



**MEMORANDUM OF UNDERSTANDING BETWEEN THE ARIZONA COMMERCE
AUTHORITY OF THE STATE OF ARIZONA OF THE UNITED STATES OF AMERICA AND
THE SECRETARIAT OF THE ECONOMY OF THE STATE OF SONORA OF THE UNITED
MEXICAN STATES TO COOPERATE ON INITIATIVES AIMED AT FOSTERING A VIBRANT
INNOVATION NETWORK TO SUPPORT ENTREPRENEURS AND TECHNOLOGY
GENERATORS IN THE ARIZONA-SONORA REGION**

Memorandum of Understanding between the Arizona Commerce Authority of the State of Arizona of the United States of America and the Secretariat of the Economy of the State of Sonora of the United Mexican States (the "Participants") to Cooperate on Initiatives Aimed at Fostering a Vibrant Innovation Network to Support Entrepreneurs and Technology Generators in the Arizona-Sonora Region

WHEREAS the Arizona Commerce Authority is Arizona's lead agency for economic development, and the Arizona Commerce Authority advances a robust strategy and suite of programs to cultivate an innovation ecosystem that leads to increased business development, job creation and economic growth;

WHEREAS the Secretariat of the Economy of the State of Sonora is a state public administration department in charge of economic development, and the Secretariat of the Economy of the State of Sonora is committed to the promotion of innovation in strategic sectors that creates new jobs and stimulates economic vibrancy;

WHEREAS the Participants have demonstrated their commitment to develop a dynamic platform for businesses of all sizes in key sectors through joint marketing and communications, supplier development and Business to Business B2B forums;

WHEREAS the two states recognize the importance of deeper cross-border collaborations to produce a robust and highly performing ecosystem geared toward a global knowledge-based economy and to ensure economic competitiveness, quality jobs and a high standard of living;

WHEREAS promoting the development, transfer and commercialization of technology will yield significant regional economic benefits and spill-over effects;

WHEREAS global capital investments in early stage technology firms exceeded \$140 billion in 2017;

WHEREAS research indicates that increased global connectedness helps startups acquire critical knowledge, develop effective business models, increase their performance level and grow their revenues twice as fast; and

WHEREAS the National Research Council found that “research parks are increasingly seen around the world as a means to create dynamic clusters that accelerate economic growth and international competitiveness. They are widely considered to be a proven tool to encourage the formation of innovative high technology companies. They are also seen as an effective means to generate employment and to make existing companies more competitive”.

NOW THEREFORE BE IT RESOLVED THAT

- The Participants will facilitate a discussion to identify a technology-based economic development strategy with the goal of increasing collaboration and the flow of ideas between innovators and tech parks within the two-state region;
- In conjunction with key tech park partners, education authorities and economic developers, the Participants will evaluate opportunities to strengthen bilateral cooperation, technology commercialization and market expansion; strive to identify specific projects and partnerships; and strive to identify and coordinate adequate resources and programs to support joint ventures; and
- The Participants will engage additional committees of the Arizona-Mexico Commission/Comision Sonora Arizona to ensure an inclusive and dynamic process that can encourage strong cross-pollination and provide economic value.

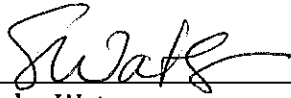
This Memorandum of Understanding is intended to memorialize the State of Arizona and State of Sonora’s commitment to explore ways to promote collaboration between them, but it is non-binding and does not create any legal or binding obligation between the states.

Nothing in this Memorandum of Understanding should be read to conflict with the laws and regulations of the United States of America or the United Mexican States (or any state or local jurisdiction), or with any relevant international agreements. There are no third-party beneficiaries to this Memorandum of Understanding.

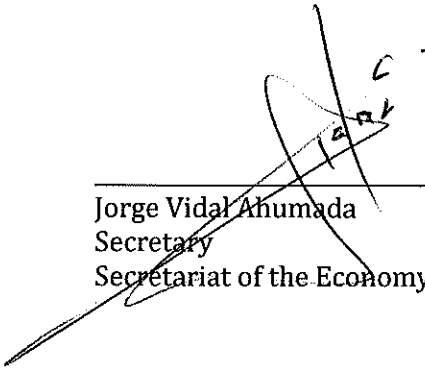
The State of Arizona or the State of Sonora may terminate its participation under this Memorandum of Understanding at any time through a written notice of termination. Nonetheless, the State of Arizona and State of Sonora should endeavor to give the other party 30 days written notice of its intention to terminate this Memorandum of Understanding.

The termination should not preclude the completion of any cooperative activities agreed upon while the Memorandum of Understanding was valid. Each state will be responsible for its own expenses in the implementation of this Memorandum of Understanding.

This Memorandum of Understanding is signed in the City of Tucson Arizona on June 15, 2018 by:

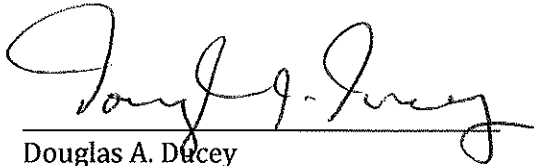


Sandra Watson
President and Chief Executive Officer
Arizona Commerce Authority



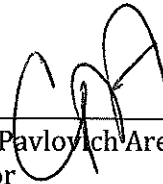
Jorge Vidal Ahumada
Secretary
Secretariat of the Economy of the State of Sonora

In Witness:



Douglas A. Ducey
Governor
State of Arizona

In Witness:



Claudia Pavlovich Arellano
Governor
State of Sonora