

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into by and between the City of Brookings, South Dakota, a municipal corporation, Lessor, hereinafter referred to as "City", and RTI, LLC hereinafter referred to as "Tenant".

WHEREAS, City owns the Brookings Area Research and Technology Center, located at 801 – 32nd Avenue, in Brookings, South Dakota, and desires to lease a portion of said facilities to Tenant, and

WHEREAS, the above-named Tenant desires to lease a portion of said facilities hereinafter described in accordance with the terms and conditions set forth herein, now therefore,

FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS, CONDITIONS AND PROMISES, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

1. Lease Agreement

The City does hereby lease unto Tenant and Tenant does hereby agree to lease and take from City, Suite 100, located in the Brookings Area Research and Technology Center, 801 – 32nd Avenue, Brookings, South Dakota, as shown on the attached Exhibit "A", and Unit 1 which contains approximately 8,866 square feet, Unit 2 contains approximately 2,091 square feet, and Unit 3 containing approximately 2,134 square feet, hereinafter referred to as "Unit 1", "Unit 2" and "Unit 3".

2. Term/Option to Renew/Expiration

This Lease Agreement shall commence on January 1, 2021 and shall be for a month-to-month tenancy which may be cancelled by either party upon giving notice to the other party at least thirty (30) days prior to the end of the month. The term of this lease shall end no later than December 31, 2022. In the event the City terminates the lease prior to December 31, 2022, it shall give as much notice as possible and will work with the Tenant to allow, if possible, additional time to vacate the premises.

3. Use of Premises

The above leased premises shall be used by Tenant for the following purposes and no others without the prior written consent of City:

RTI, LLC will use the premises to conduct its contract research and laboratory business. It will serve as the corporate and business office as well as house laboratories used for biological and chemical analysis and protein and antibody production.

No use by Tenant shall be made or permitted to be made upon the premises nor acts done which will increase the existing rate of insurance upon the property or cause cancellation of insurance policies covering said property. Tenant shall not conduct or permit any sale by auction on the premises.

4. Rent

Monthly Rent for the Duration of this Lease

The Tenant shall pay as rent to City during the term of this Lease monthly rent in the sum of \$10.00 per square foot for Unit 1 and 2, based upon the occupancy of 10,957 square feet, the sum of \$4.00 per square foot for Unit 3, based upon the occupancy of 2,134 square feet, the total annual sum of \$118,106 to be payable in equal monthly installments of \$9,842.17.

Tenant shall pay each monthly rental on or before the 1st day of each month through the full term of this Lease, and is late if paid after the 10th day of the month. Failure to timely pay the rent, in addition to all other remedies, will result in a ten (10%) percent late charge.

5. Utilities

Tenant shall be responsible for paying its' own utilities.

6. Tenant Covenants

The Tenant makes the following covenants:

- A. To keep the interior of Suite 100 (Units 1, 2, and 3) and all fixtures therein in good condition and repair.
- B. Not to make any structural alterations or additions to Suite 100 (Units 1, 2, and 3) without the written consent of the City.
- C. Not to assign this Lease, nor sublet Suite 100 (Units 1, 2, and 3), nor to permit any other person to occupy Suite 100 (Units 1, 2, and 3), except for employees and invitees of the Tenant.
- D. To remove, at the termination of this Lease, all goods and effects, and to leave Suite 100 (Units 1, 2, and 3) at the conclusion of this Lease in good repair and order, reasonable wear and tear excepted.
- E. To use Suite 100 (Units 1, 2, and 3) for the purpose of the Tenant's business only, and to comply in all respects to the schedule of Tenant's Rules of Occupation, hereinafter called "Rules", attached to this Lease as Exhibit "B", or such amended rules that may be issued by the City or the City's agents.
- F. To purchase and maintain such insurance as Tenant deems appropriate to protect Tenant from loss of Tenant's property due to fire and/or casualty; and to purchase and maintain a commercial general liability premises policy in the minimum amount of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate, and Tenant shall provide the City with a Certificate of Insurance showing City as an additional insured. The Certificate shall provide for a ten (10) day written notice to City in the event of cancellation or material change of coverage. Tenant shall furthermore hold the City harmless and indemnify it from

any injury, loss or damage that may occur to the persons or property of employees of Tenant or to other persons visiting the Tenant's place of business.

G. To comply with all Federal, state, or local laws which may affect the Tenant's use of Suite 100 (Units 1, 2, and 3).

H. Not to affix signs or advertising displays of any kind, either to the exterior or interior walls of Suite 100 (Units 1, 2, and 3), or to any of its doors or windows, without the prior written consent of City.

I. Tenant shall not vacate or abandon the premises at any time during the term hereof, and if Tenant shall abandon or vacate the premises, or be dispossessed by process of law, or otherwise, any personal property belonging to Tenant left upon the premises shall be deemed to be abandoned at the option of the City.

J. City shall not be liable for any damage or injury to Tenant, or any other person, or to any property, occurring on the demised premises or any part thereof, and Tenant agrees to hold City harmless from any claims for damages unless such damage or injury results from the negligence of the City.

7. Lessor's Covenants

The City makes the following covenants:

A. The City covenants that it has the right to grant this Lease as Owner of the building.

B. To keep the exterior of the premises in good repair and condition, and to clean and maintain the areas of the Brookings Area Research and Technology Center which are used in common by all Tenants. The City shall be responsible for the exterior and interior structural maintenance of the building and maintaining the common areas. The City shall be responsible for pest control around the exterior of the Center and in the common areas. The City shall also be responsible for maintenance of the heating and cooling system.

C. To insure and keep insured at all times the buildings, structures and fixtures owned by the City against fire, windstorm and similar occurrences.

D. To permit the Tenant to occupy Suite 100 (Units 1, 2, and 3) during the term of this Lease quietly and peaceably, provided the Tenant performs the covenants of this Lease.

E. To provide and update a directory of Tenants in the reception area and to provide identification signs within the building to enable visitors to locate Tenant.

F. To provide suitable means of disposing of a reasonable amount of non--hazardous waste materials resulting from use of the leased premises by Tenant.

8. Mutual Covenants

A. It is mutually agreed that the principal objective of the Brookings Area Research and Technology Center is to encourage the formation of successful new businesses and to create new job opportunities, and this Lease and any other agreement between the City and the Tenant must be construed in the context of this objective.

B. Both parties agree that if Suite 100 (Units 1, 2, and 3) shall be substantially destroyed by windstorm, fire or other happening, then either party may elect to terminate this Lease by giving written notice of termination to the other party.

C. If Tenant receives the City's written permission to alter or add to the structure, the alterations or additions will be undertaken at the expense of the Tenant. When written permission has been given by the City, at the time of termination of this Lease by mutual consent and provided the Tenant has complied with the covenants of this Lease, the City will undertake to reimburse the Tenant with a proportionate part of the agreed costs of any alterations or additions which materially improve the building, provided the Tenant agrees to continue to operate its business in the City of Brookings. The details of any agreement of this kind will be contained in the letter of consent granted by the City.

9. Default and Remedies

A. Events of Default. The occurrence of any of the following shall constitute a default and material breach of this Lease by Tenant:

1. Any failure by Tenant to pay any rent or any other charge required to be paid under this Lease, or any part thereof, within ten (10) days of the due date; or

2. Any failure by Tenant to observe or perform any other provision, covenant or condition of this lease to be observed or performed by Tenant where such failure continues for ten (10) days after written notice thereof from City to Tenant; provided that if the nature of such default is such that the same cannot reasonably be cured within a ten (10) day period, Tenant shall not be deemed to be in default if it shall commence such cure within such period and thereafter diligently pursue such cure to completion; or

3. Abandonment of the Premises by Tenant; or

4. To the extent permitted by law, or the filing by or against Tenant of any proceeding under bankruptcy law.

B. Remedies. In the event of a default by Tenant, the City, in addition to any other remedies set forth herein or available to it at law or in equity, including injunction, at its

option, and without further notice or demand of any kind to Tenant or any other person may:

1. Terminate this Lease and declare the Lease Term hereof ended and re-enter the Premises and take possession thereof and remove all persons and property therefrom, and Tenant shall have no further claim thereon or hereunder; or
2. Even though the City may have re-entered the Premises, thereafter elect to terminate this Lease and all of the rights of Tenant in or to the Premises.
3. Should the City have re-entered the Premises under the provisions of paragraph 2 above, City shall not be deemed to have terminated this Lease or the liability of Tenant to pay any rental or other charges thereafter accruing, or to have terminated Tenant's liability for damages under any of the provisions hereof by any action in unlawful detainer or otherwise to obtain possession of the Premises, unless the City shall have notified Tenant in writing that it has so elected to terminate this Lease.

Should the City elect to terminate this Lease pursuant to the provisions of this section, the City may recover from Tenant as damages the following:

- (i) The value at the time of the award of any unpaid rent, late charges and other charges which had been earned or were payable by Tenant at the time of termination.

C. Cure of Tenant's Default. Should Tenant fail to pay and discharge, when due and payable any lien or claim for labor or materials, or any claim for damages arising out of the repair, alteration, maintenance and use of the Premises to be paid by Tenant under this Lease, or should Tenant fail to provide evidence of the issuance and coverage of any insurance policy as required by this Lease, or should Tenant fail to fully pay any sum to be paid or perform any covenant or agreement to be performed by Tenant, as provided for in this Lease, after ten (10) days' written notice from the City, then the City may, at its option and without waiving or releasing Tenant from any of Tenant's obligations hereunder, pay any such lien, claim, or charge, or settle or discharge any action therefor or satisfy any judgment thereon, or obtain any such insurance, or pay any such sum or perform any such covenant or agreement. All costs, expenses and other sums incurred or paid by the City in connection therewith, together with interest at the rate of one (1%) percent per month on such costs, expenses, and sums from the date incurred or paid by City, shall be deemed to be additional rent hereunder and shall be paid by Tenant to City upon demand, and any default therein shall constitute a breach of the covenants and conditions of this Lease.

D. No Waiver. The waiver by the City of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent by the City shall not be

deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease other than the failure of Tenant to pay the particular rent so accepted, regardless of the City's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord unless such waiver is in writing and executed by the City.

10. Miscellaneous

A. Any notice from the City to Tenant or from Tenant to City shall be deemed duly served if mailed by certified mail to the last known address of the Tenant, or to the address of the City or to the address of the Agents acting for City, and the customary certified mail receipt shall be conclusive evidence of such service.

B. This Lease shall be subject to and construed under the laws of the State of South Dakota.

IN WITNESS WHEREOF, the parties have hereto placed their signatures on the day and date set forth below.

Dated this 8th day of December, 2020.

CITY OF BROOKINGS, SOUTH DAKOTA, LESSOR

By: _____
Paul Briseno, City Manager
City of Brookings
520 3rd Street, Suite 240
Brookings, South Dakota 57006
Telephone No. (605) 692-6281

ATTEST:

Bonnie Foster, City Clerk

Dated this ____ day of _____, 2020.

RTI, LLC, Tenant

By: _____
Christopher Chase
Its: President

Exhibit "A"

MAP DEPICTING Suite 100

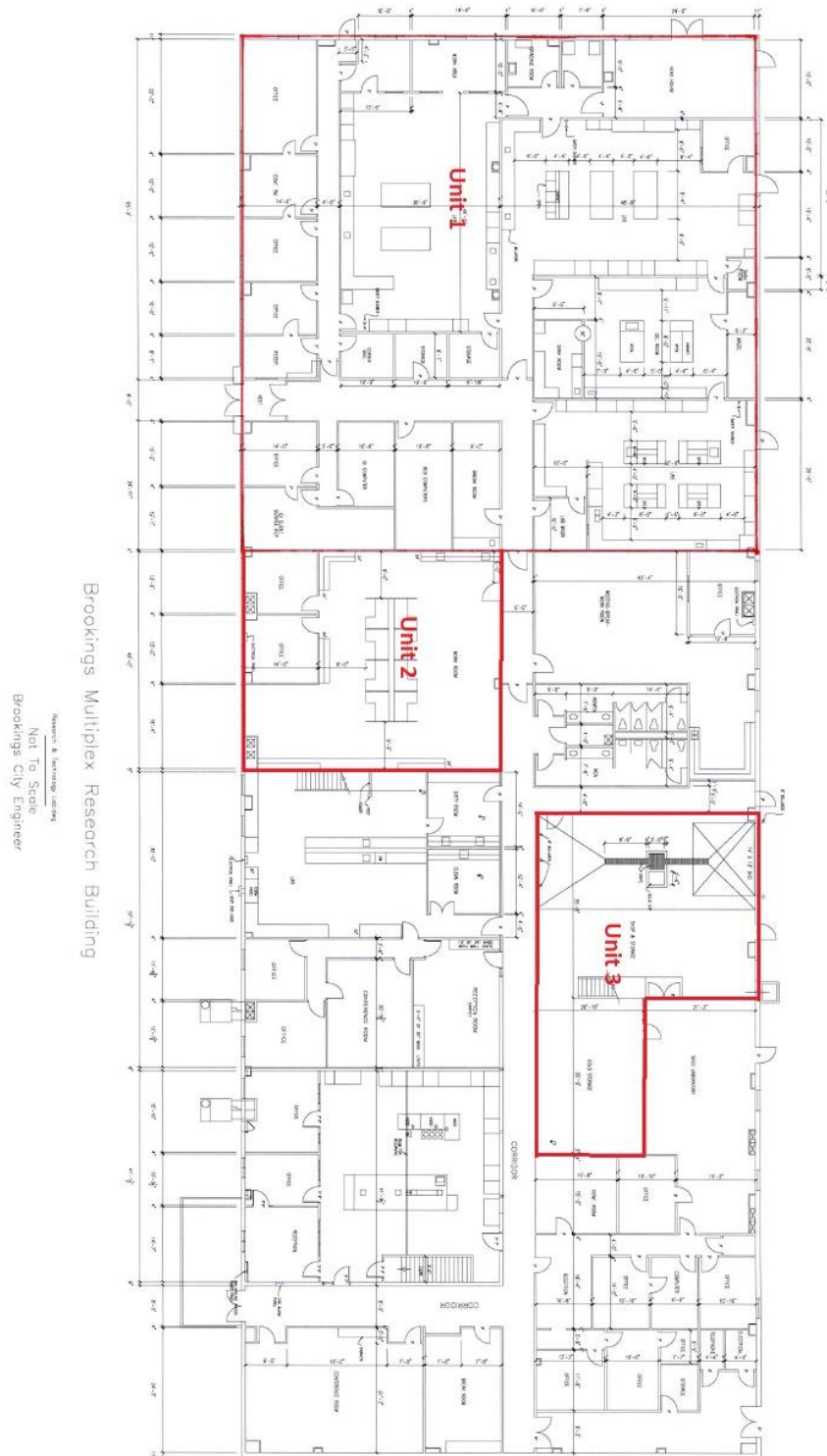


Exhibit "B"

TENANT RULES OF OCCUPATION

1. These are the Rules of Occupation referred to in Section 6 of the Tenant Covenants contained in the Lease between the City and Tenant.

2. Tenants will be required to:

a. Ensure that all access doors into the building are properly closed after exit or entry. Fire exit doors are for emergency use only and must not be used for entry or exit or for loading or unloading freight. This requirement is imposed to protect the security and integrity of the whole building and its occupants.

b. Dispose of all waste materials in the receptacles provided by the City, and not to leave any garbage or waste materials in any part of the premises or on the parking lot. No oil, grease, paint, or other deleterious matter can be deposited in any drain inside or outside the building.

c. Ensure that no gasoline or any other particularly inflammable explosive or combustible material is stored within Suite 100 (Units 1, 2, and 3) occupied by Tenant or on any part of the Brookings Area Research and Technology Center in violation of the City of Brookings Fire Code, with the exception only of fuel contained in the fuel tanks of Tenant's vehicles.

d. Take care to connect all plant and machinery to electrical services in an approved manner and not to overload any electrical circuits.

e. Avoid obstructing the corridors or passageways within the Brookings Area Research and Technology Center and to use only approved means of transporting freight, goods or supplies through such corridors or passageways.

f. Permit the City scheduled access at all reasonable times to enter and inspect Suite 100 (Units 1, 2, and 3) leased to the Tenant, and to allow contractors employed by the City to enter and carry out repairs or alterations to any part of Suite 100 (Units 1, 2, and 3) or its fixtures, subject to reasonable notice and an opportunity to be present during said repairs or alterations.

g. Do nothing which would cause the insurance procured by the City to become void or invalidated.

h. To ensure that all employees of the Tenant that access Suite 100 (Units 1, 2, and 3) are aware of these Rules and to make it a condition of employment that employees obey these Rules or any variation of them which are made from time to time.