination of the AGREEMENT

7.1 The Agreement shall expire one year from its signing unless otherwise extended by mutual, written agreement by the Parties.

7.2 Either Party may unilaterally terminate this AGREEMENT for any of the following reasons:

- (a) If the other Party breaches one or more of its obligations contained in this AGREEMENT and such breach is not cured within thirty (30) days of receipt of a written notice from the non-breaching Party to the breaching Party regarding the breach; or
- (b) The insolvency of the other Party or the filing by or against the other Party of a petition, arrangement, or proceeding seeking an order for relief under the bankruptcy laws of the United States or Canada, a receivership for any of the assets of the other Party, a composition with or assignment for the benefit of creditors, a readjustment of debt, or the dissolution or liquidation of the other Party.

7.3 This AGREEMENT may be terminated by the mutual, written agreement by the Parties.

8. Governing Law/Compliance with Laws

8.1 The rights and obligations of the Parties under this AGREEMENT shall be governed by and construed in accordance with the laws of the State of Oregon. The Parties specifically exclude the application of the United Nations Convention on International Sale of Goods.

8.2 In the course of performance hereunder, the Parties shall comply with all applicable local, state or province, and U.S. federal and Canadian laws and regulations as applicable.

9. Limitation of Liability

Except in the event of a Party's gross negligence or willful misconduct, the aggregate liability of a Party to the other Party for claims, damages, costs, actions, or liabilities arising from or related to this AGREEMENT, regardless of the legal theory of recovery, shall in no event exceed the actual out-of-pocket costs of the injured Party incurred in the performance of this AGREEMENT. In no event, however, shall either Party be liable to the other for any punitive, exemplary, special, indirect, incidental or consequential damages (including, but not limited to, lost profits, lost revenues, lost business opportunities, and loss of or corruption to data) arising out of or relating to this AGREEMENT, regardless of the legal theory under which such damages are sought, and even if the Parties have been advised of the possibility of such damages or loss.

[REDACTED]

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The information contained in this document is covered by Proprietary Information Agreement signed between the Parties dated 18 February 2015

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[REDACTED]

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MEMORANDUM OF AGREEMENT No. 16/NWUAV-EXRO/1004

The information contained in this document is covered by Proprietary Information Agreement signed between the Parties dated 19 February 2015

At Mr

IN WITNESS THEREOF, the Parties have caused this AGREEMENT to be executed by their duly authorized representatives as of the day and year written above.

EXRO TECHNOLOGIES INC.


Authorized Signatory

By: Mark Godsy, CEO

Date: 3/10/2016

NORTHWEST UAV


Authorized Signatory

By: Chris Harris, President and Owner

Date: 3/8/2014

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The information contained in this document is covered by Proprietary Information Agreement signed between the Parties dated 19 February 2015





Amendment No. 01
To
Memorandum of Agreement No. 16/NWUAV-EXRO/004

This Amendment No. 01 (hereinafter the "Amendment") to Memorandum of Agreement No. 16/NWUAV-EXRO/004 is entered into and effective as of June 2, 2017.

BY AND BETWEEN EXRO Technologies Inc. with offices located at P.O. Box 16093 Lynn Valley, North Vancouver, BC V7J 3S9 (hereinafter referred to as "EXRO"),

AND Northwest ULD, Inc. dba Northwest UAV 11160 SW Durham Lane Ste 1, McMinnville, Oregon 97128 (hereinafter referred to as "NWUAV"), and

WHERE EXRO and NWUAV may be referred to herein individually as a "Party" or collectively as the "Parties".

By the signature of the Parties below this Amendment modifies the Memorandum of Agreement No. 16/NWUAV-EXRO/004 as follows:

- I. Article 7.1 is hereby changed as follows:
 - o From: "This Agreement shall expire one year from its signing unless otherwise extended by mutual, written agreement by the Parties."
 - o To: "This Agreement shall expire two years from its signing unless otherwise extended by mutual, written agreement by the Parties."

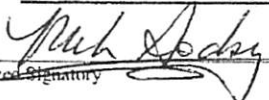
[REDACTED]

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All other aspects and obligations of Agreement No. 16/NWUAV-EXRO/004 remain in full force and effect.

IN WITNESS THEREOF, the Parties have caused this AGREEMENT to be executed by their duly authorized representatives as of the day and year written above.

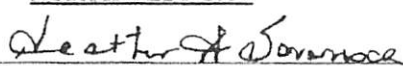
EXRO TECHNOLOGIES INC.


Authorized Signatory

By: Mark Godsy, CEO

Date: June 1 / 2017

NORTHWEST UAV


Authorized Signatory

By: Heather A. Sorenson, Director, Administration / Compliance

Date: 01 JUNE 2017



where precision & reliability soar!

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