

INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO

and

PEBBLE LABS U.S.A., INC.

LEASE AGREEMENT

Dated as of July 15, 2019

\$60,000,000 (Maximum Amount)
Incorporated County of Los Alamos, New Mexico
Taxable Industrial Revenue Bond
(Pebble Labs U.S.A., Inc. Project)
Series 2019

TABLE OF CONTENTS

	Page
ARTICLE I - RECITALS	1
Section 1.1. Recitals.....	1
ARTICLE II - DEFINITIONS AND RULES OF CONSTRUCTION	2
Section 2.1. Definitions.....	2
Section 2.2. Rules of Construction.	4
ARTICLE III - REPRESENTATIONS	4
Section 3.1. Issuer Representations	4
Section 3.2. Company Representations	5
ARTICLE IV - THE PROJECT	7
Section 4.1. Construction, Acquisition, Installation and Completion.....	7
Section 4.2. Plans and Specifications; Changes.....	8
Section 4.3. No Warranty.....	8
Section 4.4. Completion Date.	8
Section 4.5. Gross Receipts and Compensating Tax.	8
Section 4.6. Assessment in the Company's Name.....	9
Section 4.7. Compliance With Law.	10
Section 4.8. Nuisance Not Permitted.	10
Section 4.9. Taxes and Utility Charges.....	10
Section 4.11. Replacement and Removal of Project Property.	10
Section 4.12. Eminent Domain; Damage; Destruction.	10
Section 4.13. Reserved.....	11
Section 4.14. Insurance.	11
Section 4.15. Access and Inspection.....	11
Section 4.16. Liens.....	11
Section 4.17. Employment Matters.....	11
Section 4.18. Reserved.....	12
Section 4.19. Restrictive Covenants.	12
Section 4.20. Use of Project Property.....	12
ARTICLE V - LEASE; TERM; POSSESSION; RENT; INDEMNIFICATION; PILOT PAYMENTS	12
Section 5.1. Lease of the Project Property; Term..	12

TABLE OF CONTENTS

	Page
Section 5.2. Quiet Enjoyment..	12
Section 5.3. Rent	12
Section 5.4. Obligations Unconditional.	13
Section 5.5. Filing; Further Assurances..	13
Section 5.6. Claims.	13
Section 5.7. Indemnity, Expenses.	14
Section 5.8. Environmental Matters.....	16
Section 5.9. Indenture Provisions.	17
Section 5.10. Payment in Lieu of Certain Property Taxes.	17
ARTICLE VI - ASSIGNMENT, LEASING AND SELLING.....	17
Section 6.1. Assignment of Rights by the Issuer..	17
Section 6.2. No Other Transfer by Issuer..	17
Section 6.3. Assignment, Lease, Encumbrance and Sale by the Company..	17
ARTICLE VII - EVENTS OF DEFAULT AND REMEDIES	18
SECTION 7.1. EVENTS OF DEFAULT DEFINED.....	18
Section 7.2. Remedies on Default.....	19
Section 7.3. Reserved.....	1920
Section 7.4. Remedies on Default.....	1920
Section 7.5. Default by Issuer - Limited Liability.	20
ARTICLE VIII - PREPAYMENTS.....	20
Section 8.1 Prepayments.....	20
ARTICLE IX - PURCHASE OF PROJECT PROPERTY.....	20
Section 9.1 Purchase of Project Property.....	20
ARTICLE X - MISCELLANEOUS	21
Section 10.1. Incorporation of Indenture Provisions..	21
Section 10.2. Amendments	21
Section 10.3. No Pecuniary Liability of Issuer.	21
Section 10.4. No Violation of Public Policies Regarding Indemnity.	21
Section 10.5. Binding Effect.	22
Section 10.6. Severability.	22
Section 10.7. Reserved.....	22

TABLE OF CONTENTS

	Page
Section 10.8. No Waiver.....	22
Section 10.9. Non-Merger.....	22
Exhibit A.....	A-1
Exhibit B	B-1
Exhibit C	C-1

INCORPORATED COUNTY OF LOS ALAMOS, NEW MEXICO, a New Mexico political subdivision (together with its successors and assigns, the “Issuer”), and PEBBLE LABS U.S.A., INC., a New Mexico corporation (together with its successors and assigns, the “Company”), agree:

ARTICLE I - RECITALS

Section 1.1. Recitals.

A. The Company has requested that the Issuer issue its Taxable Industrial Revenue Bond (Pebble Labs U.S.A., Inc. Project), Series 2019 in the maximum aggregate principal amount of \$60,000,000 (the “Bond”). The proceeds of the Bond will be used to finance the Project (defined below);

B. The Issuer is authorized under Sections 3-32-1 through 3-32-16, and 4-59-1 through 4-59-16 New Mexico Statutes Annotated, 1978 Compilation, as amended (the “Act”), to acquire certain projects and issue its industrial revenue bonds in payment therefor and has determined that it is desirable to acquire the Project Property (defined below) by Ordinance No. 2019- _____ (the “Bond Ordinance”) and has in the Bond Ordinance authorized the issuance of the Bond;

C. The Bond is to be issued under an Indenture dated as of July 15, 2019 (together with any and all amendments and supplements, the “Indenture”) among the Issuer, Pebble Labs Acquisitions LLC, a New Mexico limited liability company (together with its successors and assignees, and transferees of the Bond, the “Purchaser”), the Company and BOKF, NA, as Depositary (the “Depositary”);

D. The proceeds of the Bond will be used to finance the Project (defined below);

E. The Project Property (defined below) is to be leased to the Company under this Lease Agreement (together with all amendments and supplements, this “Agreement”);

F. The Bond is to be purchased under a Bond Purchase Agreement dated as of July 15, 2019 (together with any and all amendments and supplements, the “Bond Purchase Agreement”) among the Issuer, the Purchaser and the Company. The Indenture, the Bond Purchase Agreement and this Agreement are referred to as the “Bond Documents”;

G. The Issuer deems it desirable, in the best interests of its residents and in accordance with the purposes of the Act, to issue its Bond and make the proceeds thereof available to the Company pursuant to this Agreement for the purposes described above and in the Indenture;

H. The Bond will be a special limited obligation of the Issuer payable as therein provided and the Bond will not constitute a debt or pledge of the credit of the Issuer, and the Purchaser or owner of the Bond will have no right to have taxes levied by the Issuer or to require the Issuer to use any revenues for the payment of the Bond, except for Revenues (as defined in the Indenture); and

I. The Company and the Issuer each have full right and lawful authority to enter into this Agreement and to perform and observe the provisions hereof on their respective parts to be performed and observed.

In consideration of the premises and the mutual representations and agreements hereinafter contained, the Issuer and the Company agree as follows (provided that any obligation of the Issuer created by or arising out of this Agreement will never constitute a general debt of the Issuer or give rise to any pecuniary liability of the Issuer, but will be payable solely out of Revenues).

ARTICLE II - DEFINITIONS AND RULES OF CONSTRUCTION

Section 2.1. Definitions. All words and terms defined in the Indenture have the same meanings when used in this Agreement. In addition:

“Additional Payments” has the meaning assigned in Section 5.3(B).

“Applicable Environmental Law” means any applicable law, statute, regulation, order or rule pertaining to health or the environment, including, without limitation, CERCLA and RCRA, as each is amended and in effect from time to time.

“Basic Rent” has the meaning assigned in Section 5.3(A).

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

“Completion Date” has the meaning assigned in Section 4.4.

“Council” means the County Council of Los Alamos County, New Mexico.

“Company Financing” means a transaction or series of transactions involving credit agreements, loan documents, letters of credit, or other instruments evidencing financial obligations to be secured by one or more mortgages, pledges, encumbrances, or other liens on the Project Property to which the Company, its members, or any subsidiary or affiliate of the Company is a party, entered into or occurring at any time prior to the Closing Date (as defined in the Bond Purchase Agreement) or during the Term and after the date of initial delivery of the Bond, for the purpose of obtaining financing or refinancing any existing financing for the use by the Company, its parent, or any subsidiary or affiliate of the Company.

“Eminent Domain” means the taking of title to, or the temporary use of, all or any part of the Project Property pursuant to eminent domain or condemnation proceedings, or by any settlement or compromise of such proceedings, or any voluntary conveyance of all or any part of the Project Property during the pendency of, or as a result of a threat of, such proceedings.

“Event of Default” has the meaning assigned in Section 7.1.

“Improvements” means any building, all equipment, furniture, furnishings, computers and other systems and all other personal property of any kind which is subject to

depreciation for federal income tax purposes and is suitable for use and used in the Project Property.

“Indemnatee” means the Indemnified Persons and Indemnified Parties as defined in Section 5.7.

“Issuance Costs” means items of expense payable or reimbursable directly or indirectly by the Issuer or the Company and related to the authorization, sale and issuance of the Bond and authorization and execution of this Agreement, which items of expense will include, but not be limited to, application fees and expenses, publication costs, printing costs, costs of reproducing documents, filing and recording fees, Bond Counsel and counsel fees, costs of credit ratings, initial fees of the Depositary, charges for execution, transportation and safekeeping of the Bond and related documents, and other costs, charges and fees in connection with the foregoing.

“Permitted Liens” means, as of the date of delivery of this Agreement, the liens and encumbrances shown in Exhibit B and, as of any particular time, (i) liens for taxes and special assessments, if any, to the extent permitted in Section 4.9, (ii) this Agreement and any assignment or lease permitted by this Agreement, (iii) mechanics’, materialmen’s, carriers’ and other similar liens to the extent permitted in Section 4.16, (iv) mortgages, pledges, liens and other encumbrances placed by a Company lender or lenders or by the Company, its members, or any subsidiary or affiliate of the Company or by the Issuer upon the request and with the consent of the Company on the Project Property in connection with any Company Financing, and (v) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title to the Project Property as normally exist with respect to similar properties and as do not, individually or in the aggregate, materially impair the Project Property for the purpose for which it is used by the Company or materially detract from the value of the Project Property.

“Person” means any natural person, firm, partnership, association, corporation, or public body.

“Proceeds,” when used with respect to any insurance proceeds or any award resulting from, or other amount received in connection with, Eminent Domain, means the gross proceeds from the insurance or such award or other amount.

“Project” means constructing and equipping of scientific laboratories and related equipment and infrastructure located in Los Alamos County, New Mexico.

“Project Property” means the Project Site and the Improvements.

“Project Site” means the real property in Los Alamos County, New Mexico described on Exhibit A on which the Project will be located.

“RCRA” means the Resource Conservation and Recovery Act of 1976.

“Rent” means Basic Rent, any Additional Payments and any other amount payable by the Company under this Agreement.

“Term” means the period from the date of the execution and delivery of this Agreement by the Issuer and the Company to the earlier of the date of Payment of the Bond or the date of termination of this Agreement pursuant to Section 7.2(C) and no later than July 1, 2039.

“TRD” means the New Mexico Taxation and Revenue Department.

“Unassigned Rights” means the right of the Issuer to make all determinations and approvals and receive all notices accorded to it under this Agreement and to enforce in its name and for its own benefit the provisions of Sections 4.4 (notice rights only), 4.5, 4.15, 4.16 (notice rights only), 4.17, 4.18, 4.20, 5.7, 5.8, 5.10, and 6.3 of this Agreement, with respect to Issuer fees and expenses; gross receipts and compensating tax; the right to access the Project; payments in lieu of taxes; reports to the Depository and Issuer; environmental matters; transfer, assignment and subleasing and indemnity payments as the interests of the Issuer and related persons may appear.

Section 2.2. Rules of Construction.

A. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

B. All references in this Agreement to particular articles, sections or exhibits are references to articles or sections of or exhibits to this Agreement unless some other reference is established.

C. Any inconsistency between the provisions of this Agreement and the provisions of the Indenture will be resolved in favor of the provisions of the Indenture.

ARTICLE III - REPRESENTATIONS

Section 3.1. Issuer Representations. The Issuer represents that, as of the date of delivery of this Agreement:

A. The Issuer is a political subdivision, body corporate and politic of the State, is authorized and empowered by the provisions of the Act and the ordinance authorizing the issuance of the Bond to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder, and by proper action of its governing body has been duly authorized to execute and deliver this Agreement, the Indenture, the Bond Purchase Agreement and the Bond, and this Agreement, the Indenture, the Bond Purchase Agreement and the Bond has been duly executed and delivered by the Issuer and assuming due authorization and execution by the other party, they are valid and binding obligations of the Issuer enforceable in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity.

B. The Bond is to be issued under and secured by the Indenture, pursuant to which certain of the Issuer's interests in this Agreement, and the Basic Rent to be derived by the Issuer pursuant to this Agreement, will be pledged and assigned to the Purchaser as security for payment of the principal of, premium, if any, and interest on the Bond. The Issuer covenants that it has not and will not pledge or assign its interest in this Agreement, or the revenues and receipts derived

pursuant to this Agreement, other than to the pledge of the Basic Rent to the Purchaser under the Indenture to secure the Bond.

C. The Issuer finds and determines that the financing of the Project will be of economic and other benefit to the Issuer, and is in compliance with the purposes and provision of the Act. The Project is located within the boundaries of the Issuer.

D. To the knowledge of the Issuer, neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement conflicts with or results in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Issuer is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

E. No litigation, proceedings or investigations are pending or, to the knowledge of the Issuer, threatened against the Issuer at law or in equity before any court, tribunal, governmental authority or arbitration board, seeking to restrain, enjoin or limit the approval or issuance and delivery of the Bond, the Indenture, this Agreement or any other documents to which the Issuer is a party, or in which an unfavorable determination could materially and adversely affect the validity or enforceability of the Bond, the Indenture, this Agreement or any other documents to which the Issuer is a party or its ability to perform its obligations thereunder.

F. To the knowledge of the Issuer, neither the nature of the Issuer nor any of its activities or properties, nor any relationship between the Issuer and any other person, nor any circumstance in connection with the issue, sale or delivery of the Bond is such as to require the consent, approval or authorization of, or the filing, registration or qualification with, any governmental authority on the part of the Issuer in connection with the execution, delivery and performance of this Agreement or the Bond Purchase Agreement dated of even date herewith other than those already obtained; provided, however, no representation is made as to compliance with any federal or state securities or “blue sky” law.

G. To the knowledge of the Issuer, no member, officer or other official of the Issuer has any pecuniary interest whatsoever in the Company or in the transactions contemplated by this Agreement.

H. On June 11, 2019, the Council adopted its final ordinance approving financing for the Project and the Bond Documents.

Section 3.2. Company Representations. The Company represents that, as of the date of delivery of this Agreement:

A. The Company is a corporation duly organized and validly existing under the laws of New Mexico, is in good standing under the laws of New Mexico, and has duly authorized the execution, delivery and performance of this Agreement and the Bond Purchase Agreement.

B. The execution, delivery and performance by the Company of this Agreement and the Bond Purchase Agreement will not conflict with, contravene, violate or constitute a breach of

or default under the articles of organization or operating agreement of the Company or to Company's knowledge any law, rule, regulation, ordinance, order, consent, decree, or any material agreement or instrument to which the Company is a party or by which it or the Project Property is bound.

C. All necessary authorizations, approvals and consents for the execution and delivery by the Company of this Agreement and the Bond Purchase Agreement have been obtained and are in full force and effect.

D. There is no action, suit, proceeding, inquiry or investigation by or before any court, public board or body pending or, to the knowledge of the Company, threatened against the Company, which (i) seeks to or does restrain or enjoin the issuance or delivery of the Bond or the execution and delivery of any of the Bond Documents, (ii) in any manner questions the validity or enforceability of the Bond or any of the Bond Documents, or (iii) questions the authority of the Company to own or operate the Project Property as a whole.

E. The agreement by the Issuer to lease the Project to the Company has induced the Company to undertake construction and equipping of the Project and to locate its business in Los Alamos County, New Mexico.

F. The Company intends to operate or to cause the Project Property to be operated so as to qualify as a "project" as defined in the Act to the later of the payment in full of the principal of, premium, if any, and interest on the Bond and the expiration or sooner termination of the Term of this Agreement as provided herein.

G. As agent for the Issuer, the Company proposes to acquire, construct, install and equip, or cause to be constructed acquired, installed and equipped, the Project. The Company will have the sole responsibility for the installation, acquisition and equipping of the Project, and may perform the same, by itself or through affiliates, agents, contractors, subcontractors or others selected by it, in whatever lawful manner it deems necessary or advisable. With respect to such installation, the Company will procure from the appropriate State, county, municipal and other authorities and corporations, connection and discharge arrangements for the supply of gas, electricity and other utilities for the operation of the Project.

H. None of the proceeds of the Bond will be used to provide working capital.

I. The Project will be located inside the corporate limits of the Issuer.

J. This Agreement will serve as a financing agreement for the purpose of providing payment for the account of the Issuer of such revenues as will be sufficient to pay the principal of, or premium, if any, and interest on the Bond, and providing that the Company will be obligated to pay for the maintenance of and insurance or meet self insurance requirements on the Project as required by the Act. The Company represents to the Issuer that the Company has the economic ability to meet all of the financial obligations imposed upon the Company under this Agreement.

K. To the knowledge of the Company, no officer or other official of the Issuer has any interest of any kind in the Company which would result, as a result of the issuance of the Bond, in

a substantial financial benefit to such persons other than as a member of the general public of the State.

L. All property which is to be financed by the net proceeds of the Bond is to be leased by the Company under this Agreement.

M. The Company has heretofore supplied the Issuer estimates of the Related Costs (as defined in the Indenture), the Completion Date and periods of usefulness of the Project. The Company hereby warrants that such estimates were made in good faith to the Company's knowledge and are fair, reasonable and realistic.

N. The Company intends to complete the Project prior to the Completion Date and will cause to be paid all costs of the Project in excess of the moneys available therefor in the Acquisition Account.

O. To Company's knowledge, no event has occurred and no condition exists with respect to the Company that would constitute an "Event of Default" under this Agreement or that, with the lapse of time or the giving of notice or both, would become an "Event of Default" under this Agreement.

P. Based upon the Certificate of Good Standing and Compliance issued by the New Mexico Secretary of State, the Company is duly authorized to transact business as a corporation under the laws of the State of New Mexico.

Q. The Company (i) offers to its employees and their dependents health insurance coverage that is in compliance with the New Mexico Insurance Code, and (ii) contributes at least fifty percent (50%) of the premium for the health insurance for those employees enrolling.

ARTICLE IV - THE PROJECT

Section 4.1. Construction, Acquisition, Installation and Completion. The Company will, on behalf of and as agent for the Issuer, construct, acquire, install and equip the Project and will undertake to complete the Project with all reasonable dispatch. On or prior to the date of issuance and delivery of the Bond and execution of this Agreement, the Company has conveyed or caused to be conveyed to the Issuer, by deed, bill of sale and/or such other appropriate transfer or conveyance documents as will vest title in the Issuer ("Conveyancing Documents"), to all of the Company's interest in the Project Site and any and all Improvements as may exist at that time and thereafter, the Company shall transfer legal title to each additional relevant portion of the Improvements acquired by the Company as agent for the Issuer so that legal title will vest in the Issuer pursuant to the Conveyancing Documents that the Company may subsequently deliver to the Issuer. All Improvements shall be paid out of proceeds of the Bond to appropriate vendors or on a reimbursement basis to the Company pursuant to Section 602 of the Indenture. To the maximum extent reasonably possible, the Company will cause the Project to be completed with proceeds of the issuance of the Bond and the Company will use its best reasonable efforts to cause the Purchaser to carry out its obligations to make advances under the Bond. To the extent

necessary, after proceeds of the Bond have been exhausted, the Company will cause the Project to be completed with its own funds or other resources.

Section 4.2. Plans and Specifications; Changes. The Company will maintain a set of plans and specifications for the Project during the period of installation and equipping which will be available to the Issuer and the Purchaser for inspection and examination during the Company's regular business hours. The Company may change, supplement, amend and add to such plans and specifications and is authorized to omit or make substitutions for components of the Improvements without the approval of the Issuer or the Purchaser. The Company will not make any changes that will change the nature of the Project as a qualified "project" as defined in and as contemplated by the Act.

Section 4.3. No Warranty. THE COMPONENTS OF THE PROJECT PROPERTY HAVE BEEN DESIGNATED AND SELECTED BY THE COMPANY. THE ISSUER HAS NOT MADE AN INSPECTION OF ANY PORTION OF THE PROJECT PROPERTY. THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS, IMPLIED OR OTHERWISE, WITH RESPECT TO ANY PORTION OF THE PROJECT PROPERTY OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY OF THE SAME, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN THE SAME. ALL RISKS INCIDENT TO THE PROJECT PROPERTY ARE TO BE BORNE BY THE COMPANY. THE ISSUER WILL HAVE NO LIABILITY WITH REGARD TO OR ARISING OUT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN ANY PORTION OF THE PROJECT PROPERTY, WHETHER PATENT OR LATENT. THE PROVISIONS OF THIS SECTION 4.3 HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO ANY PORTION OF THE PROJECT PROPERTY, WHETHER ARISING UNDER THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT.

Section 4.4. Completion Date. On the date the Project is complete, in the sole opinion of the Company (the "Completion Date"), the Company will deliver to the Issuer and the Depositary a certificate signed by an Authorized Company Representative stating that, except for specified amounts remaining in the Acquisition Account for any specified Related Costs incurred by the Company but not then due and payable, the Project is complete and all costs of labor, services, materials and supplies in connection with the Project have been paid for or provisions have been made for their payment. The Company intends to cause the Completion Date to occur not later than _____. After the transfer of remaining moneys in the Acquisition Account to the Company pursuant to Section 605 of the Indenture, the Company will have sole responsibility for the payment of any Related Cost in excess of the amount specified to be retained in the Acquisition Account.

Section 4.5. Gross Receipts and Compensating Tax.

A. The Company, either on its own behalf or as agent for the Issuer pursuant to Section 4.1 and this Section, will file returns for reporting and paying compensating tax which is due because of the Project and will pay, as a Related Cost, any gross receipts or compensating tax

due from the Issuer under any such returns pursuant to Section 7-9-54 New Mexico Statutes Annotated, 1978 Compilation. The Issuer, at the request of the Company, will provide to the Company a supply of Nontaxable Transaction Certificates to be issued to vendors and contractors by the Company, as agent for the Issuer, in order to permit the vendors and contractors to claim deductions available under the New Mexico Gross Receipts and Compensating Tax Act for their receipts from selling certain tangible personal property for the Project, to the Company, as agent for the Issuer. The Company will promptly pay any gross receipts or compensating tax plus applicable penalty and interest which is found by the TRD to be due from the Company or the Issuer because of the purchase or use of any Project Property or any component of Project Property by the Company or the Issuer. The Company, at its sole expense, may request any rulings from the TRD which the Company determines might be necessary or desirable to clarify the New Mexico gross receipts and compensating tax results of transactions related to the Project and may dispute, at its sole expense, in any manner authorized by the New Mexico Tax Administration Act, any gross receipts or compensating tax liability imposed on the Company or the Issuer because of the Project, provided the Company will not pursue a dispute without notice to the Issuer and will not pursue any dispute that, in the opinion of the Issuer, may materially and adversely affect the interests or rights of the Issuer. The Issuer may, at the sole expense of the Company, join in any reasonable modifications to this Agreement which are necessary or desirable to obtain Nontaxable Transaction Certificates or otherwise reduce the gross receipts and compensating tax imposed on the Company or the Issuer as a result of or in connection with the Project or the Company's operations at the Project.

B. The receipts of vendors from the sale of tangible personal property to the Issuer, which tangible personal property is included in the Project Property (but excluding "construction material", as defined in Section 7-9-3.4(B) NMSA 1978), will be deductible from gross receipts or governmental gross receipts, and exempt from compensating tax, to the fullest extent permitted by Sections 7-9-14 and 7-9-54 NMSA 1978 and 3.2.212.22 NMAC and sections of the NMSA 1978 and the New Mexico Administrative Code (NMAC) under which such provisions or similar provisions may be codified or renumbered in the future. The deduction from gross receipts or governmental gross receipts, and the exemption from compensating tax, will not apply to purchases of Project Property except as provided in the preceding sentence, and, except as contemplated in the preceding sentence, the Company will not be authorized by this Agreement to provide Nontaxable Transaction Certificates to vendors.

Section 4.6. Assessment in the Company's Name. Subject to the provisions of Section 10 hereof, if this Agreement has not been terminated on or before July 1, 2039, the Company (which, for purposes of this Section 4.6, means the then current lessee of the Project Property under this Agreement) will take all necessary action to have the Project Property assessed for property tax purposes in the name of the Company on or within 30 days before July 1, 2039, and the Company (or, if the Issuer does not hold title to the Project Property, the holder of such title) will pay all ad valorem taxes on the Project Property from and after July 1, 2039. If the Project Property must be deeded or otherwise transferred to the Company to accomplish such assessment, this Agreement will thereafter be construed to be an installment sale agreement and all terms and provisions of this Agreement will remain in full force and effect. The provisions of Article IX of this Agreement govern the delivery and form of any such deed or transfer.

Section 4.7. Compliance With Law. The Company will obtain or cause to be obtained all necessary permits and approvals for the operation and maintenance of the Project Property, will comply with all lawful requirements of any governmental body, agency or department regarding the use or condition of the Project Property and will cause the Project Property, upon completion, to comply with all applicable restrictive covenants and all other applicable laws, ordinances, statutes, rules and regulations relating to the Project Property as a whole. The Company may in good faith contest the validity or the applicability of any such requirement. During the period of such contest and any related appeal, this Section 4.7 will be deemed satisfied with respect to the requirement so contested.

Section 4.8. Nuisance Not Permitted. The Company will not permit or suffer its agents, employees, invitees (including building contractors and subcontractors), guests or other visitors to commit a nuisance on or about the Project Property or itself commit a nuisance in connection with its use or occupancy of the Project Property.

Section 4.9. Taxes and Utility Charges. The Company will pay, as and when due, (i) all taxes, assessments and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project Property; (ii) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project Property and (iii) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by any lien on the Project Property. The Company may, in good faith, contest the amount or validity of any such levy, tax, assessment or other charge by appropriate legal proceedings. During the period of such contest and any related appeal, this Section 4.9 will be deemed satisfied with respect to any such levy, tax, assessment or other charge so contested.

Section 4.10. Maintenance. The Issuer will not be under any obligation to, and will not, operate, maintain or repair the Project Property. During the Term of this Agreement, the Company will, at its own expense, keep the Project Property in safe repair and in such operating condition as is needed for its operations and make all necessary repairs and replacements to the Project Property (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen).

Section 4.11. Replacement and Removal of Project Property. The Company may replace or remove any machinery, equipment or fixtures constituting a part of the Project Property and thereby acquire title to such machinery, equipment or fixtures, provided that such replacement or removal will not change the nature of the Project as a qualified “project” as defined in and as contemplated by the Act. Upon request of the Company, the Issuer will deliver to the Company appropriate instruments evidencing the acquisition by the Company of title to any machinery, equipment or fixtures permitted by this Section 4.11 to be so replaced or removed. The provisions of Article IX govern the delivery and form of any such instruments.

Section 4.12. Eminent Domain; Damage; Destruction. The Company will give prompt notice to the Issuer and the Purchaser of any material damage to or destruction of the Project Property. If either the Issuer or the Company receives notice of the proposed taking of all or any part of the Project Property by Eminent Domain, it will give prompt notice to the other and the Purchaser. Any such notice will describe generally the nature and extent of such damage, destruction, taking or proposed taking. The Proceeds resulting from the exercise of Eminent

Domain with respect to or from any damage to or destruction of all or any portion of the Project Property will be paid to the Company.

Section 4.13. Reserved.

Section 4.14. Insurance. The Company will keep the Project Property continuously insured against such risks and in such amounts, with such deductible provisions, as are customary in connection with the type and size of the Project Property. Such insurance may, to the extent permitted under applicable law, be provided by blanket policies maintained by the Company, by a captive insurance company controlled by the Company or through self-insurance. Such insurance will include general liability insurance against liability for (i) claims for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition of the Project Property, and (ii) liability with respect to the Project Property under the workers' compensation laws of the State (unless the Company has complied with the requirements of the laws of the State for self-insurance).

Section 4.15. Access and Inspection. Subject to the reasonable security and safety requirements of the Company and with reasonable advance notice to the Company, during the Term of this Agreement, the Company will give the Issuer, the Purchaser and their duly authorized agents during regular business hours (i) such rights of access to the Project Property as may be reasonably necessary to inspect the progress of the Project and (ii) the right of entry onto the Project Property as a whole for any purpose contemplated by this Agreement provided a representative of the Company accompanies the Issuer, the Purchaser and their duly authorized agents. During the Term of this Agreement, such rights of access and entry will not be terminated, curtailed or otherwise limited by any sale, assignment, lease or other transfer of the Project Property by the Company to any other Person.

Section 4.16. Liens. Except for Permitted Liens, the Company will not suffer any liens to exist on the Project Property as a result of any claims brought against the Company pursuant to a right or interest not existing in connection with, or permitted by, this Agreement. The Company will notify the Issuer and the Purchaser of the existence of any lien, other than a Permitted Lien, on the Project Property within 60 days after such lien attaches. The Company may, in good faith, contest the validity of any lien on the Project Property. During the period of such contest and any related appeal, this Section 4.16 will be deemed satisfied with respect the lien so contested.

Section 4.17. Employment Matters. During the term of this Agreement, the Company will provide annual reports for the Project Site to the Issuer providing the number of full time employees, wage levels, benefits, duration of employment, job classification, number of new employees hired and their categories of employment and the zip codes of the employees. The reports will be submitted on forms provided by Issuer within 180 days of the close of the Company's fiscal year. The reports will be deemed to be public documents. The Company has represented to the Issuer that the Project will create a minimum of one hundred twenty-five (125) new full time employee positions by July 1, 2029.

Section 4.18. Reserved.

Section 4.19. Restrictive Covenants. The Company will comply with all applicable restrictive covenants, if any, which run with and bind the Project Site.

Section 4.20. Use of Project Property. The Company will use the Project Property continuously during the Term so as to constitute a “project” within the meaning of the Act as in effect on the date of issuance of the Bond. As used in the first sentence of this Section, “continuously” means regularly and on a schedule consistent with that of similar facilities in the United States. Temporary cessation of operations during holiday periods, for maintenance or retooling, during reasonable periods for the repair or replacement of the facilities damaged or destroyed, resulting from labor disputes or because of excess inventories, or under similar circumstances will not constitute a failure by the Company to comply with this section.

ARTICLE V - LEASE; TERM; POSSESSION;
RENT; INDEMNIFICATION; PILOT PAYMENTS

Section 5.1. Lease of the Project Property; Term. In consideration of the payment of Rent and for other good and valuable consideration, the Issuer leases the Project Property to the Company for the Term.

Section 5.2. Quiet Enjoyment. The Issuer will not take any action, other than pursuant to Section 4.15 or Article VII, to prevent the Company from having quiet and peaceable possession and enjoyment of the Project Property during the Term (except as necessary with respect to Eminent Domain for public projects and purposes) and will, at the request of the Company and at the Company’s expense, to the extent that it is lawfully necessary and the Issuer may lawfully do so, join in any legal action in which the Company asserts its right to such possession and enjoyment.

Section 5.3. Rent.

A. The Company will pay to the Purchaser for the account of the Issuer, such amounts at such times as are necessary to make all payments of principal of, interest on and redemption price of the Bond in accordance with the terms of the Bond and the Indenture as and when due, (collectively, the “Basic Rent”);

B. The Company will also make the following payments (the “Additional Payments” and, together with the Basic Rent, the “Rent”):

(i) to or on behalf of the Depositary, the reasonable fees and charges of the Depositary for all services of the Depositary, including any extraordinary services, and all reasonable expenses (including reasonable counsel fees and expenses) incurred by the Depositary in connection with its duties under the Indenture, if scheduled, when due and, otherwise, promptly on demand by the Depositary; and

(ii) to or on behalf of the Issuer, all reasonable out-of-pocket costs and expenses (including, but not limited to, reasonable counsel fees and expenses) incurred by the Issuer in

connection with the issuance of the Bond and the performance of its duties under this Agreement and the Indenture, promptly on demand of the Issuer;

(iii) any payments required pursuant to the Permitted Liens;

(iv) the payments required by Section 5.10 hereof; and

Section 5.4. Obligations Unconditional. The obligation of the Company to pay Rent and to perform its other obligations under this Agreement is absolute and unconditional and will not be subject to diminution by setoff, counterclaim, abatement or otherwise, whether as a result of damage to or destruction of or removal of all or any portion of the Project Property or any other event or condition. In the event the Issuer fails to perform any of its obligations under this Agreement, the Company may institute such action against the Issuer as the Company may deem necessary to compel such performance. The Company may also, at its own cost and expense and in its own name or, if legally necessary, in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving third parties which the Company deems reasonably necessary in order to secure or protect its title to or its right of possession and use of the Project Property. In such event, if no Event of Default has occurred and is continuing, the Issuer will cooperate with the Company, so long as it is not the adverse party, upon receipt of indemnity satisfactory to the Issuer against any out-of-pocket cost, expense (including reasonable counsel fees and expenses) or liability the Issuer may incur or suffer as a result of or in connection with such cooperation.

Notwithstanding the above paragraph, it is the intention of this Agreement that the Company will make payments to the Purchaser for the account of the Issuer, in such amounts and at such times as are necessary to make all payments of principal of, interest on and redemption price of the Bond in accordance with the terms of the Bond Documents as and when due, and all such payments will be netted against any monies and investment made by the Purchaser to the Acquisition Account (as defined in the Indenture) (including interest income). The Purchaser will look only to the Company for payment of the Bond and upon the security granted in the Indenture for the Company's obligations under this Agreement. As described in Section 6.1, the Issuer will assign and pledge to the Purchaser all right, title and interest of the Issuer in and to this Agreement including the right to receive payments hereunder.

Section 5.5. Filing; Further Assurances. The Issuer and the Company will, at the direction of the Purchaser or of the senior secured lenders of the Purchaser or the Company, or an agent therefor (which shall be deemed to be beneficiaries of this provision) and at the expense of the Company, take all actions that at the time are and from time to time may be reasonably necessary to perfect, preserve, protect and secure the interests of the Issuer, the Purchaser and any senior secured lenders in and to the Rent and in the Project Property or of the Company in the Project Property, including, without limitation, the filing of financing statements and continuation statements and the execution, acknowledgement, delivery, filing and recordation of any other necessary agreements and instruments.

Section 5.6. Claims. The Company will pay and discharge and will indemnify and hold harmless the Issuer from (a) any lien or charge upon payments by the Company to, or for the account of, the Issuer under this Agreement and (b) any taxes, assessments, impositions and other

charges in respect of the Project Property. If any such claim is asserted, or any such lien or charge upon payments, or any such taxes, assessments, impositions or other charges, are sought to be imposed, the Issuer will give prompt notice to the Company, and the Company will have the sole right and duty to assume the defense of the same and will have the power to litigate, compromise or settle the same.

Section 5.7. Indemnity, Expenses.

A. The Company will indemnify and hold the Issuer and members of its governing body, officers, agents, employees, successors and assigns or other elected or appointed officials of the Issuer, past, present or future (hereinafter the “Indemnified Persons”) harmless from and against any and all claims, damages, demands, expenses, liabilities and losses of every kind, character and nature asserted by or on behalf of any person in connection with (i) the issuance, offering, sale, delivery, or remarketing of the Bond, the Indenture and this Agreement and the obligations imposed on the Issuer hereby and thereby; or the acquisition, equipping, operation, use, occupancy, maintenance, or ownership of the Project Property; (ii) any written statements or representations made or given by the Company or any of its officers or employees to the Indemnified Persons, with respect to the Company, the Project Property, or the Bond, including, but not limited to, statements or representations of facts, financial information, or corporate affairs or any breach or default on the part of the Company in the performance of any representation, covenant or agreement of the Company under this Agreement, or any related document, or arising from any acts or failure to act by the Company, or any of its agents, contractors, servants, employees or licensees; (iii) damage to property or any injury to or death of any Person that may be occasioned by any cause whatsoever pertaining to the Project Property; and (iv) any loss or damage incurred by the Issuer as a result of violation by the Company of the provisions of Section 3.2 hereof, or arising out of, resulting from, or in any way connected with, the condition, use, possession, conduct, management, planning, design, acquisition, construction, equipping and renovation or sale of the Project Property or any part thereof, to the extent not caused or occasioned by the negligence or willful misconduct of such Indemnified Person. The Company also covenants and agrees, at its expense, to pay, and to indemnify the Indemnified Persons from and against, all costs, reasonable attorney fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim. If any such suit, action or proceeding is brought against the Issuer or any Indemnified Person, that suit, action or proceeding will be defended by counsel to the Issuer or the Company, as the Issuer may determine. If the defense is by counsel to the Issuer, the Company will indemnify the Issuer and Indemnified Persons for the reasonable cost of that defense including reasonable counsel fees. If the Issuer determines that the Company will defend the Issuer or any Indemnified Person, the Company will immediately assume the defense at its own cost.

The Company will not be liable for any settlement of any proceeding made without consent (which consent will not be unreasonably withheld) but if settled with the consent of the Company or if there be a final, unappealable judgment for the plaintiff in any such action, the Company will indemnify and hold harmless the Indemnified Persons.

B. The Company will not be obligated to indemnify the Issuer or any Indemnified Person under subsection A, if a court with competent jurisdiction finds that the liability in question

was caused by the willful misconduct or negligence of the Issuer or the involved Indemnified Person(s).

C. The Company will also indemnify the Issuer or any Indemnified Person for all reasonable costs and expenses, including reasonable counsel fees, incurred in: (i) enforcing any obligation of the Company under this Agreement or any related agreement, (ii) taking any action requested by the Company, (iii) taking any action required by this Agreement or any related agreement or (iv) taking any action considered necessary by the Issuer and which is authorized by this Agreement or any related agreement.

D. As an inducement to the Depositary to enter into the Indenture, the Company also agrees to pay and to indemnify and hold harmless the Depositary, any person who “controls” the Depositary within the meaning of Section 15 of the Securities Act of 1933, as amended, and any member, officer, agent, director, official and employee of the Depositary (collectively called the “Indemnified Parties”) from and against any and all claims, fines, penalties, damages, demands, expenses, (including out-of-pocket and incidental expenses and legal fees, including the allocated costs and expenses of in-house counsel and legal staff) liabilities and losses of every kind, character and nature (“Losses”) asserted by or on behalf of any person in connection with (i) the issuance, offering, sale, delivery, or remarketing of the Bond, the Indenture and this Agreement and the obligations imposed on the Depositary hereby and thereby; or the acquisition, equipping, operation, use, occupancy, maintenance, or ownership of the Project; (ii) any written statements or representations made or given by the Company or any of its officers or employees to the Indemnified Parties, with respect to the Company, the Project, or the Bond, including, but not limited to, statements or representations of facts, financial information, or corporate affairs; (iii) damage to property or any injury to or death of any Person that may be occasioned by any cause whatsoever pertaining to the Project; (iv) any loss or damage incurred by the Depositary as a result of violation by the Company of the provisions of Section 3.2 hereof, or arising out of, resulting from, or in any way connected with, the condition, use, possession, conduct, management, planning, design, acquisition, equipping and renovation or sale of the Project or any part thereof; and (v) the execution of and performance of its duties under the Indenture, to the extent not caused or occasioned by the negligence or willful misconduct of such Indemnified Party. The Company also covenants and agrees, at its expense, to pay, and to indemnify the Indemnified Parties from and against, all costs, reasonable attorney fees, expenses and liabilities incurred in any action or proceeding brought by reason of any such claim, to the extent not caused or occasioned by the negligence or willful misconduct of such Indemnified Party. In addition to and not in limitation of the immediately preceding sentences, the Company agrees to indemnify and hold the Indemnified Parties harmless from and against any and all Losses that may be imposed on, incurred by, or asserted against, the Indemnified Parties or any of them for following any instructions or other directions upon which the Depositary is authorized to rely pursuant to the terms of the Indenture or this Agreement. In the event that any action or proceeding is brought against the Indemnified Parties by reason of any such claim or demand, that action or proceeding will be defended by counsel to the Indemnified Parties or the Company, as the Indemnified Parties may determine. If the defense is by counsel to the Indemnified Parties, the Company will indemnify the Indemnified Parties for the reasonable cost of the defense including reasonable counsel fees. If the Indemnified Parties determine that the Company will defend the Indemnified Parties, the Company will immediately assume the defense at its own cost. If such separate counsel is employed, the Company may join in any such suit for the protection of its own interests. The

Company will not be liable for any settlement of any such action effected without its consent; but if settled with the consent of the Company or if there be a final, unappealable judgment for the plaintiff in any such action, the Company agrees to indemnify and hold harmless the Indemnified Parties.

E. The indemnification provisions herein contained will not be exclusive or in limitation of, but will be in addition to, the rights to indemnification of the Indemnified Persons or the Indemnified Parties under any other agreement or law by which the Company is bound or to which the Company is subject.

F. The obligations of the Company under this Section 5.7 will survive any assignment or termination of this Agreement, the discharge of the Indenture or the resignation or removal of the Depositary or the termination of its duties.

Section 5.8. Environmental Matters. To the extent that the Project Property houses petroleum or any petroleum products, asbestos, urea formaldehyde foam insulation or any other chemical, material or substance, exposure to which may or could pose a health hazard, the possession and use of such materials will be in accordance with law, including any applicable regulations.

To the extent that the use which the Company makes or intends to make of the Project Property will result in the manufacture, treatment, refining, transportation, generation, storage, disposal or other release or presence of any hazardous substance or solid waste on or to the Project Property, such use will be in accordance with law, including any applicable regulations. For purposes of this Agreement, the terms “hazardous substance” and “release” will have the meanings specified in CERCLA, and the term “disposal” (or “disposed”) will have the meaning specified in RCRA; provided, in the event either CERCLA or RCRA is amended so as to broaden the meaning of any term defined thereby, such broader meaning will apply subsequent to the effective date of such amendment, and provided further, to the extent that the laws of the State establish a meaning for “hazardous substance,” “release,” or “disposal” which is broader than that specified in either CERCLA or RCRA, such broader meaning will apply; provided further, that the term “hazardous substance” will also include those listed in the U.S. Department of Transportation Table (49 C.F.R. 172.101) and amendments thereto from time to time.

The Company will promptly notify the Depositary and the Issuer of any violation or alleged violation of any Applicable Environmental Law related to the Project Property of which the Company becomes aware.

As an inducement for the Issuer and the Depositary to execute the Indenture, the Company will indemnify and hold harmless the Depositary and the Issuer from and against any and all liabilities, damages, fines, penalties, claims, losses, judgments, causes of action, costs and expenses (including the reasonable fees and expenses of counsel) which may be incurred by the Depositary or the Issuer relating to or arising out of the generation, storage, manufacture, refining, release, transportation, treatment, disposal or other presence of any hazardous substances on or about the Project Property.

Section 5.9. Indenture Provisions. The Indenture provisions concerning the Bond and the other matters therein are an integral part of the terms and conditions of this Agreement, and the execution of this Agreement will constitute conclusive evidence of approval of the Indenture by the Company to the extent it relates to the Company. Additionally, the Company agrees that, whenever the Indenture by its terms imposes a duty or obligation upon the Company, such duty or obligation will be binding upon the Company to the same extent as if the Company were an express party to the Indenture, and the Company hereby agrees to carry out and perform all of its obligations under the Indenture as fully as if the Company were a party to the Indenture.

Section 5.10. Payment in Lieu of Certain Property Taxes.

A. Beginning on the first business day in January 2020, and continuing to and including January 1 prior to the termination of this Agreement, the Company will make annual payments to the Issuer in the amounts set forth in Exhibit C. The payments may be amended by mutual agreement of the Company and the Issuer.

B. If the Company terminates this Agreement within ten (10) years of the date hereof due to (i) ceasing operations, (ii) moving the facility out of Los Alamos County, or (iii) any other voluntary act of the Company that results in the Project Property's use being discontinued, the Company will pay to the Issuer an amount equal to the abated property taxes less all amounts paid pursuant to paragraph 5.10(A) hereof. The payment will be made within 90 days of such discontinuance.

ARTICLE VI - ASSIGNMENT, LEASING AND SELLING

Section 6.1. Assignment of Rights by the Issuer. As security for the payment of the Bond, the Issuer will assign and pledge to the Purchaser all right, title and interest of the Issuer in this Agreement (other than the Unassigned Rights), including, without limitation, the Basic Rent, and hereby directs the Company to make such Basic Rent payments directly to the Purchaser, and will grant to the Purchaser a security interest in the Project Property. The Company consents to such assignment and pledge and grant and agrees that it will make payments directly to the Purchaser without defense or setoff by reason of any dispute between the Company and the Issuer or the Purchaser, and hereby further agrees that its obligations to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. The Purchaser is an intended third party beneficiary of the Company's obligations in this Agreement.

Section 6.2. No Other Transfer by Issuer. Except for the assignment described in Section 6.1, the Issuer will not sell, assign, transfer or convey its rights, title or interests in this Agreement, or the Project Property, or its obligations under this Agreement. The parties agree that the Company will be entitled to injunctive relief and specific performance (in addition to any other remedies available to it at law or in equity) to enforce the provisions of this Section 6.2.

Section 6.3. Assignment, Lease, Encumbrance and Sale by the Company.

A. The rights of the Company under this Agreement may be assigned, and the rights of the Company in the Project Property may be assigned, leased, encumbered or sold as a whole or in part by the Company. There shall be no penalty for such assignment, lease, encumbrance, or

sale of all or part of the Project Property, so long as following such assignment, lease, encumbrance, or sale (i) the continued use of the Project Property constitutes a “project” within the meaning of the Act as in effect on the date of issuance of the Bond, as provided in Section 4.20; and (ii) the number of full-time employees is fifty (50) or greater.

C. No such assignment, lease, encumbrance or sale will relieve the Company from primary liability for making payments of Rent and for the performance of its other obligations, including without limitation, the Company’s indemnification agreements in Sections 5.7 and 5.8 of this Agreement, under this Agreement to the same extent as though no assignment, lease, encumbrance or sale had been made, unless (i) such assignment, lease, sublease, mortgage or sale is to an affiliate (as such term is used in regulations pursuant to the Securities Exchange Act of 1934) of the Company, or (ii) such assignment is made to a person or entity having net assets or a net worth of at least equal to the lesser of (1) net assets or net worth of the Company at the time of such transaction or (2) ten percent (10%) of the fair market value of the Project Property at the time of such transfer, or (iii) with the written consent of the Issuer and the Purchaser, which consent shall not be unreasonably withheld or delayed.

D. Any assignee, lessee or purchaser of the Company’s interest in this Agreement or of the Project Property will assume in writing the obligations of the Company under this Agreement to the extent of the interest assigned, leased or sold. The Company will, not more than 60 nor less than 30 days before the effective date of any such assignment, lease, encumbrance or sale, furnish or cause to be furnished to the Issuer and the Purchaser a true and complete copy of such proposed assignment, lease, encumbrance or purchase contract and, if applicable, such assumption. On the effective date of any such assignment, lease, encumbrance or sale, the Company will, at the request of the Issuer or the Purchaser and at the expense of the Company, deliver to the requesting Party, an opinion of counsel to the Company (which may be an employee of the Company or other counsel reasonably acceptable to the requesting Party) to the effect that such assignment, lease, encumbrance or sale has been duly authorized by the Company and does not conflict with applicable federal or State law.

ARTICLE VII - EVENTS OF DEFAULT AND REMEDIES

Section 7.1. Events of Default Defined. Each of the following events is an “Event of Default”:

A. Failure by the Company to make any Rent payment within ten (10) days of the date when due.

B. The representations of the Company in this Agreement prove to have been incorrect in any material respect when made.

C. A decree or order for relief by a court of competent jurisdiction is entered in an involuntary case under any federal or state bankruptcy, insolvency or similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days, or the commencement by the Company of a voluntary case under such law,

or the consent by the Company either to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Company or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the taking of action by the Company to authorize or effect any of the foregoing.

D. Failure by the Company to perform any of its obligations under this Agreement or the Indenture, other than the payment of Rent, for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Issuer or the Purchaser, unless such failure cannot be remedied within 30 days and the Company has instituted corrective action within 30 days after such notice and diligently pursues such action until such failure is remedied.

Section 7.2. Remedies on Default. If an Event of Default occurs and is continuing, the Purchaser and only the Purchaser, as the assignee of the Issuer under the Indenture and on behalf of the Issuer, may, but is not required to, take any one or more of the following remedial steps:

A. By written notice to the Company declare all such amounts of Rent payable for the remainder of the Term as are required to provide for the Payment of the Bond to be immediately due and payable, whereupon the same will be immediately due and payable;

B. Take possession of the Project Property without terminating this Agreement and lease or sublease the Project Property for the account of the Company, crediting against the Rent required to be paid by the Company the amounts received by the Purchaser for the account of the Issuer from any sublessee;

C. Terminate this Agreement, hold the Company liable for all Rent due at the effective date of termination and due until the effective date of selling or leasing the Project Property to another, exclude the Company from possession of the Project Property and sell or lease the Project Property to another;

D. Take whatever action at law or in equity may appear necessary or desirable to collect the Rent then due and thereafter to become due or to enforce the performance and observance of any obligation of the Company under this Agreement or the Indenture; or

E. Exercise any remedies provided for in the Indenture. In the enforcement of the remedies provided in this Section 7.2, the Purchaser, as the assignee of the Issuer and on behalf of the Issuer will treat all expenses of enforcement, including, without limitation, legal, accounting and advertising fees, as Additional Payments then due and owing. As the assignee of the Issuer, the Purchaser has sole responsibility for the exercise of any remedies if an Event of Default occurs and is continuing, provided that the Issuer will be under no obligation to exercise any remedies in the event the Purchaser fails to do so.

Section 7.3. Reserved.

Section 7.4. Remedies on Default. Notwithstanding any other provision of this Agreement or the Indenture, the Issuer will be entitled to cause the Company to perform the Company's obligations under Sections 4.4 (notice rights only), 4.5, 4.15, 4.16 (notice rights only), 4.20, 5.7, 5.8, 5.10 and 6.3 hereof for the benefit of the Issuer. If the Company fails to comply

with its obligations set forth in Sections 4.4 (notice rights only), 4.5, 4.15, 4.16 (notice rights only), 4.20, 5.7, 5.8, 5.10, and 6.3 and such failure continues for thirty (30) days after the Issuer gives the Company notice of such failure or any representation of the Company in any Bond document or any document or agreement delivered to any of the other Parties in connection with the transaction contemplated by the Bond Documents proves to have been incorrect in any material respect when made, then, the Issuer may immediately take all steps necessary to have the Project Property immediately assessed for property tax purposes in the name of the Company.

Section 7.5. Default by Issuer - Limited Liability . Notwithstanding any provision or obligation to the contrary hereinbefore set forth, no provision of this Agreement will be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer, the liability of the Issuer hereunder will be limited to its interest in this Agreement, and all other related documents and collateral and the lien of any judgment will be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money will not be a debt of the Issuer, nor will the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bond or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and will be obligated to pay the same only out of the amounts payable by the Company hereunder. The Issuer will not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Company if a default occurs hereunder.

ARTICLE VIII - PREPAYMENTS

Section 8.1 Prepayments. The Company may at any time (including after the occurrence and during the continuance of an Event of Default) and for any reason cause all or any portion of the Bond to be redeemed in accordance with the provisions of the Indenture by giving notice of such redemption to the Issuer, the Depository and the Purchaser not less than five days before the redemption date. Such notice will specify the redemption date and the principal amount of the Bond to be redeemed. On the redemption date the Company will prepay the Rent in an amount equal to such principal amount plus accrued interest on such principal amount to the redemption date by payment of such amounts to the Purchaser.

ARTICLE IX - PURCHASE OF PROJECT PROPERTY

Section 9.1 Purchase of Project Property. The Company will purchase, and the Issuer will sell, the Project Property for \$1.00 at the expiration or sooner termination of this Agreement and following Payment of the Bond. The Company will give notice to the Issuer specifying the date of closing such purchase, which will be not less than 15 nor more than 90 days from the date of such notice. At the closing of such purchase, the Issuer will, upon receipt of the purchase price, deliver to the Company a special warranty deed, bill of sale and other appropriate documents conveying to the Company title to the Project Property, as it existed at the time of such purchase, subject only to: (i) those liens and encumbrances created by the Company or to the creation or suffering of which the Company consented; (ii) those liens and encumbrances resulting from the failure of the Company to perform any of its obligations under this Agreement; and (iii) Permitted Liens other than the Indenture and this Agreement. The Company may purchase the Project

Property whether or not a Default or an Event of Default has occurred and is continuing, except a default in payments due under Section 5.10.

ARTICLE X - MISCELLANEOUS

Section 10.1. Incorporation of Indenture Provisions. Each of the provisions of Article XI of the Indenture is incorporated in this Agreement.

Section 10.2. Amendments. This Agreement may be amended or modified only as provided in the Indenture.

Section 10.3. No Pecuniary Liability of Issuer. No agreements or provisions contained herein nor any agreement, covenant or undertaking by the Issuer contained in any document executed by the Issuer in connection with any property of the Company financed, directly or indirectly, out of the Bond proceeds or the issuance, sale and delivery of the Bond will give rise to any pecuniary liability of the Issuer or constitute a charge against the Issuer's general credit, or will obligate the Issuer financially in any way, except with respect to the funds available hereunder or under the Indenture and pledged to the payment of the Bond and its application as provided under the Indenture. No failure of the Issuer to comply with any terms, covenants or agreements herein or in any document executed by the Issuer in connection with the Bond will subject the Issuer to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the funds available hereunder or under the Indenture and pledged to the payment of the Bond and its application as provided under the Indenture. No failure of the Issuer to comply with any terms, covenants or agreements herein or in any document executed by the Issuer in connection with the Bond will subject the Issuer to any pecuniary charge or liability except to the extent that the same can be paid or recovered from the funds available hereunder or under the Indenture and pledged to the payment of the Bond. None of the provisions of the Agreement will require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder unless it will first have been adequately indemnified to its satisfaction against the cost, expense or liability which might be incurred thereby. Nothing herein will preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, conditions, covenant or agreement herein or in the Indenture; provided, that no costs, expenses or other monetary relief will be recoverable from the Issuer except as may be payable from the funds available hereunder or under the Indenture and pledged to the payment of the Bond.

Section 10.4. No Violation of Public Policies Regarding Indemnity. If a court of competent jurisdiction determines that the provisions of Section 56-7-1 NMSA 1978, as amended, are applicable to this Agreement or any claim arising under this Agreement, then any agreement to indemnify contained in this Agreement will not extend to liability, claims, damages, losses or expenses, including attorney fees, arising out of:

A. The preparation or approval of maps, drawings, opinions, reports, surveys, change orders, designs or specifications by the Indemnitee; or

B. The giving of or the failure to give directions or instructions by the Indemnatee, where such giving or failure to give directions or instructions is the primary cause of bodily injury to persons or damage to property.

Section 10.5. Binding Effect. This Agreement will inure to the benefit of and shall be binding upon the Issuer, the Company, and their respective successors and assigns.

Section 10.6. Severability. In the event any provisions of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 10.7. Reserved.

Section 10.8. No Waiver. No waiver of any breach of any covenant or agreement herein contained will operate as a waiver of any subsequent breach of the same covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the non-defaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults which were in existence at the time such payment or payments or performance were accepted by it.

Section 10.9. Non-Merger. The provisions of this Agreement will survive the conveyance of the Project Property to the Issuer, the reconveyance of the Project Property to the Company, and all other performances hereunder, and will not be deemed merged in any deed or other instrument or document delivered hereunder.

DATED AS OF July 15, 2019

INCORPORATED COUNTY OF LOS ALAMOS,
NEW MEXICO

By: _____
Chair, County Council

PEBBLE LABS U.S.A., INC., a New Mexico corporation

By: _____

Its: President

[Signature Page to Lease Agreement]

[illegible]

This instrument was acknowledged before me on _____, 2019, by _____, Chair of the County Councilors of Los Alamos County, New Mexico.

Notary Public

My Commission Expires:

[Acknowledgement Page to Lease Agreement]

STATE OF NEW MEXICO)
) ss.

)

 This instrument was acknowledged before me on _____, 2019, by
_____, _____ of Pebble Labs U.S.A., Inc., a New Mexico
corporation.

Notary Public

My Commission Expires:

[Acknowledgement Page to Lease Agreement]

EXHIBIT A
PROJECT SITE

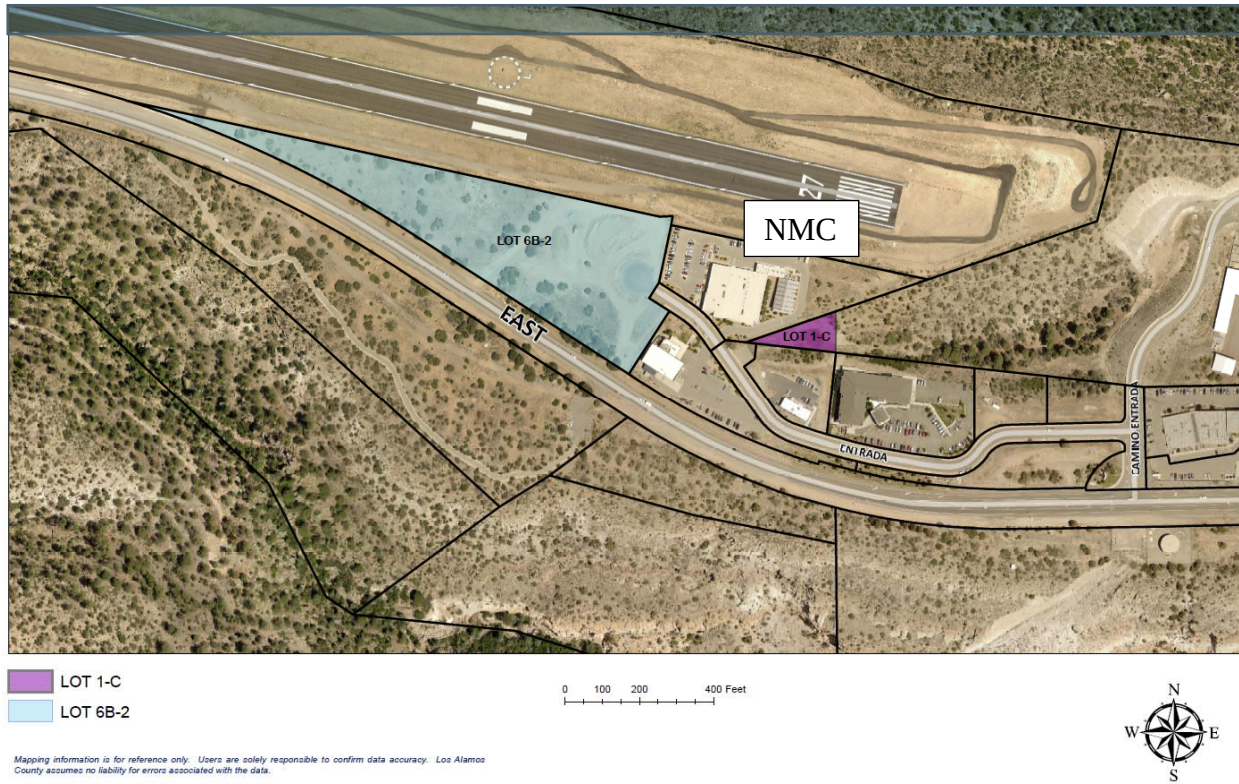


EXHIBIT B

PERMITTED LIENS

Deed of Trust, the Promissory Note dated as of May ____, 2019 between the Company and _____ (the "Senior Lender"), and its successors in interest, if any, and any "Permitted Encumbrance" (as such term is defined in the Business Loan Agreement dated as of _____ between the Company and the Senior Lender, as the same may be amended from time to time) and such other security interests of other senior secured lenders of the Purchaser or the Company, if any.

1. Rights or claims of parties in possession not shown by the public records.
2. Easements, or claims of easements, not shown by the public records.
3. Encroachments, overlaps, conflicts in boundary lines, shortages in area, or other matters which would be disclosed by an accurate survey and inspection of the premises.
4. Any lien, claim or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
5. Community property, survivorship, or homestead rights, if any, of any spouse of the insured (or vestee in a leasehold or loan policy).
6. Intentionally Omitted.
7. Water rights, claims or title to water.
8. Intentionally Omitted.
9. Taxes for the year _____, and thereafter.
10. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this Commitment.

___ Rights of parties in possession under unrecorded lease or rental agreements

___ In compliance with Subsection D of 13.14.18.10 NMAC, the Company hereby waives its right to demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association. Nothing herein prohibits the arbitration of all arbitrable matters when agreed to by both the Company and the insured.

[NOTE – this schedule will be completed prior to closing]

EXHIBIT C

The initial amount of the Payment in Lieu of Taxes (“PILOT”) to be paid by the Company is estimated to be \$34,950 annually. The initial amount of the payment by the Company represents 50.5% of the total 2018 mill levy of \$28.71 per \$1000 of taxable value of both the personal and real property. The PILOT will be adjusted annually to reflect increases or decreases in the mill levy or the taxable value, but will remain at 50.5% of the amount otherwise payable.