

PROJECT DEVELOPMENT AGREEMENT

THIS PROJECT DEVELOPMENT AGREEMENT (the "Agreement") is hereby made and entered into on _____, 2017 by and between the **CITY OF HUNTSVILLE, ALABAMA**, an Alabama municipal corporation (the "City"), **MADISON COUNTY, ALABAMA**, a political subdivision of the State of Alabama (the "County"), **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE**, a public corporation under the laws of the State of Alabama (the "IDB") (the IDB, the City and the County being collectively referred to herein as the "Local Authorities" and each individually as a "Local Authority"), on the one hand, and **BLUE ORIGIN ALABAMA, LLC**, an Alabama limited liability company (the "Company") on the other hand. The City, the County, the IDB, and the Company are herein together sometimes referred to collectively as the "Parties" and, individually, as a "Party".

RECITALS

WHEREAS, the Company is an aerospace manufacturer and spaceflight services company; and

WHEREAS, the Company is awaiting a firm, binding, long-term production contract from United Launch Alliance to purchase rocket engines from the Company (the "ULA Commitment") and, if (and only if) the ULA Commitment is executed by the Company (at the Company's absolute sole discretion), the Company plans to develop, construct, install, equip, operate and subsequently expand a new reusable spacecraft manufacturing facility (the "Facility"), wherein the Company will manufacture Blue Origin rocket engines for the aerospace industry, and where the Company is expected to employ up to 342 new full-time employees earning an average hourly wage of at least \$36.00, exclusive of fringe benefits, targeting a total capital investment of \$200,000,000 in two phases (the development, construction, installation, equipping, operation and subsequent expansion of the Facility in two phases, hereinafter sometimes collectively referred to herein as the "Project") as further described on Exhibit A hereto; and

WHEREAS, the Company undertook an extensive competitive process to identify locations throughout the United States as potential sites for the Project including, among many others, the City, each of which offered incentives and other inducements to cause the Company to locate the Project within their respective jurisdictions, and the Company has, subject to receiving the ULA Commitment in a form satisfactory to the Company in the Company's absolute sole discretion, determined to locate the Project within Cummings Research Park in Huntsville, Madison County, Alabama, on that certain parcel of real property owned by the City and aggregating approximately 46.1 acres, as more particularly described in Exhibit B attached hereto (the "Facility Site"); and

WHEREAS, with respect to the first phase of the Project ("Phase I"), the Company expects to (i) employ at the Facility 265 new full-time employees earning an average hourly wage of at least \$36.00, exclusive of fringe benefits, and (ii) incur a capital investment in the Facility of \$90,000,000; and

WHEREAS, with respect to the second phase of the Project ("Phase II"), the Company expects to (i) employ at the Facility 77 new full-time employees earning an average hourly wage of at least \$36.00, exclusive of fringe benefits, and (ii) targeting a capital investment in the Facility of \$110,000,000; and

WHEREAS, in reliance on the Company's representations of its capital investment in the Facility, employment and wage levels at the Facility, and the undertaking of the Project at the Facility Site as described in this Agreement, the Local Authorities have determined that the location of the Project at the Facility Site, through the provision of the commitments and agreements hereinafter set forth, would be in the best interest of each of the Local Authorities and the citizens of the City and the County by: (i) promoting, improving and expanding economic and industrial development within the City and the County; (ii) increasing the number and diversity of industrial jobs and related employment opportunities within the City and the County; (iii) enabling the City and the County to better retain, attract, and locate therein other industrial enterprises; (iv) expanding the overall tax base of the City and the County; and (v) enhancing the overall quality of life for the citizens of the City and the County; and

WHEREAS, in order to cause the Company to locate the Project at the Facility Site and perform its commitments hereunder, the Local Authorities are willing to: (i) convey the Facility Site to the Company; (ii) cover \$1,000,000 of the capital costs incurred by the Company in undertaking the Project at the Facility Site; (iii) cause the abatement of the following taxes in favor of the Company to the fullest extent allowable under Alabama law: (A) non-educational sales and use taxes imposed by the State of Alabama (the "State"), the City, and the County, on tangible personal property and taxable services incorporated into the Project, (B) non-educational ad valorem taxes imposed by the City and the County with respect to the Project for a period of 20 years from the October 1st following the C.O. Date (as such term is defined below), (C) non-educational ad valorem taxes imposed by the State with respect to the Project for a period of 10 years from the October 1st following the C.O. Date, and (D) deed, mortgage and all other similar recording taxes with respect to the Project whenever such taxes become due and payable; (iv) cause the timely completion of general mass grading of the Facility Site; (v) cause the timely completion of certain roadway improvements essential to the Project; and (vi) agree to certain other terms, all as more particularly set forth and described herein; and

WHEREAS, the City, acting both independently and by and through Huntsville Utilities, is willing to further incentivize the Company to locate the Project at the Facility Site by extending necessary and appropriate electric, natural gas, water, and sewer infrastructure to an agreed upon point of delivery on the Facility Site at no cost to the Company; and

WHEREAS, the location of the Project at the Facility Site will further assist in the expansion of economic developments that are critical to the sustained economic health and well-being of the City, the County, and the surrounding areas, and the City and the County accordingly find that providing financial assistance for the Project as described in this Agreement is being made under and in furtherance of any power and authority authorized by Amendment 772 to the Constitution of Alabama of 1901, recodified as Section 94.01 of the Recompiled Constitution of Alabama of 1901, and each of the City and the County has determined that the expenditure of

public funds for the purposes herein specified will serve a valid and sufficient public purpose, notwithstanding any incidental benefit accruing to any private entity or entities.

NOW, THEREFORE, for and in consideration of the foregoing premises, the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby covenant, agree and bind themselves as follows:

ARTICLE I **CONDITIONS PRECEDENT**

Section 1.1 Conditions Preceding Obligations.

(a) Notwithstanding any other provision of this Agreement, the Parties shall owe no obligation to one another hereunder if the Company does not execute the ULA Commitment by December 31, 2018, unless otherwise agreed to in writing by the Parties (the Mayor is hereby authorized and directed to sign and execute, on behalf of the City, such written instrument).

(b) Notwithstanding any other provision of this Agreement, the Parties shall owe no obligation hereunder if the State fails to execute a project agreement with the Company for the Project.

ARTICLE II **DEFINITIONS**

All initially capitalized terms not otherwise defined herein shall have the following meanings:

Actual Average Hourly Wage shall be computed by the following formula: [(Wages for all Full-Time Employees in a Reporting Year) divided by (hours worked by all Full-Time Employees in the same Reporting Year)].

Capital Investment shall have the meaning as provided in Section 40-18-370 of the Code of Alabama (1975), as amended.

C.O. Date shall mean the date on which a certificate of occupancy is issued for Phase I.

Commence Construction or Commencement of Construction shall mean physical work is being performed regularly, using appropriate equipment and manpower to construct and equip the Facility and install necessary infrastructure to accomplish the objectives of the Project.

Commence Operations or Commencement of Operations shall mean that the Company is manufacturing Blue Origin rocket engines for the aerospace industry at the Facility.

Facility Site Grant means the \$5,000,000 difference between the list price of the Facility Site and the \$10.00 purchase price of the Facility Site pursuant to Section 5.1(a) hereof.

Force Majeure Event shall mean a matter which the Company is unable to control or anticipate, including acts of God, acts of terrorism, and extreme weather, but excluding unfavorable economic conditions.

Fringe Benefits shall include, but are not limited to, health insurance, retirement, life insurance, workers' compensation, unemployment compensation, and Federal Insurance Contributions Act taxes.

Full-Time Employee shall mean a person that is:

(i) being paid directly by the Company for not less than 36 hours per week, is employed at the Facility, and who the Company identifies as its employee to the U.S. Internal Revenue Service or the Alabama Department of Revenue or the Alabama Department of Labor on returns or reports filed with the foregoing, including but not limited to, IRS Form 941, or

(ii) an employee of a direct contractor of the Company who is paid by the Company's direct contractor for working at the Facility for not less than 36 hours per week, or

(iii) a person working under a contract with the Company for working at the Facility for not less than 36 hours per week.

Notwithstanding the above, the definition of "Full-Time Employee" for purposes of this Agreement shall not include an unskilled temporary employee or a worker performing construction work on buildings or other structures which are intended to be part of the Project. All Full-Time Employees shall be eligible to receive any Fringe Benefit provided by his or her employer.

Jobs Commitment Period shall mean a 10-year period beginning on the first day of the month following the date that is 180 days after the C.O. Date.

Local Commitment Recapture Base shall mean \$6,000,000 (which represents the sum of the \$5,000,000 list price of the Facility Site and the \$1,000,000 Local Authorities Cash Grant) less recapture amounts previously paid by the Company for prior Reporting Years in accordance with Section 6.2(a) of this Agreement.

Minimum Average Hourly Wage is \$36.00.

Recapture Year shall mean any Reporting Year of default during the Jobs Commitment Period as described in Section 6.2(a) of this Agreement.

Reporting Year shall mean each 365-day period of the Jobs Commitment Period.

Wages shall have the meaning as provided in Section 40-18-370 of the Code of Alabama (1975), as amended. Wages shall not include Fringe Benefits.

Yearly Average shall mean an average number of Full-Time Employees calculated on an annual basis for each Reporting Year. The Yearly Average shall be calculated by adding the total number of Full-Time Employees on the 15th day of each month in the applicable Reporting Year and dividing that sum by 12.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Local Authorities.

- (a) The City does hereby represent and warrant as follows:
 - (i) The City, by action of its governing body, has duly authorized the execution, delivery and performance of this Agreement.
 - (ii) Neither the authorization, execution and delivery of, nor the performance of, this Agreement by the City, violates, constitutes a default under or a breach of any agreement, instrument, contract, mortgage, ordinance, resolution or indenture to which the City is a party or to which the City or its assets or properties are subject.
 - (iii) There is not now pending nor, to the knowledge of the City, threatened, any litigation affecting the City which questions (A) the validity or organization of the City, (B) the members, titles or positions of the members of the City Council of the City or the manner in which the officers of the City are selected, or (C) the subject matter of this Agreement.
- (b) The County does hereby represent and warrant as follows:
 - (i) The County, by action of its governing body, has duly authorized the execution, delivery and performance of this Agreement.
 - (ii) Neither the authorization, execution and delivery of, nor the performance of, this Agreement by the County, violates, constitutes a default under or a breach of any agreement, instrument, contract, mortgage, ordinance,

resolution or indenture to which the County is a party or to which the County or its assets or properties are subject.

(iii) There is not now pending nor, to the knowledge of the County, threatened, any litigation affecting the County which questions (A) the validity or organization of the County, (B) the members, titles or positions of the members of the County Commission of the County or the manner in which the officers of the County are selected, or (C) the subject matter of this Agreement.

(c) The IDB does hereby represent and warrant as follows:

(i) The IDB, by action of its governing body, has duly authorized the execution, delivery and performance of this Agreement.

(ii) Neither the authorization, execution and delivery of, nor the performance of, this Agreement by the IDB, violates, constitutes a default under or a breach of any agreement, instrument, contract, mortgage, ordinance, resolution or indenture to which the IDB is a party or to which the IDB or its assets or properties are subject.

(iii) There is not now pending nor, to the knowledge of the IDB, threatened, any litigation affecting the IDB which questions (A) the validity or organization of the IDB, (B) the members, titles or positions of the members of the Board of Directors of the IDB or the manner in which the officers of the IDB are selected, or (C) the subject matter of this Agreement.

Section 3.2 Representations and Warranties of the Company. The Company does hereby represent and warrant as follows:

(a) The Company is duly organized and validly existing as a limited liability company under the laws of the State of Alabama and has duly authorized its execution, delivery and performance of this Agreement.

(b) Neither the execution and delivery of this Agreement, nor the performance hereof, by the Company requires any consent of, filing with or approval of, or notice to, or hearing with any person or entity (including, but not limited to, any governmental or quasi-governmental entity), except for such consents, filings, notices and hearings described herein, or already held or maintained.

(c) Neither the authorization, execution and delivery of, nor the performance of, this Agreement by the Company, violates, constitutes a default under or a breach of (i) the organizational documents of the Company, (ii) any agreement, instrument, contract, mortgage or indenture to which the Company is a party or to which the Company or its assets are subject, or (iii) any judgment, decree, order, ordinance, regulation, consent or resolution applicable to the Company or any of its assets.

(d) There is not now pending nor, to the knowledge of the Company, threatened, any litigation affecting the Company which questions the validity or organization of the Company, or any of the representations and warranties of the Company contained herein.

ARTICLE IV **COMMITMENTS OF THE COMPANY**

Section 4.1 Commencement of Construction and Commencement of Operations. The Company acknowledges that the citizens of the City and the County anticipate the prompt receipt of substantial economic benefit to the local economy in return for the payments and other obligations of the Local Authorities under this Agreement. The Company shall cause the Commencement of Construction of Phase I at the Facility Site not later than 6 months after the date on which the ULA Commitment is executed by the Company (the date of such execution referred to herein as the "ULA Commitment Date"), and the Company shall Commence Operations of Phase I at the Facility not later than 24 months after the ULA Commitment Date.

Section 4.2 Capital Commitment. In furtherance of the Project, the Company agrees that not later than 24 months after the date on which the Company Commences Construction of Phase I at the Facility Site (the "Capital Investment Target Date"), the Company's total Capital Investment in the Facility for Phase I is estimated to be \$90,000,000 (the "Capital Investment Target").

Section 4.3 Jobs Commitment. For each Reporting Year during the Jobs Commitment Period, the Company shall employ at the Facility the number of Full-Time Employees as set forth in the schedule attached hereto as Exhibit C, earning the Minimum Average Hourly Wage (the "Jobs Target").

Section 4.4 Force Majeure. Notwithstanding anything in this Agreement to the contrary, in the event that the Company fails to meet the commitments set forth in Sections 4.1, 4.2, or 4.3 by the deadlines set forth in such Sections due to the occurrence of a Force Majeure Event, such delay shall not immediately result in a default or grounds for termination of this Agreement by the Local Authorities if, at the time of such Force Majeure Event, the Company gives the IDB, as agent for the Local Authorities, written notice containing (i) a description of the Force Majeure Event in question, (ii) an explanation of how the Company anticipates such event will affect the Company's performance under this Agreement, (iii) what actions the Company plans to undertake to address the conditions caused by the Force Majeure Event, and (iv) an estimate of how long the Company anticipates the Force Majeure Event will delay the Company in meeting its commitments under this Agreement. If the Company is diligently pursuing its identified actions to address the conditions caused by the Force Majeure Event and working

diligently and in good faith to meet its commitments under this Agreement, the Company shall be given a reasonable period of time to address such conditions and comply within its obligations hereunder before the Company shall be considered in default under this Agreement.

ARTICLE V

LOCAL AUTHORITIES INCENTIVES

Section 5.1 Facility Site.

(a) Within 60 days of the date that the Company furnishes a certificate, signed by an executive officer of the Company, to the IDB certifying (i) that the Company has executed the ULA Commitment on or before December 31, 2018, (ii) the ULA Commitment Date, and (iii) that the Company intends to Commence Construction of Phase I at the Facility Site not later than 6 months after the ULA Commitment Date, the City and the IDB shall work in good faith to cause the Facility Site to be conveyed to the Company (or, if the City is so directed in writing by the Company, to the IDB) by statutory warranty deed or such other arrangement as shall be determined by the Local Authorities and the Company for \$10.00. The Mayor is hereby authorized and directed to sign and execute, on behalf of the City, such deeds, conveyance agreements and similar instruments, agreements, and other documents and agreements as shall be necessary or desirable to cause the Facility Site to be conveyed to the Company or the IDB, as the case may be, as herein described.

(b) If pursuant to subsection (a) immediately above the Company (acting at its absolute sole discretion) directs title to the Facility Site to be given to the IDB, within 30 days of receiving such title the IDB shall give possession of the Facility Site to the Company pursuant to a ground lease (the "Ground Lease") between the Company and the IDB. The Ground Lease shall contain terms and provisions reasonably acceptable to the City and the IDB including, among others, (i) annual rent will be for a nominal amount not to exceed \$100.00, (ii) that the Company shall have the right to acquire fee simple title to the Facility Site at any time during the term of the Ground Lease, (iii) that the Company shall have full and unencumbered access to the Facility Site for the construction of the Facility, (iv) that the IDB shall have no liability respecting the construction or operation of the Project and (v) such other terms and provisions as the parties shall agree. If requested in writing by the Company, the IDB shall deliver into escrow a statutory warranty deed for the Facility Site for the benefit of the Company under the terms of an escrow agreement, such deed to be in substantially the form attached hereto as Exhibit D (the "Facility Site Deed") and such escrow agreement to be in substantially the form attached hereto as Exhibit E (the "Escrow Agreement"), for \$10.00 to be paid by the Company to the IDB. The Company shall be responsible for paying any and all recording fees due in connection with the conveyance.

Section 5.2 Local Authorities Cash Grant.

(a) In consideration of the Company locating the Project at the Facility Site and performing its commitments hereunder, the IDB, as agent for the City and the County, shall make available to the Company the sum of \$1,000,000 (the "Local Authorities Cash Grant," and together with the Facility Site Grant, the "Local Commitment") to reimburse the Company for capital costs incurred by the Company in undertaking the Project. The City and the County agree with one

another that each of the City and the County shall cover half (*i.e.*, \$500,000) of the Local Authorities Cash Grant.

(b) The Local Authorities Cash Grant shall be made available within 60 days after the Company furnishes to the IDB, as agent for the City and the County, a request for payment accompanied by (i) supporting documentation demonstrating to the reasonable satisfaction of the IDB that the expenditures for which reimbursement is sought were incurred only for undertaking the Project at the Facility, and (ii) all approvals required by statute or regulation before Phase I can be occupied and before Commencement of Operations for Phase I, including but not limited to a certificate of occupancy, permits, and licenses.

Section 5.3 Tax Abatements.

(a) The IDB, upon the consent of the City and the County, shall abate the following taxes in favor of the Company to the fullest extent allowable under Alabama law: (i) non-educational sales and use taxes imposed by the State, the City, and the County on tangible personal property and taxable services incorporated into the Project, (ii) non-educational ad valorem taxes imposed by the City and the County with respect to the Project for a period of 20 years from the October 1st following the C.O. Date, (iii) non-educational ad valorem taxes imposed by the State with respect to the Project for a period of 10 years from the October 1st following the C.O. Date, and (iv) deed, mortgage and all other similar recording taxes with respect to the Project whenever such taxes become due and payable.

(b) The Parties hereby confirm their intention that during the period described in clause (ii) of Section 5.3(a), replacement equipment of the Company shall qualify for the remainder of the non-educational ad valorem tax abatement previously granted on the equipment being replaced (such period, the "Remaining Abatement Period"). In the event the State does not permit such abatement for replacement equipment, each of the City and the County shall pay to the Company, within 90 days of collection, a sum equal to the amount of non-educational ad valorem tax actually collected by such Local Authority during the Remaining Abatement Period for such replacement equipment that otherwise would have been abated.

Section 5.4 Utilities Assistance. The City shall, acting both independently and by and through Huntsville Utilities, at no cost to the Company, provide "point of service" electric, natural gas, water, and sewer connections at locations on the Facility Site and by a date mutually agreed to by the Parties. The connections shall be sufficient in quality and capacity to meet the current and future expansion needs of the Project, as determined by the Company, and which minimize the cost of on-site efforts and cost by the Company during construction, operation, and for future expansion of the Project.

Section 5.5 Site Preparation.

(a) The County shall, at no cost to the Company, cause the completion of general mass grading of the Facility Site by a date mutually agreed to by the Parties. Such mass grading (which under no circumstances shall include a site pad or additional work) shall be

performed pursuant to specifications provided by the Company's contractor or architect for the Project.

(b) If requested by the Company, within 60 days after the Company shall have provided notice to the IDB, as agent for the City and the County, that the Company has been issued a certificate of occupancy for Phase I, the IDB shall cooperate with the Company to complete and submit an application to the State Industrial Development Authority ("SIDA") to provide a site preparation grant for the Project through the Alabama Site Preparation Grant program in an amount of up to \$150,000 (the "SIDA Grant"). Any reasonable legal fees or costs actually incurred by or on behalf of the IDB in obtaining the SIDA Grant shall be paid by the Company. Upon receipt of the SIDA Grant, the same shall be remitted by the IDB to the Company, less reasonable legal fees and any other costs actually incurred by the IDB in obtaining the same. The Company understands and acknowledges that the Company, together with any one or more developers, lenders, engineers, and architects engaged by the Company in connection with the Project, must certify actual capital costs and site preparation costs expended for the Project and must provide documentation verifying any applicable financing terms. The Company further understands and acknowledges that in order to receive a SIDA Grant title to the Facility Site must be held by the IDB at least until such date as the SIDA Grant is awarded.

Section 5.6 Public Roadway to Facility Site. The City hereby agrees to cause to be constructed and installed the public roadway improvements set forth and described in Exhibit F (the "Roadway Improvements"). The City shall use its commercially reasonable good faith efforts to cause the timely implementation and completion of the Roadway Improvements within 4 months from the date of Commencement of Construction of Phase I at the Facility Site. The City hereby agrees to work in good faith with the Company to provide reasonable temporary and permanent access to the Facility Site as depicted and determined on Exhibit F during the construction of the Roadway Improvements.

ARTICLE VI

ANNUAL COMPLIANCE; RECAPTURE OF LOCAL COMMITMENT

Section 6.1 Annual Compliance during the Jobs Commitment Period.

(a) The Company acknowledges that its right to the Local Commitment offered by the IDB, as agent for the City and the County, is contingent upon annual reporting to confirm compliance with the Capital Investment Target, Jobs Target and Minimum Average Hourly Wage requirements as set forth in this Agreement. Annual compliance is required during each year of the Jobs Commitment Period.

(b) Not later than 45 days following the C.O. Date, at the earliest, or the Capital Investment Target Date, at the latest, the Company shall furnish to the IDB, as agent for the City, a certificate, certified as to the accuracy of the facts stated therein by an executive officer of the Company, certifying the Capital Investment made by the Company at the Facility.

(c) Not later than 45 days following the last day of each Reporting Year and at such other times as the IDB, as agent for the City and the County, may request, the Company shall furnish to the IDB a certificate, certified as to the accuracy of the facts stated therein by an

executive officer of the Company, certifying for each Reporting Year (i) the Yearly Average number of Full-Time Employees at the Facility, (ii) the amount of the Wages paid to Full-Time Employees at the Facility and (iii) the Capital Investment made by the Company in the Facility for Phase I.

(d) The IDB may require the Company to provide such other reasonable documentation which the IDB in good faith deems necessary to confirm the Company's certification.

Section 6.2 Recapture of the Local Commitment.

(a) The Company acknowledges that the Local Commitment is based largely on the estimated economic impact that will be realized within the City and the County from the Capital Investment made by the Company in the Project at the Facility and additional payroll and jobs created by the Company locating the Project at the Facility Site, and that those benefits are justified only if the Company fulfills its commitments described in this Agreement. In consideration thereof, the Company agrees that for any Reporting Year of the Jobs Commitment Period, if the Company does not maintain (i) sufficient Full-Time Employees to meet a Yearly Average at least equal to 85% of the Jobs Target (the "Yearly Average Target") and (ii) the Minimum Average Hourly Wage, the Company shall pay to the IDB, as agent for the City and the County, a recapture fee equal to 10% of the greater of:

(i) [(the Yearly Average Target) less (the Yearly Average number of Full-Time Employees employed by the Company during the Recapture Year)] divided by (the Yearly Average Target) multiplied by (the Local Commitment Recapture Base); or

(ii) [(the Minimum Average Hourly Wage) less (the Actual Average Hourly Wage paid by the Company during the Recapture Year)] divided by (the Minimum Average Hourly Wage) multiplied by (the Local Commitment Recapture Base).

(b) Any recapture payment due by the Company under this Section 6.2 shall be paid by the Company to the IDB, as agent for the City and the County, within 30 days after the Company receives written demand from the IDB.

(c) Notwithstanding anything contained in this Agreement to the contrary, the maximum recapture amount that the IDB may recover from the Company is the Local Commitment Recapture Base.

(d) The right of the IDB to recapture the Local Commitment shall survive termination of this Agreement.

Section 6.3 Failure to Commence Construction or Commence Operations. The Company acknowledges that the Local Commitment is based largely on the estimated economic

impact that will be realized within the City and the County from the Capital Investment made by the Company in the Project at the Facility and additional payroll and jobs created by the Company locating the Project at the Facility Site, and that those benefits would not be fully realized should the Company fail to Commence Construction of Phase I at the Facility Site or Commence Operations of Phase I at the Facility by the respective deadlines set forth in Section 4.1. Subject to the provisions of Section 4.4 of this Agreement, if the Company fails to Commence Construction of Phase I at the Facility Site or Commence Operations of Phase I at the Facility by the respective deadlines set forth in Section 4.1, and provided there has been no Local Authorities Event of Default, then an amount equal to the Local Commitment Recapture Base shall be immediately due and payable by the Company to the IDB, as agent for the City and the County (the “Commencement Recapture Obligation”).

Section 6.4 Non-Relocation. The Company acknowledges that the Local Commitment is based largely on the estimated economic impact that will be realized within the City and the County from the Capital Investment made by the Company in the Project at the Facility and additional payroll and jobs created by the Company locating the Project at the Facility Site, and that those benefits would not be fully realized should the Company close or relocate substantially all of its operations from the Facility Site during the Jobs Commitment Period. If, following Commencement of Construction of Phase I at the Facility Site, the Facility is closed (other than temporary closures to the extent necessary to (i) complete renovations, restoration or repairs or (ii) respond to the occurrence of a Force Majeure Event) or the Company relocates operations conducted at the Facility Site to a location outside the corporate limits of the City prior to the end of the Jobs Commitment Period (other than routine movement of production equipment between affiliated facilities that does not result in a reduction in the number of Full-Time Employees employed at the Facility), and provided there has been no Local Authorities Event of Default, then an amount equal to the Local Commitment Recapture Base shall be immediately due and payable by the Company to the IDB, as agent for the City and the County (the “Relocation Recapture Obligation”).

Section 6.5 Mortgage. The Commencement Recapture Obligation and the Relocation Recapture Obligation shall be secured by a first-priority mortgage, the substantial form of which is attached hereto as Exhibit G (the “Mortgage”), granted by the Company for the benefit of the IDB, as agent for the City and the County, encumbering the Facility Site and any buildings, fixtures or improvements located thereon but specifically excluding any personal property of the Company. The Company shall not cause or permit the imposition or creation of any lien (other than the lien for ad valorem taxes not yet due and payable) upon the Facility Site that has priority over the Mortgage (a “Prohibited Encumbrance”), without first obtaining the written consent of the City and the IDB. The Company hereby covenants and agrees to cause any Prohibited Encumbrance to be removed within 90 days of the creation thereof.

ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES

Section 7.1 Events of Default by the Local Authorities.

(a) Any one or more of the following shall constitute an event of default by the Local Authorities under this Agreement (a “Local Authorities Event of Default”) (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) the IDB shall fail to deliver the Facility Site Deed to the Company as required under this Agreement;

(ii) the IDB shall fail to pay the Company the Local Authorities Cash Grant when due hereunder;

(iii) the dissolution or liquidation of the IDB, or the filing by the IDB of a voluntary petition in bankruptcy, or the IDB seeking of or consenting to or acquiescing in the appointment of a receiver of all or substantially all of its property, or the adjudication of the IDB as a bankrupt, or any assignment by the IDB for the benefit of its creditors, or the entry by the IDB into an agreement of composition with its creditors, or if a petition or answer is filed by the IDB proposing the adjudication of the IDB as a bankrupt or its reorganization, arrangement or debt readjustment under any present or future federal bankruptcy code or any similar federal or state law in any court, or if any such petition or answer is filed by any other person and such petition or answer shall not be stayed or dismissed within 60 days; or

(iv) material failure by any Local Authority to perform or observe any of its agreements or covenants contained in this Agreement, which failure shall have continued for a period of 30 days after written notice thereof from the Company, unless (A) the Company shall agree in writing to an extension of such period prior to its expiration, or (B) during such 30-day period or any extension thereof, the Local Authority has commenced and is diligently pursuing appropriate corrective action.

(b) If a Local Authorities Event of Default occurs, the Company shall have available to it all rights and remedies, both legal and equitable, provided by law (including without limitation specific performance or mandamus); provided, however, the Company shall not be entitled to any punitive, incidental or consequential damages, whether arising at law, in equity or otherwise.

Section 7.2 Events of Default by the Company.

(a) Any one or more of the following shall constitute an event of default by the Company under this Agreement (a “Company Event of Default”) (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) at any time prior to the completion by the Company of its obligations and commitments hereunder, the Company is dissolved or liquidated, or the filing by the Company of a voluntary petition in bankruptcy, or the Company seeking or consenting to or acquiescing in the appointment of a receiver of all or substantially all of its property, or the adjudication of the Company as a bankrupt, or any assignment by the Company for the benefit of its creditors, or the entry by the Company into an agreement of composition with its creditors, or if a petition or answer is filed by the Company proposing the adjudication of the Company as a bankrupt or its reorganization, arrangement or debt readjustment under any present or future federal bankruptcy code or any similar federal or state law in any court, or if any such petition or answer is filed by any other person and such petition or answer shall not be stayed or dismissed within 60 days; or

(ii) material failure by the Company to perform or observe any of its agreements or covenants contained in this Agreement, which failure shall have continued for a period of 30 days after written notice thereof from the Local Authorities, unless (A) the Local Authorities shall agree in writing to an extension of such period prior to its expiration, or (B) during such 30-day period or any extension thereof, the Company has commenced and is diligently pursuing appropriate corrective action.

(c) During any period after the Local Authorities have provided written notice to the Company specifying the existence of a Company Event of Default and during which the Company has failed to cure said Company Event of Default to the reasonable satisfaction of the Local Authorities, the Local Authorities shall not be required to perform any obligation hereunder. If a Company Event of Default occurs, the Local Authorities shall have available to them all rights and remedies, both legal and equitable, provided by law (including without limitation specific performance or mandamus); provided, however, the Local Authorities shall not be entitled to any punitive, incidental or consequential damages, whether arising at law, in equity or otherwise.

Section 7.3 Remedies Subject to Applicable Law. All rights, remedies and powers provided in this Article VII may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article VII are intended to be subject to all applicable mandatory provisions of law which may be controlling

in the premises and to be limited to the extent necessary so that the same will not render this Agreement invalid or unenforceable.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 8.1 Severability; Enforceability. If any term or provision hereof shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this Agreement and shall not affect the validity of the remainder of this Agreement.

Section 8.2 Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the transactions described herein, and there are no representations, oral or written, relating to the transactions described herein which have not been incorporated herein. Any agreement hereafter made shall be ineffective to change, modify, or discharge this Agreement in whole or in part unless such agreement is in writing, and is signed by the Party against whom enforcement of any change, modification, or discharge is sought.

Section 8.3 Counterparts; Assignment.

(a) This Agreement may be executed in two or more counterparts, each of which shall constitute but one and the same agreement.

(b) This Agreement is not assignable by any Party hereto except upon the written consent of the other Parties hereto, not to be unreasonably withheld; provided, however, that the Company shall have the right at any time to assign all its respective rights and obligations in and to the Project and to transfer this Agreement or any part thereof to any financially solvent affiliate of the Company that agrees to assume assigned obligations of the Company in and to the Project; and if so assigned, the Company shall continue to be responsible for the performance of the obligations of the assignee under this Agreement unless specifically excused therefrom by the Local Authorities, to be expressed in writing and signed by an authorized representative of each Local Authority.

Section 8.4 Binding Effect; Governing Law. This Agreement shall inure to the benefit of, and shall be binding upon, the Parties hereto and their respective successors and assigns. This Agreement shall be governed exclusively by, and construed and interpreted in accordance with, the laws of the State of Alabama.

Section 8.5 Notices.

(a) All notices, demands, consents, certificates or other communications hereunder shall be in writing, shall be sufficiently given and shall be deemed given when delivered personally to the Party or to an officer of the Party to whom the same is directed, or mailed by registered or certified mail, postage prepaid, or sent by overnight courier, or sent by electronic mail with acknowledgement of receipt, addressed as follows:

(i) If to the City:

The City of Huntsville
308 Fountain Circle
8th Floor
Huntsville, AL 35801
Attn: City Attorney

Email: marion.riley@huntsvilleal.gov

(ii) If to the County:

Madison County, Alabama
100 Northside Square
Huntsville, AL 35801
Attn: County Attorney

Email: jrich@madisoncountyal.gov

(iii) If to the IDB:

The Industrial Development Board of the City of Huntsville
c/o Chamber of Commerce of Huntsville/Madison County
225 Church Street
Huntsville, AL 35801
Attn: Chairman

Email: ccherry@hsvchamber.org

(iv) If to the Company:

Blue Origin Alabama
c/o Blue Origin
21218 – 76th Ave South
Kent, Washington 98032

With a copy to:

Legal Department Blue Origin
21218 – 76th Ave South
Kent, Washington 98032

Email: legal.department@blueorigin.com

or to such other address as the receiving Party has most recently forwarded to the sending Party pursuant to the provisions of this Section 8.5.

(b) Any such notice or other document shall be deemed to be received as of the date delivered, if delivered personally, or as of 3 days after the date deposited in the mail, if mailed, or the next business day, if sent by overnight courier.

Section 8.6 Liabilities of the Local Authorities. Any provision hereof to the contrary notwithstanding, the Parties agree and acknowledge that the obligations and commitments of the Local Authorities as set forth herein are limited by the limitations imposed by the Constitution of Alabama of 1901, as amended.

Section 8.7 Survival of Covenants. The covenants in this Agreement shall not terminate until they have been fully performed or have expired by their terms.

Section 8.8 No Waiver. No consent or waiver, express or implied, by any Party hereto to any breach or default by any other Party in the performance by such other Party of its obligations and commitments hereunder shall be valid unless in writing, and no such consent or waiver to or of one breach or default shall constitute a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligations or commitments of such Party hereunder. Failure on the part of any Party to complain of any act or failure to act of any other Party or to declare such other Party in default, irrespective of how long such failure continues, shall not constitute a waiver by such Party of its rights hereunder. The granting of any consent or approval in any one instance by or on behalf of any Party hereto shall be construed to be a waiver or limit the need for such consent in any other or subsequent instance.

Section 8.9 Venue.

(a) Subject to the provisions of Sections 7.1 and 7.2 of this Agreement, whenever any Party hereto shall default in the performance of any of its obligations or commitments under this Agreement, the other Parties hereto may take whatever legal proceeding (including actions for damages or for specific performance to the extent provided by law) as shall be necessary or desirable to enforce any agreement or condition contained herein or any other obligation of the defaulting Party imposed by law. The Parties hereto recognize, and will not object to, an action for specific performance.

(b) Each of the Parties irrevocably submits to the jurisdiction of the Alabama state courts sitting in Madison County, Alabama (collectively, the "Courts") over any suit, action or proceeding arising out of or relating to this Agreement or any transaction undertaken in connection therewith (an "Agreement Action"); and waives, to the fullest extent permitted by law, any objection or defense that such Party may now or hereafter have based on improper venue, lack of personal jurisdiction, inconvenience of forum or any similar matter in any Agreement Action brought in any of the Courts.

Section 8.10 No Partnership or Joint Venture. Nothing contained in this Agreement shall constitute or be construed to be a partnership or joint venture among the Parties and their respective permitted successors and assigns.

Section 8.11 Headings. The headings in the Sections in this Agreement are for convenience of reference only and shall not form a part hereof.

Section 8.12 No Third-Party Beneficiaries. This Agreement is intended only for the benefit of the signing Parties hereto, and neither this Agreement, nor any of the rights, interest, obligations or commitments hereunder, is intended for the benefit of any other person or third-party.

[EXECUTION TO FOLLOW ON NEXT FOLLOWING PAGES]

IN WITNESS WHEREOF, the City, the IDB and the Company have each caused this Agreement to be duly executed in its name, under seal, and the same attested, all by officers thereof duly authorized thereunto, and have caused this Agreement to be dated the date and year first above written.

"CITY":

CITY OF HUNTSVILLE, ALABAMA

ATTEST:

City Clerk

By: _____
Mayor

(SEAL)

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that Tommy Battle, whose name, as Mayor of the City of Huntsville, a municipal corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, he, as such officer, executed the same voluntarily for and as the act of said corporation on the day the same bears date.

GIVEN under my hand and official seal this _____ day of _____, 2017.

(SEAL)

Notary Public
My Commission Expires: _____

"COUNTY":

MADISON COUNTY, ALABAMA

ATTEST:

Secretary

By: _____
Chairman

(SEAL)

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that Dale W. Strong, whose name, as Chairman of the Madison County Commission, a political subdivision of the State of Alabama, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, he, as such officer, executed the same voluntarily for and as the act of said political subdivision on the day the same bears date.

GIVEN under my hand and official seal this _____ day of _____, 2017.

(SEAL)

Notary Public
My Commission Expires: _____

"IDB":

**THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF
HUNTSVILLE**

ATTEST:

Secretary

By: _____
Chairman

(SEAL)

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that W.F. Sanders, Jr., whose name, as Chairman of The Industrial Development Board of the City of Huntsville, a public corporation under the laws of the State of Alabama, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, he, as such officer, executed the same voluntarily for and as the act of said corporation and instrumentality on the day the same bears date.

GIVEN under my hand and official seal this _____ day of _____, 2017.

(SEAL)

Notary Public
My Commission Expires: _____

"COMPANY":

BLUE ORIGIN ALABAMA, LLC, an
Alabama limited liability company

By: [Signature]
Its: President

STATE OF WA)
COUNTY OF King)

I, the undersigned authority, a Notary Public in and for said State at Large, hereby certify that Robert Meyerson, whose name, as President of Blue Origin Alabama, LLC, an Alabama limited liability company, is signed to the foregoing Project Development Agreement, and who is known to me, acknowledged before me on this day, that being informed of the contents of this instrument, he, as such officer, executed the same voluntarily for and as the act of said company on the day the same bears date.

GIVEN under my hand and official seal this 23rd day of June, 2017.



Nancy Newell
Notary Public
My Commission Expires: 04.03.19

EXHIBIT A
THE PROJECT

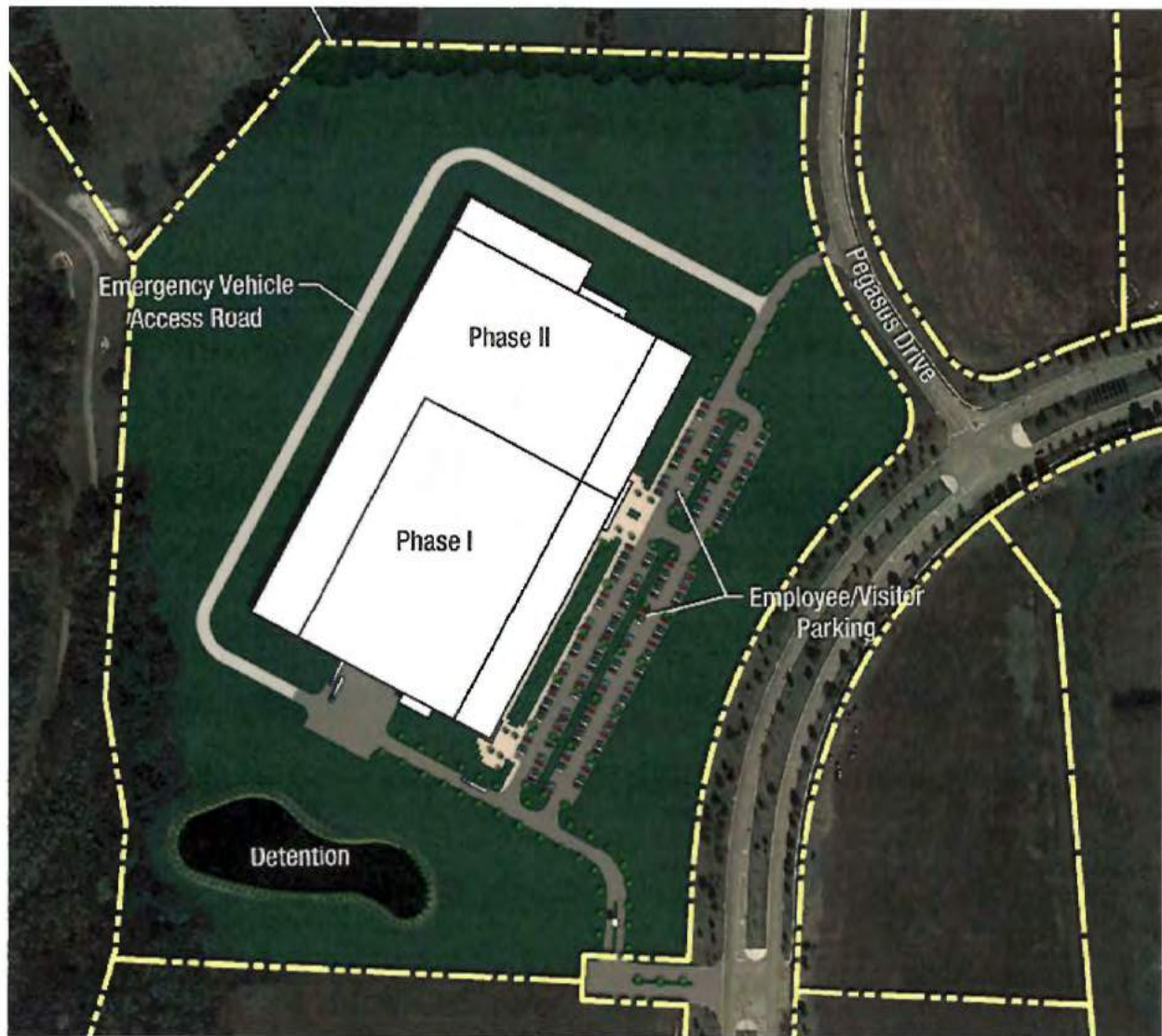


Exhibit A

EXHIBIT B

FACILITY SITE



EXHIBIT C

JOBS COMMITMENT

	Reporting Year 1	Reporting Year 2	Reporting Year 3	Reporting Year 4	Reporting Year 5	Reporting Year 6	Reporting Year 7	Reporting Year 8	Reporting Year 9	Reporting Year 10
Jobs Target	217	242	265	265	265	265	265	265	265	265
Yearly Average Target (i.e., 85% of Jobs Target)	184	206	225	225	225	225	225	225	225	225
Minimum Average Hourly Wage	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00	\$36.00

Exhibit C

EXHIBIT D
FACILITY SITE DEED

This instrument prepared by:
J. Keith Windle
Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203-2104

STATE OF ALABAMA)
 :
 MADISON COUNTY)

KNOW ALL MEN BY THESE PRESENTS:

See Exhibit A attached hereto

IN WITNESS WHEREOF, Grantor has caused these presents to be executed for and in its corporate name by its duly authorized officer on or as of the _____ day of _____, 2017.

By: _____
Chairman

_____ COUNTY)

_____, whose name as Chairman of The Industrial Development Board of the City of Huntsville, a public corporation under the laws of the State of Alabama, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

Given under my hand and official seal this _____ day of _____, 2017.

Notary Public

[NOTARIAL SEAL]

My commission expires: _____

EXHIBIT A TO STATUTORY WARRANTY DEED
Legal Description

EXHIBIT E
ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (the "Escrow Agreement") entered into by and among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE**, a public corporation under the laws of the State of Alabama (the "IDB"), **BLUE ORIGIN ALABAMA, LLC**, an Alabama limited liability company (the "Company"), and _____, a _____ ("Trustee"), pursuant to which the IDB and the Company appoint Trustee as escrow trustee for the purpose set forth herein, Trustee accepts such appointment as escrow trustee and Trustee undertakes to execute certain documents upon the request of the Company, each upon and subject to the terms and conditions herein set forth.

1. Project Development Agreement. This Escrow Agreement exists to implement the applicable provisions set forth in that certain Project Development Agreement dated _____, 2017 by and between the City of Huntsville, Alabama, Madison County, Alabama, the IDB, and the Company. Nothing herein shall modify or relieve the rights and obligations of the parties thereunder.

2. Appointment of Escrow Trustee. The IDB and the Company hereby appoint Trustee as escrow trustee for the uses and purposes herein set forth and Trustee accepts such appointment as escrow trustee.

3. Deposits. The IDB hereby deposits with Trustee a statutory warranty deed (the "Deed"), pursuant to which certain real estate therein described is to be conveyed by the IDB to the Company.

4. Recordation of Deed. The IDB and the Company hereby authorize and direct Trustee to act as follows upon the written direction by the Company:

Record the Deed deposited hereunder in the probate office public records of Madison County, Alabama and/or such other place as is appropriate to effectuate the conveyance of title to the Company.

Trustee shall continue to hold all such deposits hereunder that are not recorded as provided herein until the written direction by the Company.

5. Counterparts. This Escrow Agreement may be executed in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of _____, 2017.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF HUNTSVILLE**

By: _____

Name: W.F. Sanders, Jr.

Its: Chairman

BLUE ORIGIN ALABAMA, LLC

By: _____

Name: Robert Meyerson

Its: President

_____, AS TRUSTEE

By: _____

Name: _____

Its: _____

EXHIBIT F
ROADWAY IMPROVEMENTS



Final Roadway Improvements to be determined based on Company's final Facility Site plan. The City will coordinate with Company to determine the best access management plan for implementation based on proposed operations for the Project. Facility Site access locations shall include Explorer Blvd (Main Access) and Pegasus Drive (Secondary Access).

EXHIBIT G
MORTGAGE

*J. Keith Windle
Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, AL 35203-2104*

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

KNOW ALL BY THESE PRESENTS:

That the undersigned, **BLUE ORIGIN ALABAMA, LLC**, an Alabama limited liability company (the “Mortgagor”), whose address is _____, for and in consideration of the obligations as herein recited hereby GRANTS, BARGAINS, SELLS, CONVEYS, MORTGAGES, GRANTS A SECURITY INTEREST IN and WARRANTS to the THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE, a public corporation under the laws of the State of Alabama, as agent for the City of Huntsville and Madison County, Alabama (the “Mortgagee”), whose address is c/o Chamber of Commerce of Huntsville/Madison County, 225 Church Street, Huntsville, Alabama 35801, Attn: Chairman, its successors and assigns, forever, all and singular, all of the property described under (1) through (11) below (hereinafter referred to as the “Mortgaged Property”), subject to the matters set forth on Schedule B (the “Permitted Encumbrances”) attached hereto and made a part hereof:

(1) All of Mortgagor's right, title and interest in and to certain real property (the "Real Estate") more particularly described in Schedule A attached hereto and made a part hereof;

(2) All of Mortgagor's title and interest in and to any and all buildings and constructions and improvements now or hereafter erected in or on the Real Estate, all of which shall be deemed and construed to be a part of the realty;

(3) All right, title and interest of Mortgagor in and to any heating, ventilation and air conditioning equipment, basic plumbing systems and electrical systems affixed to any of the Real Estate, in such a manner that such items are no longer personal property under the law of the state where the property is situated (“Mechanical Equipment”), but specifically excluding any systems or equipment which are specifically related to Mortgagor’s business operations;

(4) All rents, issues, profits, royalties, income and other benefits derived from the Real Estate (collectively, the “Rents”), now or hereafter existing or entered into;

(5) All interests, estates or other claims, both in law and in equity, that Mortgagor now has or may hereafter acquire in the Real Estate including, but not limited to all of Mortgagor’s interest in any and all options to purchase the Real Estate that Mortgagor may have or may hereafter acquire;

(6) All easements, rights-of-way and rights now owned or hereafter acquired by Mortgagor used in connection with or as a means of access to the Real Estate including all rights pursuant to any trackage agreement and all rights to the nonexclusive use of common drive entries, and all tenements, hereditaments and appurtenances of and to such easements rights-of-way and rights, and all water and water rights and shares of stock evidencing the same;

(7) All interests of Mortgagor as lessor or sublessor (and similar interests) in and to all leases or subleases covering all or any portion of the Real Estate, now or hereafter existing or entered into, and all right, title and interest of Mortgagor under such leases and subleases, including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

(8) All right, title and interest now owned or hereafter acquired by Mortgagor in and to any greater estate in the Real Estate;

(9) All right, title and interest now owned or hereafter acquired by Mortgagor in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Estate, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Estate;

(10) All rights and interests of Mortgagor in, to and under all plans, specifications, maps, surveys, studies, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies and other documents, of whatever kind or character, relating to use, construction upon, occupancy, leasing, sale or operation of the Real Estate, but specifically excluding any such documents related to the operation of Mortgagor’s business; and

(11) All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance, that Mortgagor now has or may hereafter acquire in the Real Estate, and other proceeds from sale or disposition of real property hereby secured that Mortgagor now has or may hereafter acquire and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu of eminent domain, of the whole or any part of the Real Estate, including any award resulting from a change of grade of streets and any award for severance damages.

For the removal of doubt, except with respect to Mechanical Equipment for which provision is specifically made above, no machinery, equipment, or other personal property shall be considered

part of the Mortgaged Property, even if such machinery, equipment or other personal property constitutes fixtures or is otherwise attached to Mortgaged Property.

TO HAVE AND TO HOLD, said Mortgaged Property unto Mortgagee, its successors and assigns forever.

This Mortgage is made to secure and enforce the following obligations (herein called the "Secured Indebtedness"):

(i) Payment and performance of all obligations of the Mortgagor under Sections 6.3 and 6.4 of that certain Project Development Agreement dated _____ by and between the City of Huntsville, Alabama, Madison County, Alabama, The Industrial Development Board of the City of Huntsville, and Mortgagor (the "Development Agreement"), which obligations that constitute payment obligations shall not exceed Six Million Dollars (\$6,000,000.00), including any obligations in such Sections 6.3 and 6.4 to the extent included in any renewals, extensions, modifications, restatements or amendments of the Development Agreement;

(ii) Complete and full performance of each and every obligation, covenant, duty and agreement of the Mortgagor contained in this Mortgage; and

(iii) Payment of all funds hereafter advanced by Mortgagee to or for the benefit of Mortgagor, as contemplated by any covenant or provision herein contained.

All Secured Indebtedness shall be payable to Mortgagee at the Mortgagee's address specified above, or at such other address as may be designated by Mortgagee from time to time. If any Secured Indebtedness shall be collected by legal proceedings, whether through a bankruptcy court or otherwise, Mortgagor agrees to pay Mortgagee's reasonable attorneys' and collection fees, and such fees shall be a part of the Secured Indebtedness.

This instrument is intended to operate and is to be construed as a mortgage and a security agreement and is made under those provisions of existing laws of the State of Alabama.

This instrument is intended by Mortgagor and Mortgagee to serve as a fixture filing with respect to the Mechanical Equipment.

And for the purpose of further securing the payment of said Secured Indebtedness the Mortgagor covenants and agrees as follows:

(1) Mortgagor's Warranties of Title and Related Matters. Mortgagor received title to the Mortgaged Property from Mortgagee. Subject to any limitations, shortcomings or other conditions in Mortgagee's transfer of the Mortgaged Property to Mortgagor, Mortgagor covenants, represents and warrants to Mortgagee with respect to the Mortgaged Property that Mortgagor is lawfully seized in fee and possessed of the Mortgaged Property and has a good right to convey the same as aforesaid, that Mortgagor will warrant and forever defend the title against the lawful claims

of all persons whomsoever, and that the Mortgaged Property is free and clear of all encumbrances, easements and restrictions, except the Permitted Encumbrances.

(2) [Reserved].

(3) Mortgagee's Right to Perform. Upon Mortgagor's failure to make any payment or perform any act required by Sections 6.3 and/or 6.4 of the Development Agreement or this Mortgage, then at any time thereafter, and without notice to or demand upon Mortgagor, Mortgagee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Mortgagor, and shall (subject to compliance with applicable law, including but not limited to federal export-control laws) have the right to enter the Mortgaged Property for such purpose and to take all such action thereon as Mortgagee may deem necessary or appropriate.

(4) Organization and Power. Mortgagor is a duly organized limited liability company validly existing and in good standing under the laws of the State of Alabama and the transaction contemplated hereby is within Mortgagor's powers, has been duly authorized by all requisite company action and is not in contravention of the certificate of formation or operating agreement of Mortgagor. Mortgagor has provided to Mortgagee a true, correct and complete copy of Mortgagor's certificate of formation and operating agreement and all modifications and amendments thereof.

(5) Existence of Mortgagor. Mortgagor will preserve and keep in full force and effect its existence until the Secured Indebtedness is fully satisfied.

(6) Insurance. The Mortgagor shall keep or cause to be kept the Mortgaged Property insured against loss or damage by fire, extended coverage perils, vandalism, malicious mischief, and any such other hazards, casualties, or other contingencies as from time to time may be reasonably required by the Mortgagee in such manner and in such companies and amounts as may be reasonably required by the Mortgagee. All such policies shall name the Mortgagee as loss payee as its interest may appear. All such insurance shall be replacement cost or agreed amount coverage rather than actual cash value coverage. The Mortgagor shall cause duplicate originals of any and all such insurance policies to be deposited with the Mortgagee. Upon or prior to the date the premiums on each such policy or policies shall become due and payable, the Mortgagor shall furnish to the Mortgagee evidence of the payment of such premiums. The Mortgagor will cause each insurer under each of the policies to agree (either by endorsement upon such policy or by letter addressed to the Mortgagee) to give the Mortgagee at least thirty (30) days' prior written notice of the cancellation of such policies in whole or in part or the lapse of any coverage thereunder. The Mortgagor agrees that the Mortgagor will not take any action or fail to take any action, which action or inaction would result in the invalidation of any insurance policy required hereunder. Mortgagor shall give immediate notice in writing to Mortgagee of any loss or damages to the Mortgaged Property caused by any casualty. If Mortgagor fails to keep the Mortgaged Property insured as above specified, the Mortgagee may at its option and sole discretion, insure the Mortgaged Property for its insurable value against loss by fire and other hazards as specified above for the sole benefit of the Mortgagee and may procure such insurance at the Mortgagor's expense.

Subject to the immediately following paragraph, upon and during the continuance of an Event of Default the Mortgagee is hereby authorized to apply, at its option, the loss proceeds (less expenses of collection) to the Secured Indebtedness, in any order and amount, and whether or not due, or hold such proceeds up to the amount of the Secured Indebtedness, as a cash collateral reserve against the Secured Indebtedness or release the proceeds to the Mortgagor, but no such application, holding in reserve or release shall cure or waive any default by the Mortgagor. In no event shall Mortgagee be entitled to retain or hold any insurance proceeds which exceed the Secured Indebtedness, and any insurance proceeds received by Mortgagee in excess thereof shall be promptly paid to Mortgagor. If the Mortgaged Property or any part thereof is located within an area that, at any time during the term of this Mortgage, is designated or identified as an area having special flood hazards by any governmental authority having jurisdiction, then Mortgagor will obtain such insurance as is required by such governmental authority in amounts required by Mortgagee.

Notwithstanding the foregoing, insurance proceeds collected by Mortgagee, after deducting therefrom any expenses incurred in the collection thereof, shall, if requested by Mortgagor in writing within three (3) days after the insurance proceeds covering such damage or destruction become available, be made available to Mortgagor for the purpose of paying the cost of rebuilding or restoring of the Mortgaged Property, provided no Event of Default then exists hereunder (exclusive of such casualty). The Mortgaged Property shall be restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. In the event the Mortgagee fails (for any reason or no reason) to make such proceeds fully available to Mortgagor promptly (and in no event more than ten days following Mortgagee's receipt of Mortgagor's written request) in accordance with the terms hereof, then such proceeds shall be paid to (and/or retained by) Mortgagee in full and final satisfaction of all indebtedness of Mortgagor to Mortgagee hereunder and/or under Sections 6.3 and 6.4 of the Development Agreement, all remaining proceeds shall be immediately paid to Mortgagor, and Mortgagor shall owe no further obligation hereunder or under Sections 6.3 and 6.4 of the Development Agreement.

(7) Taxes and Assessments. Subject to the Project Development Agreement, Mortgagor will pay all taxes and assessments against or affecting the Mortgaged Property as the same shall become due and payable, and, if Mortgagor fails to do so, the Mortgagee may, but shall not be obligated to, pay them, together with all costs and penalties thereon, at Mortgagor's expense; provided, however, that Mortgagor may in good faith, in lieu of paying such taxes and assessments as they become due and payable, by appropriate proceedings, contest the validity thereof, and pending such contest Mortgagor shall not be deemed in default hereunder because of such nonpayment, if Mortgagor promptly pays any amount adjudged by a court of competent jurisdiction to be due, with all costs, penalties and interest thereon, before such judgment becomes final; and provided further, that in any event, each such contest shall be concluded and the tax, assessment, penalties, interest and costs shall be paid prior to the date such judgment becomes final or any writ or order is issued under which the Mortgaged Property may be sold pursuant to such judgment.

(8) Condemnation. All judgments, decrees and awards for injury or damage to the Mortgaged Property, and all awards pursuant to proceedings for condemnation thereof, are hereby assigned in their entirety to Mortgagee, who, subject to the immediately following paragraph,

may apply the same in full and final satisfaction of the Secured Indebtedness, and any remaining award shall be paid to Mortgagor; and Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. Immediately upon its obtaining knowledge of the institution of any proceedings for the condemnation of the Mortgaged Property by any entity other than the City of Huntsville and/or the County of Madison, Mortgagor shall notify Mortgagee of such fact. Mortgagor shall then, if requested by Mortgagee, file or defend its claim thereunder and prosecute same with due diligence to its final disposition and shall cause any awards or settlements to be paid over to Mortgagee for disposition pursuant to the terms of this Mortgage. Mortgagee shall be entitled to participate in same and to be represented therein by counsel of its own choice (at Mortgagee's expense), and Mortgagor will deliver, or cause to be delivered, to Mortgagee such instruments as may be requested by it from time to time to permit such participation.

Notwithstanding the foregoing, condemnation proceeds collected by Mortgagee, after deducting therefrom any expenses incurred in the collection thereof, shall, if requested by Mortgagor within three (3) days after the condemnation proceeds become available, be made available to Mortgagor for the purpose of paying the cost of rebuilding or restoring of the Mortgaged Property, provided no Event of Default then exists hereunder (exclusive of such taking). In the event that Mortgagee makes said proceeds or portion thereof available to Mortgagor to pay the cost of rebuilding or restoring the Mortgaged Property, then the Mortgaged Property shall be restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction; provided that nothing in this Mortgage shall obligate Mortgagor to invest or otherwise pay more than the dollar value of such proceeds.

(9) Mortgagor's Interest in the Mortgaged Property. If, while this Mortgage is in force, the interest of Mortgagor or the lien or security interest of Mortgagee in the Mortgaged Property hereby conveyed or any part thereof, shall be endangered or shall be attacked directly or indirectly, and if Mortgagor is not defending said attacks or otherwise protecting the lien or security interest of this Mortgage, Mortgagor hereby authorizes Mortgagee, without obligation and at Mortgagor's expense, to take all necessary and proper steps for the defense of such interest, including the employment of counsel, the prosecution or defense of litigation and the compromise or discharge of claims made against such interest.

(10) Taxes on Mortgage. If at any time any law shall be enacted imposing or authorizing the imposition of any unabated tax upon this Mortgage, or upon any rights, titles, liens or security interests created hereby, Mortgagor shall pay all such taxes prior to delinquency.

(11) [Reserved.]

(12) Mortgagee's Expenses. If, in pursuance of any covenant or agreement contained herein or in any other instrument executed in connection with the Secured Indebtedness, Mortgagee shall reasonably expend any money chargeable to Mortgagor or subject to reimbursement by Mortgagor under the terms of such covenant or agreement, Mortgagor will repay the same to Mortgagee promptly upon written demand at the place where the Secured Indebtedness is payable. The sum of each such payment shall be added to the Secured Indebtedness and thereafter shall form

a part of the same, and it shall be secured by this Mortgage and by subrogation to all the rights of the person or entity receiving such payment. The Mortgagee may make advances, but shall not be obligated to do so, for any of the following: (i) insurance, (ii) payment of taxes or any part thereof, (iii) for the discharge of any liens or encumbrances on the Mortgaged Property created following conveyance of the Mortgaged Property to Mortgagor, (iv) for perfecting the title thereto, (v) for enforcing collection of the Secured Indebtedness, (vi) for any water, gas or electric charge imposed for any services rendered to the Mortgaged Property, (vii) for advances to any trustee or receiver of the Mortgaged Property. Mortgagee may make and is hereby authorized to pay any payment herein, according to any bill, statement or estimate without inquiry into the accuracy of the bill, statement or estimate or into the validity thereof. Mortgagee in making any payment herein authorized, relating to any actual lien, statement or lien, encumbrance, mortgage, claim or charge, shall be the sole judge of the legality or validity of same. Notwithstanding the foregoing or anything to the contrary contained herein, Mortgagee shall give Mortgagor ten (10) days' written notice prior to making any advances or expending any money hereunder, and Mortgagee's failure to so notify Mortgagor shall be deemed a waiver of Mortgagee's right to reimbursement hereunder.

(13) Waste, Demolition, Replacement or Repair of Mortgaged Property. The Mortgagor is free to build and improve on the Mortgaged Property as Mortgagor sees fit, subject to compliance with applicable building and zoning laws. The Mortgagor shall not commit or permit waste thereon. The Mortgagor shall comply with all laws and regulations of any governmental authority with reference to the Mortgaged Property. The Mortgagor will discharge all claims for labor performed and material furnished therefor, and will not suffer any lien of mechanics or materialmen to attach to any part of the Mortgaged Property, other than construction liens in the ordinary course of business.

Mortgagee and other persons authorized by Mortgagee shall have access to and the right to enter and inspect the Mortgaged Property at all reasonable times, and upon reasonable notice to Mortgagor, including monthly inspections if deemed necessary by Mortgagee, all subject to compliance with applicable law (including but not limited to federal export-control laws). In the event Mortgagee finds that Mortgagor is not maintaining the Mortgaged Property as referenced herein, Mortgagee shall notify Mortgagor in writing of the needed actions and Mortgagor shall have ten (10) business days to make satisfactory arrangements to take such actions. If after such time, satisfactory arrangements have not been made to bring the Mortgaged Property back to the condition specified in this Mortgage, Mortgagee shall have the right to take the actions required at the expense of the Mortgagor as previously enunciated in this Mortgage, or shall have the right, but not the obligation, to declare the Secured Indebtedness to be at once due and payable under the terms of this Mortgage.

(14) Other Agreements; Impairment. Mortgagor is not a party to any indenture, loan or credit agreement, or any lease or other agreement or instrument, or subject to any restriction which could have an adverse effect on the business, properties, assets, operations or conditions of Mortgagor or the ability of Mortgagor to carry out its obligations under this Mortgage. Mortgagor will not do, or omit to do, any act or thing which would impair the security of this Mortgage.

(15) Sale of Mortgaged Property. It shall be a default hereunder if all or any part of the Mortgaged Property shall become vested in any party other than Mortgagor, whether by operation of law or otherwise without the prior written consent of Mortgagee. Mortgagor is free to sell, transfer, or otherwise dispose of any machinery, equipment, fixtures used in Mortgagor's operations, goods and inventory as Mortgagor sees fit in its sole discretion. Subject to the foregoing, if Mortgagee should consent to any sale or conveyance of the Mortgaged Property, Mortgagor will not sell all or any portion of the Mortgaged Property unless the purchaser, as a part of the consideration, shall either (a) expressly agree to assume the payment of the Secured Indebtedness or (b) expressly agree that the title and rights of such purchaser are and shall remain subject to all of the terms of this Mortgage for the complete fulfillment of all obligations of the Mortgagor hereunder, and unless also, the deed shall expressly set forth such agreement of the purchaser. Mortgagor shall also not grant any easement whatever with respect to any of the Mortgaged Property without the joinder therein of Mortgagee, or rent or lease any of the Mortgaged Property for any purpose whatever for a period longer than one year without the prior written consent of Mortgagee. The provisions of this Paragraph (15) shall apply to any and all sales, transfers, conveyances, exchanges, leases, assignments or other dispositions by Mortgagor, its successors and assigns, and any subsequent owners of the Mortgaged Property, or any part thereof.

(16) Successors. If the ownership of the Mortgaged Property or any part thereof becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to the Secured Indebtedness in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Secured Indebtedness. Except as otherwise provided herein, no sale of the Mortgaged Property, and no forbearance on the part of Mortgagee, and no extension of the time for the payment of the Secured Indebtedness, given by Mortgagee, shall operate to release, discharge, modify, change or affect the original liability of Mortgagor or the liability of any guarantors or sureties of Mortgagor, either in whole or in part.

(17) Subsequent Easements. The purchaser at any foreclosure sale hereunder may disaffirm any easement granted, or rental, lease or other contract hereafter made, without the express written consent of Mortgagee or in violation of any provision of this Mortgage, and may take immediate possession of the Mortgaged Property free from, and despite the terms of, such grant of easement and rental or lease contract.

(18) [Reserved]

(19) [Reserved]

(20) Limitation on Interest. All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Mortgagee for the use, forbearance, or detention of the money to be conveyed pursuant to the Development Agreement or otherwise or for the performance or payment of any covenant or obligation contained herein, exceed the maximum amount permissible under applicable law (state or federal). If from any circumstance whatsoever fulfillment of any provision thereof at the time performance of such

provision shall be due shall involve transcending the limit of validity prescribed by law, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance Mortgagee shall ever receive anything of value as interest, or deemed interest under applicable law, under the Development Agreement or this Mortgage or otherwise an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Development Agreement or on account of the other Secured Indebtedness and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of the Secured Indebtedness, such excess shall be refunded to Mortgagor. All sums paid or agreed to be paid to Mortgagee for the use, forbearance, or detention of the Secured Indebtedness shall, to the extent permitted by applicable law, be amortized, prorated, allocated and/or spread throughout the full term of such indebtedness until payment in full to the end that the rate of interest on account of such indebtedness never exceeds the maximum lawful rate at any time in effect and applicable to such indebtedness.

(21) Security Agreement and Financing Statement. With respect to any portion of the Mortgaged Property which constitutes Mechanical Equipment governed by the Uniform Commercial Code of the State of Alabama (hereinafter called the "Code"), this Mortgage shall constitute a security agreement between Mortgagor, as the Debtor, and Mortgagee, as the Secured Party, and the Mortgagor hereby grants to Mortgagee a security interest in the Mechanical Equipment, including any proceeds thereof. Cumulative of all other rights of Mortgagee hereunder, Mortgagee shall have all of the rights conferred upon secured parties by the Code. Mortgagor hereby authorizes Mortgagee to execute and file, without Mortgagor's joinder, any and all financing statements or continuation statements necessary or desirable to perfect or maintain the validity and priority of Mortgagee's security interest. Mortgagor agrees that a copy of this Mortgage may be filed as a financing statement in any public office. Mortgagee may exercise any or all of the remedies of a secured party available to it under the Code with respect to such property, and it is expressly agreed that if upon default Mortgagee should proceed to dispose of such property in accordance with the provisions of the Code, ten (10) days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the Code requiring such notice; provided, however, that Mortgagee may at its option dispose of such property in accordance with Mortgagee's rights and remedies with respect to the Real Estate pursuant to the provisions of this Mortgage, in lieu of proceeding under the Code.

Mortgagor shall give notice in writing to Mortgagee of any change in Mortgagor's name, and will execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any Mortgaged Property described or referred to herein.

It is intended that, as to the Mechanical Equipment, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Property is situated. Information concerning the security interest created by this instrument may be obtained from Mortgagee, as secured party, at the address of Mortgagee stated above. The mailing address of the Mortgagor, as debtor, is as stated above.

(22) [Reserved].

(23) Litigation. To the best of Mortgagor's knowledge, there are no pending or threatened claims, actions or proceedings before any court or administrative or governmental agency that may, individually or collectively, adversely affect Mortgagor's interest in the Mortgaged Property. Mortgagor agrees that it will give notice to the Mortgagee of any litigation which the Mortgagor becomes involved in which might adversely affect Mortgagor's interest in the Mortgaged Property and will continue to thereafter provide to Mortgagee periodic statements of the status and progress of such litigation as may be requested by Mortgagee.

(24) Change of Zoning. Mortgagor covenants and agrees not to request or consent to any change in the zoning of or restrictive covenants affecting the Mortgaged Property without the prior written consent of the Mortgagee.

(25) Compliance with Laws. The Mortgaged Property, and the use thereof by Mortgagor shall comply with all laws, rules, ordinances, regulations, covenants, conditions, restrictions, orders and decrees of any governmental authority or court applicable to Mortgagor, the Mortgaged Property, and its use, and Mortgagor shall pay all fees or charges of any kind in connection therewith. Mortgagor will not use or occupy or allow the use or occupancy of the Mortgaged Property in any manner which violates any applicable law, rule, regulation or order or which constitutes a public or private nuisance or which makes void, voidable or subject to cancellation any insurance then in force with respect thereto.

(26) Hold Harmless. Mortgagor will defend, at its own cost and expense, and hold Mortgagee harmless from, any proceeding or claim affecting the Mortgaged Property. All costs and expenses incurred by Mortgagor in protecting its interests hereunder, including all court costs and reasonable attorneys' fees, shall be borne by Mortgagor.

(27) Further Assurances. Mortgagor, upon the request of Mortgagee, will execute, acknowledge, deliver and record such further instruments and do such further acts as may be reasonably necessary, desirable or proper to carry out the purposes of this Mortgage and to subject to the liens and security interests created thereby any property intended by the terms thereof to be covered thereby.

(28) Consent. In any instance hereunder where Mortgagee's approval or consent is required, except as otherwise set forth herein, the granting or denial of such approval or consent shall be within the sole discretion of Mortgagee and Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent in any particular manner; provided, however, that Mortgagee agrees to consider such requests and otherwise exercise its judgment in a reasonable manner.

(29) No Partnership. Nothing contained herein is intended to create any partnership, joint venture or association between Mortgagor and Mortgagee, or in any way make

Mortgagee a co-principal with Mortgagor with reference to the Mortgaged Property, and any inferences to the contrary are hereby expressly negated.

(30) Notices by Governmental Authority, Fire and Casualty Losses, Etc. Mortgagee shall timely comply with and promptly furnish to Mortgagee true and complete copies of any official notice or claim by any governmental authority pertaining to the Mortgaged Property, provided that Mortgagor shall not be required to provide notice of any notice or claim made by Mortgagee, the City of Huntsville and/or Madison County. Mortgagor shall promptly notify Mortgagee of any fire or other casualty or any notice or taking of eminent domain action or proceeding affecting the Mortgaged Property (other than any action or proceeding of Mortgagee, the City of Huntsville and/or Madison County).

(31) [Reserved].

(32) Recording and Filing. This Mortgage and all amendments, supplements and extensions thereto and substitutions therefor shall be recorded, filed, rerecorded and refiled in such manner and in such places as Mortgagee shall reasonably request, and Mortgagee will pay all such recording, filing, rerecording and refiling fees, title insurance premiums, and other charges.

(33) Mineral Rights. Subject to existing rights of other parties holding mineral interests, without written consent of Mortgagee there shall be no drilling or exploring for, or extraction, removal or production of minerals from the surface or subsurface of the Mortgaged Property. The term “minerals” as used herein shall include, without limiting the generality of such term, oil, gas, casinghead gas, coal, lignite hydrocarbons, methane, carbon dioxide, helium, uranium and all other natural elements, compounds and substances, including sand and gravel.

(34) Defeasance. If the Mortgagor shall: (a) satisfy (or otherwise pay) in full (i) all of the Secured Indebtedness payable under Sections 6.3 and 6.4 of the Development Agreement and any and all extensions and renewals of the same; and (ii) all sums becoming due and payable by the Mortgagor under the terms of this Mortgage, including but not limited to advances made by the Mortgagee pursuant to the terms and conditions of this Mortgage; and (b) have kept and performed each and every obligation, covenant, duty, condition and agreement herein imposed on or agreed to by the Mortgagor; then this conveyance and the grants and conveyances contained herein shall become null and void, and the Mortgaged Property shall revert to the Mortgagor, and the entire estate, right, title and interest of the Mortgagee will thereupon cease; and the Mortgagee in such case shall, upon the request of the Mortgagor and at the Mortgagor’s cost and expense, deliver to the Mortgagor proper instruments acknowledging satisfaction of this Mortgage; otherwise, this Mortgage shall remain in full force and effect.

(35) Events of Default. The happening of any of the following events or conditions, or the happening of any other event of default as defined elsewhere in this Mortgage (hereinafter collectively referred to as “Events of Default”) shall constitute a default under this Mortgage:

(a) the failure of Borrower to pay any amounts payable to Mortgagee or perform its other obligations under Sections 6.3 and 6.4 of the Development Agreement in accordance with the terms of such sections ; or

(b) if any statement, representation or warranty by Mortgagor contained herein or in any report, certificate or other instrument delivered to Mortgagee under or in connection with this Mortgage shall be untrue in any material respect at the time it was made; or

(c) the interest of the Mortgagee in the Mortgaged Property shall become endangered by reason of the enforcement of any prior lien or encumbrance thereon caused by Mortgagor following Mortgagor obtaining title to the Mortgaged Property; or

(d) default shall be made in the prompt reimbursement of any advances for insurance, taxes, liens, inspections, assessments or any other advances made by the Mortgagee that are called for under this Mortgage; or

(e) if title to all or any part of the Mortgaged Property shall become vested in any party other than Mortgagor, except as permitted herein, whether by operation of law or otherwise without the prior written consent of the Mortgagee, which may be withheld arbitrarily in Mortgagee's sole discretion; or

(f) if the holder of any lien on the Mortgaged Property institutes foreclosure or other proceedings for the enforcement of its remedies thereunder, or if there is any default under any such lien or the debt secured thereby; or

(g) default shall be made in the due observance or performance of any other covenant, condition or agreement on the part of the Mortgagor to be observed or performed pursuant to the terms of this Mortgage and such default shall continue for as much as thirty (30) days after the Mortgagee has given Mortgagor written notice thereof (provided that if such default cannot be cured within such thirty (30) day period and Mortgagor shall have commenced to cure such default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for so long as it shall require Mortgagor in the exercise of diligence to cure such default).

(36) Remedies of Mortgagee Upon Default.

(a) [Reserved.]

(b) Operation of Property by Mortgagee. Upon the occurrence of an Event of Default, or at any time thereafter, as Mortgagee's exclusive remedy for any default by Mortgagor, the Mortgagee (or any person, firm or corporation designated by the Mortgagee) may, but shall not be obligated to, enter upon and take possession of any or all of the Mortgaged Property, exclude the Mortgagor therefrom, and hold, use, administer, manage and operate the same to the extent that the Mortgagor could do so, without any liability to the Mortgagor resulting therefrom; and the Mortgagee may collect, receive and receipt for all proceeds accruing from such operation

and management, and exercise every power, right and privilege of the Mortgagor with respect to the Mortgaged Property.

(c) Judicial Proceedings; Right to Receiver. Upon the occurrence of an Event of Default, the Mortgagee shall be entitled, as a matter of right, upon bill filed or other proper legal proceedings being commenced for the foreclosure of this Mortgage, to the appointment by any competent court or tribunal, without notice to the Mortgagor or any other party, of a receiver of the rents, issues and profits of the Mortgaged Property, with power to lease and control the Mortgaged Property and with such other powers as may be deemed necessary.

(d) Foreclosure Sale. Upon the occurrence of any Event of Default, or at any time thereafter while the Event of Default is continuing, this Mortgage shall be subject to foreclosure and may be foreclosed as now provided by law in case of past due mortgages, and the Mortgagee shall be authorized, at its option, whether or not possession of the Mortgaged Property is taken, after giving notice by publication once a week for three (3) consecutive weeks of the time, place and terms of each such sale, together with a description of the Mortgaged Property, by publication in a newspaper published in the county or counties wherein the Mortgaged Property or any part thereof is located, to sell the Mortgaged Property (or such part or parts thereof as the Mortgagee may from time to time elect to sell) in front of such county's main or front courthouse door, at public outcry, to the highest bidder for cash. The Mortgagee, its successors and assigns, may bid at any sale or sales had under the terms of this Mortgage and may purchase the Mortgaged Property, or any part thereof, if the highest bidder therefor. The purchaser at any such sale or sales shall be under no obligation to see to the proper application of the purchase money. At any foreclosure sale, any part or all of the Mortgaged Property may be offered for sale in parcels or en masse for one total price, the proceeds of any such sale en masse to be accounted for in one account without distinction between the items included therein or without assigning to them any proportion of such proceeds, the Mortgagor hereby waiving the application of any doctrine of marshaling or like proceeding. In case the Mortgagee, in the exercise of the power of sale herein given, elects to sell the Mortgaged Property in parts or parcels, sales thereof may be held from time to time, and the power of sale granted herein shall not be fully exercised until all of the Mortgaged Property not previously sold shall have been sold or all the Secured Indebtedness shall have been paid in full.

(e) [Reserved]

(f) [Reserved]

(g) Foreclosure Deeds. The Mortgagor hereby authorizes and empowers the Mortgagee or the auctioneer at any foreclosure sale had hereunder, for and in the name of the Mortgagor, to execute and deliver to the purchaser or purchasers of any of the Mortgaged Property sold at foreclosure good and sufficient deeds of conveyance or bills of sale thereto.

(h) Application of Proceeds. All payments received by the Mortgagee as proceeds of the Mortgaged Property, or any part thereof, as well as any and all amounts realized by the Mortgagee in connection with the enforcement of any right or remedy under or with respect to this Mortgage, shall be applied by the Mortgagee as follows: (i) to the payment of all necessary

expenses incident to the execution of any foreclosure sale or sales or other remedies under this Mortgage, including reasonable attorneys' fees as provided herein, (ii) to the payment in full of any of the Secured Indebtedness that is then due and payable and to the payment of attorneys' fees as provided herein and in the Development Agreement, and (iii) the remainder, if any, shall be paid to the Mortgagor or such other person or persons as may be entitled thereto by law, after deducting therefrom the cost of ascertaining their identity.

(i) Multiple Sales. Upon the occurrence of any Event of Default or at any time thereafter, the Mortgagee shall have the option to proceed with foreclosure, either through the courts or by proceeding with foreclosure as provided for in this Mortgage.

(j) Waiver of Appraisement Laws. The Mortgagor waives, to the fullest extent permitted by law, the benefit of all laws now existing or hereafter enacted providing for any appraisement before sale of any portion of the Mortgaged Property (commonly known as appraisement laws).

(k) [Reserved]

(37) Environmental Protection. Mortgagor does further represent, warrant and covenant as follows:

(a) To Mortgagor's knowledge, no Hazardous Materials (as hereinafter defined) will be, from and after the date Mortgagor acquires title to the Mortgaged Property, while any part of the indebtedness secured by this Mortgage remains unpaid, contained in, treated, stored, handled, located on, discharged from, or disposed of on, or constitute a part of, the Mortgaged Property, except in strict compliance with all applicable laws, rules, orders, and regulations. As used herein, the term "Hazardous Materials" include without limitation, any asbestos, urea formaldehyde foam insulation, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related or unrelated substances or materials defined, regulated, controlled, limited or prohibited in the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. Sections 6901, et seq.), the Clean Water Act, as amended (33 U.S.C. Sections 1251, et seq.), the Clean Air Act, as amended (42 U.S.C. Sections 7401, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), and in the rules and regulations adopted and publications promulgated pursuant thereto, and in the rules and regulations of the Occupational Safety and Health Administration (OSHA) pertaining to occupational exposure to asbestos, as amended, or in any other federal, state or local environmental law, ordinance, rule, or regulation now or hereafter in effect;

(b) To Mortgagor's knowledge, all of the Mortgaged Property will comply, from and after the date Mortgagor acquires title to the Mortgaged Property, in all respects with applicable environmental laws, rules, regulations, and court or administrative orders;

(c) To Mortgagor's knowledge, there are no pending claims or threats of claims by private or governmental or administrative authorities relating to environmental impairment, conditions, or regulatory requirements with respect to the Mortgaged Property;

(d) In the event of any spill or disposal of Hazardous Materials on the Mortgaged Property, but only if the same originates or emanates from the Mortgaged Property and not from any such contiguous real estate, and/or if Mortgagor shall fail to comply with any environmental law or regulation, Mortgagee may, at its election, but without the obligation so to do, give such notices as may be required by law and/or cause any remedial work that may be necessary to be performed at the Mortgaged Property and/or take any and all other actions as Mortgagee shall deem necessary or advisable in order to remedy said spill or disposal of Hazardous Materials or cure said failure of compliance and any amounts paid as a result thereof shall be immediately due and payable by Mortgagor to Mortgagee and until paid shall be added to and become a part of the indebtedness secured hereby and shall have the benefit of the lien hereby created as a part thereof; and

(e) Mortgagor hereby agrees to indemnify and hold Mortgagee harmless from all loss, cost, damage, claim and expense incurred by Mortgagee on account of (i) Mortgagor's failure to perform any obligations set forth in this Paragraph (37), or (ii) Mortgagor's failure to fully comply with all environmental laws, rules and regulations, or with all occupational health and safety laws, rules and regulations. This indemnification shall survive payment of the indebtedness secured by this Mortgage, the exercise of any right or remedy hereunder or under any other loan document securing or evidencing said indebtedness, any subsequent sale or transfer of the Mortgaged Property, and all similar or related events or occurrences. Mortgagor shall give immediate oral and written notice to Mortgagee of its receipt of any notice of a violation of any law, rule or regulation covered by this Paragraph (37) or of any notice or other claim relating to the environmental condition of the Mortgaged Property, or of its discovery of any matter which would make the representations, warranties and/or covenants herein to be inaccurate or misleading in any respect. Notwithstanding the foregoing, or anything to the contrary contained herein, in no event shall Mortgagor be responsible for any environmental condition or Hazardous Materials on or with respect to the Mortgaged Property that existed prior to the date Mortgagor acquired title to the Mortgaged Property.

(38) Notice and Addresses for Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing and mailed or hand delivered to the applicable party at its address indicated on the first page of this Mortgage or at such other address as shall be designated by such party in a written notice to the other party thereto. Any such notice shall be deemed received three (3) days after properly posting and addressing and depositing said letter in the United States Mail, certified, return receipt requested.

(39) Partial Release and Additional Security. Any part of the Mortgaged Property may be released by the Mortgagee without affecting the lien, security interest and assignment hereof against the remainder. The lien, security interest and other rights granted hereby shall not affect or be affected by any other security taken for the same obligations or any part thereof. The taking of additional security, or the extension or renewal of the Secured Indebtedness or any part thereof, shall

not release or impair the lien, security interest and other rights granted hereby, or affect the liability of any endorser, guarantor or surety, or improve the right of any permitted junior lienholder; and this Mortgage, as well as any instrument given to secure any renewal or extension of the Secured Indebtedness, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Mortgaged Property not expressly released until the obligations and Secured Indebtedness are completely paid, performed and discharged.

(40) Waiver. To the extent that Mortgagor may lawfully do so, Mortgagor agrees that Mortgagor shall not assert and hereby expressly waives, any right under any statute or rule of law pertaining to the marshaling of assets, valuation and appraisement, the exemption of business or residential homestead, the administration of estates of decedents, dower and curtesy, the rights and remedies of sureties or other matter whatever to defeat, reduce or affect the right of Mortgagee, under the terms of this Mortgage, to sell the Mortgaged Property for the collection of the Secured - Indebtedness (without any prior or different resort for collection) or the right of Mortgagee, under the terms of this Mortgage, to the payment of such Secured Indebtedness out of the proceeds of sale of the Mortgaged Property in preference to every other person and claimant whatever (only reasonable expenses of such sale being first deducted).

(41) No Waiver and Severability. No waiver of any default on the part of Mortgagor or breach of any of the provisions of this Mortgage or of any other instrument executed in connection with the Secured Indebtedness shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers herein granted shall be construed as a waiver of such rights and powers, and likewise no exercise or enforcement of any rights or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. If any provision of this Mortgage is held to be illegal, invalid or unenforceable under present or future laws effective while this Mortgage is in effect, the legality, validity and enforceability of the remaining provisions of this Mortgage shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Mortgage a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable. If any of the liens, security interests or assignment of rents created by this Mortgage shall be invalid or unenforceable, the unsecured portion of the Secured Indebtedness shall be completely paid prior to the payment of the remaining and secured portion of the Secured Indebtedness and all payments made on account of such indebtedness shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of such indebtedness. Acceptance by the Mortgagee of any payment of less than the full amount due on the Secured Indebtedness shall be deemed acceptance on account only, and the failure of the Mortgagor to pay the entire amount then due shall be and continue to constitute an Event of Default, and at any time thereafter and until the entire amount due on the Secured Indebtedness has been paid, the Mortgagee shall be entitled to exercise all rights conferred on it by the terms of this Mortgage in case of the occurrence of an Event of Default.

(42) Bonds. The Mortgagee is given the additional right to enforce the covenants, agreements, and obligations of the Mortgagor hereunder, by the securing of equitable remedies, including that of temporary and permanent injunction and specific performance, without the

necessity of the Mortgagee filing any bond or other security which would otherwise be required by the statutes of the State of Alabama or the Alabama Rules of Civil Procedure, as amended, in seeking such equitable remedies, the requirement for filing of any such bond or other security being hereby expressly waived.

(43) Amendments. No amendment, modification or cancellation of this Mortgage shall be valid unless in writing and signed by the party against whom enforcement is sought and with the consent of the City of Huntsville, Alabama

(44) Headings. The Paragraph and Subparagraph headings hereof are inserted for convenience and reference only and shall not alter, define, or be used in construing the text of such Paragraphs or Subparagraphs.

(45) Governing Law. This Mortgage shall be governed and construed under the laws of the State of Alabama except to the extent any law, rule or regulation of the federal government of the United States of America may be applicable, in which case such federal law, rule or regulation shall control.

(46) Copies. Mortgagor acknowledges receipt of a true and correct copy of this Mortgage.

(47) Meaning of Particular Terms. Whenever used, the singular number shall include the plural and the plural the singular, and pronouns of one gender shall include all genders; and the words "Mortgagor" (without limiting Mortgagee's rights or Mortgagor's obligations to secure approval or consent) and "Mortgagee" shall include their respective heirs, personal representatives, successors and assigns. The term "Mortgagor" as used in this Mortgage refers solely to the undersigned,.

(48) Counterparts. This Agreement may be executed in counterparts, all of which together shall constitute one agreement binding on the parties hereto, notwithstanding that all parties are not signatories to the original or to the same counterpart.

(49) Prepayment. Notwithstanding anything to the contrary contained herein or in the Development Agreement, Mortgagor may prepay all or any part of the Secured Indebtedness prior to the date due without penalty. The Secured Indebtedness shall be considered paid in full upon either of the following, to be chosen at Mortgagor's sole and absolute discretion: (i) payment by Mortgagor to Mortgagee of the Local Commitment Recapture Base, as such term is defined in the Development Agreement, and any additional sums payable by Mortgagor hereunder; or (ii) payment by Mortgagor to Mortgagee of \$1,000,000.00 and conveyance of the Mortgaged Property to Mortgagee pursuant to a Statutory Warranty Deed. Upon payment in full of the Secured Indebtedness, Mortgagee shall promptly execute and deliver to Mortgagor a full satisfaction and release of this Mortgage, in form and substance acceptable to Mortgagor, to be recorded in the Office of the Judge of Probate in Madison County, Alabama.

(50) Substitute Collateral. At any time while this Mortgage remains in effect, Mortgagor

shall retain the option to provide substitute collateral for the Secured Indebtedness in form and substance reasonably acceptable to Mortgagee and to the City of Huntsville (the “City”), with the Mayor of the City authorized to provide such consent by and on behalf of the City. Upon receipt of such substitute collateral, Mortgagee shall execute and deliver to Mortgagor a full satisfaction and release of this Mortgage to be recorded in the Office of the Judge of Probate in Madison County, Alabama. Acceptable substitute collateral shall include the following: (a) an unconditional, irrevocable standby letter of credit (a “Letter of Credit”) for the benefit of Mortgagee (i) issued by a financial institution with a credit rating acceptable to Mortgagee, at Mortgagee’s sole discretion; (ii) in the then amount of the Secured Indebtedness; (iii) having a term and remaining in effect for the then-remaining duration of this Mortgage and the close of the Jobs Commitment Period (as defined in the Development Agreement), and (iv) Mortgagor, Mortgagee and City shall have entered into an agreement containing terms mutually acceptable to such parties providing that, in the event the credit rating of the provider of the Letter of Credit is downgraded, then upon fifteen (15) days’ written notice to Mortgagor the Mortgagee shall be entitled to draw the full stated amount thereunder and hold the same in a pledged collateral account in the name of Mortgagee and pledged to secure Mortgagor’s obligations under Sections 6.3 and 6.4 of the Development Agreement unless Mortgagor shall have provided a substitute Letter of Credit to Mortgagee satisfying the provisions of items (i), (ii) and (iii) above; or (b) placement of the then amount of the Secured Indebtedness into a collateral account in the name of Mortgagee and pledged to Mortgagee, which such funds shall be paid to the Mortgagee following an event of default under terms of a collateral agreement acceptable to the City and the Mortgagee, at the City’s and the Mortgagee’s sole discretion.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed on its behalf by its duly authorized members on this ____ day of _____, 2017.

MORTGAGOR:

BLUE ORIGIN ALABAMA, LLC

By:_____

Its:_____

STATE OF _____)
:)
_____ COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that _____, whose name as _____ of Blue Origin Alabama, LLC, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such _____ and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal this _____ day of _____, 2017.

Notary Public

[NOTARIAL SEAL]

My commission expires: _____

**SCHEDULE A
TO
MORTGAGE AND SECURITY AGREEMENT**

Legal Description

**SCHEDULE B
TO
MORTGAGE AND SECURITY AGREEMENT**

Permitted Encumbrances

1. Ad valorem taxes for the tax year 2017 which are not yet due and payable and subsequent years.
2. Any liens, security interests, rights of way, easements, restrictions or other encumbrances (whether of record or otherwise) as of the date Mortgagee conveys the Mortgaged Property to Mortgagor.
3. [INSERT ANY SPECIFIC ENCUMBRANCES TO THE MORTGAGED PROPERTY NOTED ON A TITLE COMMITMENT OBTAINED BY MORTGAGOR OR MORTGAGEE]