

STATE OF SOUTH CAROLINA )  
 )  
COUNTY OF BEAUFORT )

**LEASE AGREEMENT**

THIS LEASE AGREEMENT, made as of this 21<sup>st</sup> day of September, 2017, between the South Carolina Department of Natural Resources, an agency of the State of South Carolina, having its principal office at 1000 Assembly Street, Columbia, South Carolina 29201, hereinafter called "Lessor", and Charles River Laboratories, Inc., a Delaware Company, having its principal address at 251 Ballardvale Street, Wilmington, MA 01887, hereinafter called "Lessee", witnesseth:

**PREMISES**

1. Upon and subject to the terms, covenants, and conditions provided herein, Lessor leases to Lessee 370.13 acres, more or less, of land, being the highland, located in Beaufort County, South Carolina, and being a portion of that property generally known as Morgan Island and a portion of TMS# R300-007-000-0001-0000, hereinafter referred to as the Premises. The Premises are more fully described as that 370.13-acre portion of the plat dated October 31, 2001, entitled "PLAT SHOWING PHASE ONE PROPERTY AND PHASE TWO PROPERTY LOCATED ON MORGAN ISLAND BEING, A 4,489 ACRE TRACT OF LAND", prepared by Davis & Floyd, Inc. (certified by Milton P. Muckinfuss, S.C.R.L.S. Number 21231-A), and recorded at the Beaufort County, South Carolina Register of Deeds on January 3, 2002, in Plat Book 84 at Page 61.

**DELIVERY OF POSSESSION**

2. Lessor agrees to deliver to the Lessee actual possession of the Premises on the date of the commencement of the term of this Lease, subject to recorded easements and restrictions and upon and subject to the terms, covenants, and conditions provided herein. Provided that if Lessee is already lawfully in possession of the Premises at the start of this Lease, Lessor's obligations of delivery shall be deemed satisfied.

**TERM**

3. This Lease is for a term of five years, commencing on January 1, 2018, and ending on December 31, 2022, unless earlier terminated as provided herein.

**EXTENSION OF LEASE**

4. Lessee may extend the term of this Lease for two (2) additional periods of five (5) years. Each renewal term shall be deemed automatically exercised unless Lessee provides written notice to Lessor of its intention not to exercise a renewal term no less than one hundred twenty (120) days prior to the expiration of the initial term or the renewal term, as applicable. If any prerequisite under this Lease is lacking or an unresolved default by Lessee exists when the current term expires, Lessor's agreement to a renewal term must

first be obtained by Lessee. Such notice shall be made by Lessee giving written notice to Lessor in advance at South Carolina Department of Natural Resources, Attention: Office of Chief Counsel, P.O. Box 167, Columbia, South Carolina 29202. Except for rent, which shall be payable in advance in the amounts and as provided herein, all other terms and conditions of this Lease shall remain in full force and effect for such extended term(s), except that Lessee shall not have any additional right to extend the term of this Lease. As provided in Paragraph 30, Lessor may direct Lessee by written notice to increase insurance limits at the beginning of either lease renewal period.

### **EXPRESS AND LIMITED USES OF PROPERTY**

5. As a precondition to use of the Premises, Lessee acknowledges the presence of nonhuman primates upon the Premises and further acknowledges those animals and their progeny upon the Premises to be the property of the United States Government and no other. Additionally, Lessee declares and warrants that it is authorized by the United States Government to care for said animals upon the Premises and must maintain such authorization as a condition of this Lease. The only nonhuman primates that may be present on the Premises are those owned by the United States Government. Other than nonhuman primates born on the Premises, no new nonhuman primates shall be present upon or released upon the Premises unless Lessee obtains prior written approval from Lessor.
6. Accordingly, the Premises may be used for the purposes of operation of a year-round outdoor breeding colony of free range nonhuman primates and maintenance of necessary facilities to husband and maintain these nonhuman primates. For the purposes of this lease, "outdoor social group housing center" means a facility to husband and maintain nonhuman primates in a secure site which is appropriately staffed during ordinary operations and as needed during emergency situations. This outdoor social group housing center must not be used for the disposal of any hazardous, radioactive, pathogenic, or medical waste, regardless of amount.

### **RENT**

7. Lessee shall pay rent to Lessor in the amount as specified below, in quarterly payments in advance, on the first business day of each and every quarter of each year during the term of this Lease. Unless Lessor shall designate alternative payment instructions in writing, all rent due or to become due hereunder shall be paid to Lessor by wire transfer to Lessor pursuant to wiring instructions provided by Lessor to Lessee and as may be updated periodically.

The term "lease year" as used herein means any calendar year during the term of this Lease, and as such term may be extended as provided herein. "Quarter" shall mean one of the four periods of three months each of a calendar year, beginning on January 1, April 1, July 1 or October 1.

8. Rent payable to Lessor for each rent year is specified as follows:

<u>Initial Term</u>	<u>Amount of Rent for Said Year-</u>
1/1/2018 – 12/31/2018	\$1,414,237 (\$353,559.25 / quarter)
1/1/2019 – 12/31/2019	\$1,414,237 (\$353,559.25 / quarter)
1/1/2020 – 12/31/2020	\$1,414,237 (\$353,559.25 / quarter)
1/1/2021 – 12/31/2021	\$1,442,522 (\$360,630.50 / quarter)
1/1/2022 – 12/31/2022	\$1,471,372 (\$367,843.00 / quarter)
<u>First Extension</u> (if applicable)	
1/1/2023 – 12/31/2023	\$1,500,799 (\$375,199.75 / quarter)
1/1/2024 – 12/31/2024	\$1,530,815 (\$382,703.75 / quarter)
1/1/2025 – 12/31/2025	\$1,561,431 (\$390,357.75 / quarter)
1/1/2026 – 12/31/2026	\$1,592,660 (\$398,165.00 / quarter)
1/1/2027 – 12/31/2027	\$1,624,513 (\$406,128.25 / quarter)
<u>Second Extension</u> (if applicable)	
1/1/2028 – 12/31/2028	\$1,657,003 (\$414,250.75 / quarter)
1/1/2029 – 12/31/2029	\$1,690,143 (\$422,535.75 / quarter)
1/1/2030 – 12/31/2030	\$1,723,946 (\$430,986.50 / quarter)
1/1/2031 – 12/31/2031	\$1,758,425 (\$439,606.25 / quarter)
1/1/2032 – 12/31/2032	\$1,793,594 (\$448,398.50 / quarter)

9. If the quarterly payment of annual rent by Lessee to Lessor shall remain unpaid (including failure to deliver correctly to Lessor) for ten (10) days after the date on which same becomes payable, a late charge calculated as one (1%) percent on the sums so overdue shall become immediately due and payable to Lessor as liquidated damages for Lessee's failure to make prompt payment and said late charges shall be made by Lessee to Lessor no later than the first day of the month after the due date of the late quarterly payment (*i.e.* – if first quarter payment is more than ten (10) days late, the liquidated damages must be paid on or before February 1). If Lessor fails to make timely payment of the quarterly

payment or liquidated damages as provided above, the liquidated damages shall continue to accrue on a monthly basis thereafter at a rate of one percent of the total sums so overdue.

10. Except as otherwise specifically provided in this Lease, no abatement, diminution or reduction of rent shall be claimed by or allowed to Lessee under any circumstances, whether for inconvenience, discomfort, interruption of business, or other reason beyond Lessee's control.
11. Lessee shall pay Lessor one hundred (100%) percent of the gross receipts from any use of the Premises that is not allowed by this Lease (the "Unauthorized Use"), regardless of any related penalties charged Lessee by competent governmental authorities. Such Unauthorized Use charge shall be payable to Lessor within thirty (30) days after Lessee receives such gross receipts. No Unauthorized Use charges shall satisfy or credit against any other rent or financial obligations of Lessee under this Lease. The Unauthorized Use charge shall otherwise be considered "rent" under this Lease, and shall be subject to all costs and penalties for delinquent payments hereunder. The existence of such Unauthorized Use charge and Lessor's acceptance thereof shall not constitute authorization for the use in question, and shall not waive any of Lessor's rights under this Lease.

#### **LESSEE'S COVENANTS & WARRANTIES**

12. Lessee will pay the said rent at the times and in the manner above.
13. Lessee expressly covenants, represents, warrants, and agrees that it shall use and occupy the demised Premises for the express and limited uses specified in this Lease and for no other use or purpose. Furthermore, Lessee expressly covenants, represents, and warrants that it is currently and will maintain during the term of this Lease a valid contract or similar authorization from the United States Government for the purposes provided above. Lessee makes this covenant, warranty, representation, and agreement knowing that Lessor is entering into this Lease in reliance thereon and that such covenant, warranty, representation, and agreement is the essence of this agreement. In the event of a breach or threatened breach of this paragraph by Lessee or anyone claiming under it, Lessor shall have the right of injunction and the right to invoke any and all remedies under this Lease and any remedies allowed at law or in equity by reason of such breach or threatened breach by Lessee.
14. Lessee will pay the general taxes, if any, which shall be assessed and levied upon the Premises during the said term as they shall fall due. Lessee will pay all taxes, assessments, fees, water rates and charges whatsoever, which now are or hereafter may be taxed, assessed, levied or imposed upon the Premises; and that if the said Lessee shall fail, for a period of thirty (30) days after said taxes, assessments, rates, and charges shall become due and payable, to pay the same, then, and in such case, Lessor and its assigns, may pay them, and the amount of said payment shall be deemed additional rent and be added to and become a part of the rent herein reserved and next to become due.

15. Lessor shall have no responsibility to provide utility services to the Premises or transportation to or from the Premises.
16. Lessee will promptly pay all gas, electricity, water or other utility charges which may become payable during the continuance of this Lease for utilities used on the Premises.
17. Lessee does hereby covenant for itself, its successors and assigns that it will, at all times during the said term, maintain the grounds of the Premises in good order and maintain the trees, bushes, and shrubs, which are now, or may at any time during the said term be, growing on the said Premises and replace such shrubs and plants as may die through Lessee failure to so maintain and require replacing. Similarly, Lessee shall not introduce any non-native vegetation, in any form, to the Premises and, following consultation with Lessor, shall promptly work to remove any such non-native vegetation so identified.
18. Lessee will not make or suffer any unlawful, improper, or offensive use of the Premises, or any use or occupancy thereof contrary to any federal, state or local laws, or which shall be injurious to any person or property, or which shall be likely to endanger or affect any insurance on the Premises.
19. Lessee does hereby covenant that it will, at its own cost and expense, during the term hereby created, promptly comply with every federal, state and local law, statute, and rule pertaining to or affecting the said Premises, and will pay all fines and penalties imposed upon Lessor, its successors and assigns, and the Lessee, its successors and assigns, by reason of the failure, neglect, or refusal of the Lessee, or its agents any or all parties to so comply with such law, statute, rule, ordinance, regulation or notice.
20. Lessee will not assign, sublet, or part with the possession of the whole or any part of the Premises without first obtaining the written consent of Lessor which shall not be unreasonably withheld. In the event Lessee is not awarded a contract or similar authorization from the United States Government to undertake the purposes of this Lease and another party is awarded such a contract or similar authorization, this Lease must be offered by Lessee by way of assignment to the holder of that contract or similar authorization and such assignment and acceptance by assignee must be documented in writing signed by authorized representatives of Lessee and assignee; such assignment will only be effective as to Lessee or assignee when approved in writing by Lessor. Lessor's consent to assignment may be dependent on compliance with the terms and conditions of this Lease and any assignee expressly agreeing to the complete terms of this Lease.
21. At all reasonable times during the term of this Lease, Lessor, its agents, and employees, subject to meeting Lessee's requirements to protect the nonhuman primates from disease or other danger, shall have the right to enter into and upon the Premises for the purpose of examining and inspecting the same and determining whether Lessee shall have complied with its obligations under this Lease. Lessee's requirements to protect the nonhuman primates from disease or other danger are identified as **Exhibit A**, which is attached hereto and incorporated herein by reference.

22. Lessee acknowledges and understands that the Premises are situated on a coastal erosion remnant island bounded on all sides by an estuary of the Atlantic Ocean. The Premises are subject to natural occurrences, including but not limited to, hurricanes, tropical storms, and fire. Injury to the Premises from natural occurrences shall not relieve Lessee from its obligations under this Lease except for such limited allowances that are provided in Paragraph 52.
23. At the expiration of the lease term or upon termination Lessee will peaceably yield up the Premises to Lessor free and clear of all unnatural materials (*e.g.* - structures, supplies, equipment, waste, *etc.*) unless Lessor expressly agrees in writing to retain that specific item upon the Premises.
24. At the expiration of the said term or upon the termination of this Lease for any cause, Lessee shall remove all nonhuman primates from the Premises. Lessee shall be accorded a reasonable period to complete removal of nonhuman primates; however, such period shall not exceed one hundred and twenty (120) days. So long as any nonhuman primate remains on the Premises, Lessee shall be obligated to comply with the terms and conditions of this Lease.
25. All personal property of any kind other than that of the Lessor or its agents that may be on the Premises during the continuance of this Lease shall be at the sole risk of the Lessee, and Lessor shall not be liable to the Lessee or any other person for any injury, loss, or damage to such property or to any person on the Premises.
26. Lessee shall not accumulate waste upon the Premises and shall regularly remove any waste from the Premises and lawfully dispose of such waste off-site.
27. Lessee represents and warrants to Lessor that the demised Premises were not brought to the attention of Lessee by any broker and that all negotiations were had by Lessee directly with Lessor.
28. Lessee hereby acknowledges that Lessor's land on which the leased Premises herein is situate was acquired in whole or in part with funds provided under one or more grants from the United States of America through one or more of its agencies. In the event use of the Premises by Lessee requires any study or assessment of any nature required by either federal or State statute or regulation, Lessee shall bear sole responsibility to comply with any such requirement.
29. Lessee hereby acknowledges and agrees that Lessor may take action to humanely capture or remove any non-human primate on the Premises in the event Lessee terminates this Lease, lawfully or unlawfully, or otherwise quits the Premises and has not removed all non-human primates within a reasonable period of time, not exceeding one hundred and twenty (120) days. Lessee agrees to save harmless and indemnify Lessor for any and all costs associated with Lessor's actions to capture or remove non-human primates under this paragraph, including any claims by the United States Government. Lessee understands and agrees that Lessor accepts no responsibility for the nonhuman primates upon the Premises.

## INSURANCE AND INDEMNIFICATION

30. Lessee covenants that at Lessee's sole cost and expense, but for the mutual benefit of Lessor and Lessee, Lessee will maintain at all times a general public liability insurance, issued by an insurance carrier or carriers rated "A-" or better for Financial Site Category VII or better by A.M. Best, against claims for bodily injury or death and for property damage occurring upon, in, or about the Premises, such insurance to afford protection to the limit of not less than \$5,000,000.00 in respect to bodily injury or death to any one person and to the limit of not less than \$5,000,000.00 in respect to any one accident to more than one person and with limits of not less than \$1,000,000.00 for property damage.. Within the first 30 days of either lease term renewal, Lessor may direct Lessee, by written notice, to increase the liability insurance limits and Lessee shall be obligated to provide such coverage. To the fullest extent allowed by law, the policy or policies must be endorsed to include, as an Additional Insured, Lessor and its respective board members, officers, employees, agents and representatives with respect to liability arising out of (a) ongoing operations performed by Lessee or on Lessee's behalf, (b) Lessee's work, including but not limited to the Lessee's completed operations performed by Lessee or on Lessee's behalf, or (c) premises owned, leased, controlled or used by Lessee. Each such policy shall require the insurance carrier issuing such policy to give Lessor no fewer than thirty (30) days prior written notice of any cancellation thereof. Upon or prior to the effective date of this Lease, Lessee shall provide to Lessor a certificate of insurance confirming Lessor as an additional insured and must provide subsequent certificates of insurance to Lessor upon renewal of such coverage by Lessee.
31. Lessee does hereby warrants for itself, its successors and assigns that it will, during the term of this Lease, keep the buildings, structures (including but not limited to fences or docks), and improvements on said Premises insured with an insurance carrier rated "A-" or better for Financial Site Category VII or better by A.M. Best in an amount not less than the replacement value of said buildings, structures, and improvements and designating Lessor as an additional insured. Furthermore, Lessee will exhibit, upon request, a certificate of insurance. In case any buildings, structures, or improvements are damaged or destroyed, Lessee will apply all sums of money received by virtue of such insurance in repairing, replacing, or demolishing the buildings, structures, or improvements so damaged or destroyed, and if such sums are insufficient for such purpose, will make good the deficiency out of its own money.
32. This agreement is made upon the express condition that Lessor shall be free from all liabilities and claims for damages and/or suits for or by reason of any injury or injuries to any person or persons or property of any kind whatsoever, if caused by the person or property of Lessee, their agents or employees, or third persons, from any cause or causes whatsoever while in or upon said Premises or any part thereof during the term of this agreement or occasioned by any occupancy or use of said Premises or any acts or omissions carried on by Lessee in connection with this agreement; Lessee hereby warrants and agrees to indemnify and save harmless Lessor from all liabilities, charges, expenses (including reasonable attorney fees and costs) and costs on account of or by reason of any such injuries, liabilities, claims, suits or losses however occurring or damages growing out

of the same. In addition to the foregoing, Lessee hereby specifically acknowledges, warrants, and agrees to indemnify and save harmless Lessor from all liabilities, charges, expenses (including reasonable attorney fees and costs) and costs on account of or by reason of any such injuries, liabilities, claims, suits or losses however occurring or damages caused by or otherwise related to: (i) the husbanding of nonhuman primates on the Premises, (ii) or connected in any way to the escape of nonhuman primates from the Premises, (iii) or from any disease, illness, or pathogens associated with use of the Premises as an outdoor social group housing center. The provisions of this paragraph shall not be applicable to an injury or loss directly resulting from the negligence or otherwise proximately caused by Lessor, its agents or representatives, or invitees.

### **HAZARDOUS SUBSTANCES; RESTRICTIONS ON TENANT**

33. Lessee shall not cause or permit any Hazardous Substances to be used, stored, generated, or disposed of, on, or in the Premises by Lessee, Lessee's agents, employees, contractors or invitees, without first obtaining Lessor's written consent for use or temporary storage, which may be withheld at the Lessor's sole and absolute discretion. If the Premises become contaminated in any manner for which Lessee is legally liable, Lessee shall indemnify, defend and hold harmless the Lessor from any and all claims, damages, fines, judgments, penalties, reasonable costs, liabilities, or losses (including without limitation, a decrease in value of the Premises, any and all sums paid for settlement of claims, and attorneys', consultant, and expert fees) arising during or after the lease term and arising as a result of such contamination by Lessee. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal or restoration mandated by a federal, state, or local agency or political subdivision. In addition, if Lessee causes or permits the presence of any Hazardous Substance on the Premises and this results in contamination, Lessee shall promptly, at its sole expense, take any and all necessary actions to return the Premises to the condition existing before the presence of any such Hazardous Substance on the Premises, provided, however, that Lessee shall first obtain Lessor's approval for such remedial action. If any release of or contamination by a Hazardous Substance occurs upon the Premises, Lessee must immediately notify Lessor and appropriate regulatory/reporting authorities.
34. As used herein, "Hazardous Substances" means any substance which is toxic, ignitable, reactive, or corrosive and which is regulated by any local government, the State of South Carolina, or the United States Government. "Hazardous Substance" includes any and all material or substances which are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" pursuant to state, federal, or local governmental law. "Hazardous Substance" includes but is not restricted to asbestos, polychlorinated biphenyls ("PCBs"), and petroleum. Unless specifically designated as a Hazardous Substance by federal or state law, medications administered under orders of a veterinarian to nonhuman primates upon the Premises are generally not deemed a Hazardous Substance.
35. Lessor does authorize Lessee to utilize petroleum products (gasoline, diesel, and/or oil) as may be necessary to operate automobiles, all-terrain vehicles, electric generators, pumps, and other small motors upon the Premises subject to the following further

conditions. In addition to compliance with all applicable laws, storage of any petroleum products upon the Premises may not exceed 700 gallons which must be stored in secure leak-proof containers appropriate for the harsh environmental conditions of the Premises and in all instances must have a dual barrier for release (*e.g.* – double walled tank or storage within a building with a sealed floor / pan). Lessee shall have a standing obligation to inspect each storage container and piece of equipment utilizing petroleum products for any leaks. Lessee shall provide to Lessor on or before January 1 of each year a certification confirming that each storage container and piece of equipment utilizing petroleum products has been thoroughly inspected for leaks and that none were found. Lessee must take all necessary precautions when transferring any petroleum products to prevent spillage or releases. Lessor reserves the right to suspend or revoke permission for storage and use of petroleum products upon the Premises for any noncompliance with these requirements.

36. Lessor does authorize Lessee to utilize propane and natural gas as may be necessary to operate electric generators, pumps, and other appliances upon the Premises subject to the following further conditions. In addition to compliance with all applicable laws, storage of any propane and natural gas upon the Premises may not exceed 500 gallons which must be stored in secure leak-proof containers appropriate for the harsh environmental conditions of the Premises. Lessor reserves the right to suspend or revoke permission for storage and use of propane or natural gas upon the Premises for any noncompliance with these requirements.
37. Lessee is not authorized to dispose of any nonhuman primates upon the Premises and the remains of any nonhuman primates or other biological agents / wastes in possession of the Lessee must be removed from the Premises for appropriate disposal by Lessee.

### CONSTRUCTION AND IMPROVEMENTS

38. Lessee acknowledges and accepts the presence of various structures or features upon the Premises, which include those set forth in **Exhibit B**, which is attached and incorporated herein by reference (“Existing Structures”). Furthermore, Lessee accepts ownership, possession and responsibility for the Existing Structures in “as is” condition and acknowledges that Lessor did not construct and does not have any maintenance obligations for the Existing Structures. The ownership of any Existing Structures by Lessee does not give rise to any ownership claim in the real property of the Premises and shall be in the nature of an ownership claim on a temporary structure or personal property. Existing Structures are subject to the same requirements as provided for any structure or feature generally under this Lease.
39. Lessee shall not alter the topography or construct any building, roads, docks, utilities, structures, or improvements of any kind or nature on the Premises without the prior written consent of Lessor, which shall not be unreasonably withheld and Lessee recognizes that Lessor’s approval, if granted, may require specific internal or external approvals.
40. Lessee shall take good care of the Premises and any fixtures and appurtenances therein, and at its sole cost and expense make promptly, when needed as a result of misuse or

neglect by Lessee, all repairs, restorations and replacements to preserve them in good condition and working order. All repairs, restorations or replacements shall be of a first quality and done in good and workmanlike manner. If any structure upon the Premises is worn or damaged such that it no longer serves its purpose, Lessee shall remove that structure and restore the site to a clean and natural condition during the Lease term; upon termination of the lease, paragraph 41 shall apply. If a damaged structure is required by law to be removed, Lessee shall timely comply and restore the site to a clean and natural condition. If the Lessee shall fail within fifteen (15) days after written request from the Lessor to commence the demolition and removal for which the Lessee is responsible and complete the work with reasonable diligence, such actions may be made and completed by Lessor but at the expense of the Lessee.

41. Upon expiration or termination of this Lease, Lessee will remove from the Premises the Existing Structures and all buildings, structures, or improvements and additions made by the Lessee and its lessee predecessors upon the same and return the Premises in good condition. Similarly, Lessee shall properly decommission any wells in compliance with applicable laws upon expiration or termination of this Lease. Alternatively, and at its sole option, Lessor, by express written acceptance only, may allow Lessee to yield up to Lessor the Premises and any specified buildings, structures, or improvements and additions made upon the same.

#### **LESSEE'S DUTY TO POST PREMISES**

42. Lessee shall post the Premises with signs sufficient to inform the public that entry thereon is restricted or prohibited, and the posting shall provide information to the public on the potential for injury or harm to trespassers.

#### **LESSEE'S DUTY TO PREPARE AND IMPLEMENT EMERGENCY PLANS**

43. Lessee shall prepare and maintain realistic plans to respond adequately to conditions affecting the Premises resulting from natural occurrences including, but not limited to, hurricanes, tropical storms, and drought. The goal of the required planning is to ensure that the integrity of the natural conditions of the Premises shall be maintained and to protect the health and safety of the general public. Plans shall include reasonable measures to prevent the release or escape of any nonhuman primates from the Premises and measures for the recapture of any nonhuman primates that escape the Premises. Plans shall include measures to coordinate with law enforcement and other governmental officials and to disseminate information to the public commensurate with the level of threat of harm to the public. The plans shall include designated emergency contacts for Lessee. Lessee covenants that it will implement such plans to protect the Premises and the health and safety of the general public. While recognizing that records in possession of the Lessor are subject to the South Carolina Freedom of Information Act, Lessee shall provide to Lessor on or before January 1 of each year a certification and sufficient documentation to demonstrate to Lessor that Lessee has reviewed its emergency plans and that such plans are appropriate. If requested by Lessor, Lessee must provide Lessor with a complete and accurate copy of Lessee's emergency plans.

## **MANAGEMENT OF WILDLIFE**

44. Use of the Premises as an outdoor social group housing center shall be conducted in a manner compatible with indigenous wildlife. Hunting, trapping, or otherwise taking wildlife on the Premises is prohibited. In the event Lessee's operation is affected adversely by wildlife, Lessee shall consult with Lessor on an acceptable course of action including, but not limited to, seeking depredation permits under applicable law.

## **IMPAIRMENT OF LESSOR'S TITLE PROHIBITED**

45. The parties agree nothing in this Lease contained or any action or inaction by Lessor shall be deemed or construed to mean that Lessor has granted to Lessee any right, power or permission to do any act or to make any agreement which may create, give rise to, or be the foundation for, any right, title, interest, lien, charge or other encumbrance upon the estate of Lessor in the demised Premises. Furthermore, Lessor reserves all rights, title and interest in and to any and all subsurface natural gas, oil, minerals and water on or within the Premises.
46. In amplification and not in limitation of the foregoing, Lessee shall not permit any portion of the Premises to be used by any person or persons or by the public, as such, at any time or times during the term of this Lease, in such manner as might reasonably tend to impair Lessor's title to the Premises or any portion thereof, or in such manner as might reasonably make possible a claim or claims of adverse use, adverse possession, prescription, dedication, or other similar claims of, in, to or with respect to the Premises or any part thereof. Lessor may from time to time, but without affecting in any manner its right or remedies in respect hereof should it elect or fail or refuse to do so, impose upon Lessee such rules or regulations as to the use or possession by any such persons or by the public as may reasonably be consistent with Lessor's protection against any such possible claim, all of which rules or regulations shall be fully and promptly performed and enforced by Lessee at Lessee's own cost and expense.

## **LESSOR'S COVENANT FOR QUIET ENJOYMENT**

47. Lessor covenants that so long as Lessee is not in breach of the terms and conditions of this Lease, Lessee shall peaceably and quietly have, hold, and enjoy the Premises for the term hereof, subject to the provisions of the Lease.

## **COVENANT OF TITLE OF LANDLORD**

48. Lessor covenants it has full right and lawful authority to enter into this Lease for the full term herein granted and for all extensions herein provided.

## **DISCLAIMER**

49. Lessor disclaims any and all representations and express or implied warranties to Lessee with respect to the Premises of the suitability to Lessee's purposes and Lessee hereby accepts the Premises "as is" and subject to any latent or other defects or conditions.

Furthermore, Lessee acknowledges and accepts the remote location of the Premises and that access to the island is limited.

### **RIGHT OF RE-ENTRY AND OTHER REMEDIES**

50. If Lessee or its representatives or assigns shall neglect or fail to perform and observe any covenant or agreement which on the Lessee's part is to be performed or abstained and such is not cured by Lessee within 10 days after notice from Lessor, or if its leasehold estate shall be taken on execution, or if the Lessee shall be declared bankrupt or insolvent according to law, or shall make an assignment for the benefit of its creditors, then Lessor may, immediately or at any time thereafter, and without notice or demand, enter into and upon the Premises or any part thereof, and repossess the same as of their former estate, and expel the Lessee and those claiming under it and remove its effects, forcibly, if necessary, without being taken or deemed to be guilty of any manner of trespass, and thereupon this Lease shall terminate, but without prejudice to any remedies which might otherwise be used by Lessor for arrears of rent or any breach of the Lessee's covenants. In addition to the foregoing, Lessor shall be entitled to recover from Lessee all expenses (including reasonable attorney fees and costs) and losses which may result from Lessee's acts or omissions constituting a breach or default under this Lease. Furthermore, the remedies provided throughout this Lease shall be deemed distinct, separate, and cumulative and shall be in addition to all such other remedies as may exist in law or equity.

### **NON-WAIVER**

51. The failure of Lessor to insist upon strict performance of any of the terms, conditions, and covenants of this Lease shall not be deemed to be a waiver or any rights or remedies that Lessor may have and shall not be deemed a waiver of any subsequent breach or default.

### **TERMINATION**

52. In addition to such natural expirations of this Lease upon the running of any fixed term, it is further agreed by and between both parties to this Lease that this Lease may be terminated as follows:
- a. In the event Lessee is unable to utilize the Premises for the purposes of this Lease due to natural disaster or other reason beyond Lessee's control which has rendered the Premises unfit for such use, Lessee may give notice of such reasons for termination effective upon delivery in writing by Lessee to Lessor. Following such notice of termination, Lessee shall be entitled to a refund of such unused portion of the rent so paid in advance; provided, however, the amount of any refund shall be calculated commencing on the date Lessee certifies to Lessor that:
    - a) all non-human primates and Lessee's personal property (including any property of the United States Government) have been removed from the Premises and
    - b) the Premises are otherwise restored as required by this Lease.
  - b. In the event the United States Government or any lawfully authorized department thereof terminates its financial support of Lessee's program or Lessee's assignee's

program to husband and maintain nonhuman primates on the Premises, either party may terminate this Lease before expiration of the fixed term or term extension.

- c. In case the whole or a substantial part of the Premises shall be taken by eminent domain for any other public use, then this Lease shall terminate from the time when possession of the whole or of the part so taken shall be required for such public use, and the rents, properly apportioned, shall be paid up to that time; and Lessee shall not claim or be entitled to any part of the award to be made for damages for such taking for public use; and such taking shall not be deemed a breach of Lessor's covenant for quiet enjoyment or other obligations provided herein.
- d. In the event Lessee breaches any covenant, term or condition of this Lease, Lessor may terminate this Lease effective immediately and shall provide Lessor written notice of such breach and termination.
- e. Either party may terminate this Lease with ninety (90) days advance written notice.

#### **NOTICES BY REGISTERED OR CERTIFIED MAIL**

53. Any notice or demand which, under the terms of this Lease or under any statute must or may be given or made by the parties hereto, shall be in writing, and shall be given or made by mailing the same by registered mail or certified mail, addressed to Lessor at:

South Carolina Department of Natural Resources  
Attention: Office of Chief Counsel  
P.O. Box 167  
Columbia, SC 29202

and to Lessee at:

Charles River Laboratories, Inc.,  
Attention: General Counsel  
251 Ballardvale Street  
Wilmington, MA 01887

Any party, however, may designate in writing such new or other address to which such notice or demand shall thereafter be so given, made or mailed.

#### **NO REPRESENTATIONS BY LESSOR OTHER THAN EXPRESSED IN LEASE**

54. Lessor and Lessor's agents have made no representations or promises with respect to the Premises except as herein expressly set forth. This Lease sets forth the full understanding of the parties. No agreement hereafter made shall be effective to change, modify, discharge or constitute an abandonment of this Lease in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of such change, modification, discharge or abandonment is sought. Time is of the essence of this Lease,

of each rental installment or other payment due hereunder, and of each notice permitted or required to be given hereunder.

#### **ACCEPTANCE**

55. The offer by Lessor and acceptance by Lessee of this Lease shall not be deemed effective until both Lessor and Lessee have executed it and this Lease has been approved by formal action of the South Carolina State Fiscal Accountability Authority and signed to acknowledge such.

#### **SURVIVAL OF OBLIGATIONS**

56. The provisions of this Lease establishing any obligation of Lessee to pay any sum owing or to perform any act upon or after expiration or other termination of this Lease shall survive the expiration or other termination of this Lease.

#### **CAPTIONS CONTAINED IN LEASE**

57. The captions contained herein are for reference purposes solely and shall not be deemed to be a part hereof nor to modify or qualify any of the terms, covenants or conditions hereof.

#### **WAIVER OF DRAFTING PRESUMPTION**

58. No presumption of construction may be made against either party for preparation of this Lease for purposes of interpretation of this agreement and both parties shall be deemed equal contributors.

#### **RELATIONSHIP OF PARTIES**

59. It is the intention of the parties hereto to create the relationship of lessor and lessee, and no other relationship whatsoever, and nothing herein shall be construed to make the parties hereto partners or joint venturers, or to render either party hereto liable for any of the debts or obligations of the other party upon any other basis.

#### **PERSONS BOUND BY AGREEMENT**

60. Except as otherwise specified, it is the intent of the parties hereto that the terms, covenants and conditions herein shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

#### **INFORMATION**

61. While recognizing that records in possession of the Lessor are subject to the South Carolina Freedom of Information Act, Lessee shall provide to Lessor on or before January 1 of each year a certification and sufficient documentation to demonstrate to Lessor that Lessee is still authorized under relevant laws and agreements with the United

States Government to possess the nonhuman primates that are present on the Premises. Such certification by Lessor shall specifically include the current contract number and complete contact information for one or more United States Government representatives associated with the contract. If requested by Lessor, Lessee must provide Lessor with a complete and accurate copy of Lessee's contract or other documentation of authorization from the United States Government. Alternatively, Lessee does authorize Lessor to obtain the same from the United States Government.

#### **AMENDMENTS**

62. This Lease may not be amended or modified, nor may any obligation thereunder be waived orally, and no such amendment, modification, or waiver shall be effective for any purpose unless it is in writing and signed by the parties against whom enforcement thereof is sought.

#### **PARTIAL INVALIDITY OF LEASE**

63. The invalidity or unenforceability of any provision of this Lease shall in no way affect the validity or enforceability of any other provision hereof.

#### **COUNTERPARTS**

64. This Lease may be executed in counterparts, all of which shall constitute one agreement, which shall be binding on all of the parties, notwithstanding that all of the parties are not signatory to the original or the same counterpart; moreover, the execution pages may be compiled into a single document for purposes of recording.

#### **GOVERNING LAW, JURISDICTION, AND VENUE**

65. This Lease shall be construed and enforced in accordance with the laws of the State of South Carolina. Lessee voluntarily submits to the jurisdiction of the United States District Court for the District of South Carolina and such other courts of the State of South Carolina as may be appropriate for resolution of any disputes arising from or related to this Lease.

*{Signature Pages Follow}*



WITNESSES:

Rose Marie Scheibler  
Angela Cassella

LESSOR:

SOUTH CAROLINA DEPARTMENT OF  
NATURAL RESOURCES

By: [Signature]  
Alvin A. Taylor, Director

STATE OF SOUTH CAROLINA )

) ACKNOWLEDGMENT

COUNTY OF RICHLAND )

Personally appeared before me on the 18<sup>th</sup> day of September, 2017, Alvin A. Taylor, in his capacity as Director of the South Carolina Department of Natural Resources and he did acknowledge execution of the foregoing instrument for the purposes and intents set forth therein on behalf of the South Carolina Department of Natural Resources.

Rose Marie Scheibler (SEAL)

[Notarial Seal]

Notary Public for South Carolina

My Commission Expires: 4-10-2019

This Lease is approved in accordance with the South Carolina Code of Regulations §19-447.1000 by the Department of Administration, Real Property Services, this 21<sup>st</sup> day of September, 2017. This Lease was approved by the Joint Bond Review Committee at its August 15, 2017 meeting and by the State Fiscal Accountability Authority at its August 31, 2017 meeting.

[Signature]

Ashlie Lancaster  
Director

(17-0172)

**EXHIBIT A**

**Charles River Laboratories  
Visitor Health Certification  
Morgan Island**

Visitor Name: \_\_\_\_\_

Employer: \_\_\_\_\_

Dates of Visit: \_\_\_\_\_

Due to the high risk of susceptibility of the primates in the breeding colony to transmissible disease, the certification policy will require, as a minimum, written proof of the following health requirements:

- Negative tuberculin and/or chest x-ray within 6 months of exposure to colony (staff must be retested every 6 months).
- Proof of prior measles infection/titer or vaccination (vaccination must have been administered 3 months before time of proposed exposure to colony).
- Valid tetanus inoculation (for pre-exposure protection against monkey bites or injuries).
- No exposure to the following illnesses 3 weeks prior to contact with the colony; Chicken Pox, Measles, Mumps, Rubella, Yellow Fever or other Arbovirus infection.
- Visitors and staff exposed to colony must be visually, in overt good health with no signs or declarations of respiratory disease, gastrointestinal dysfunction, or cold sores.

Visitor Signature: \_\_\_\_\_

Documentation of a negative TB test signed by a physician and proof of measles infection or vaccination documentation must be attached to this form.

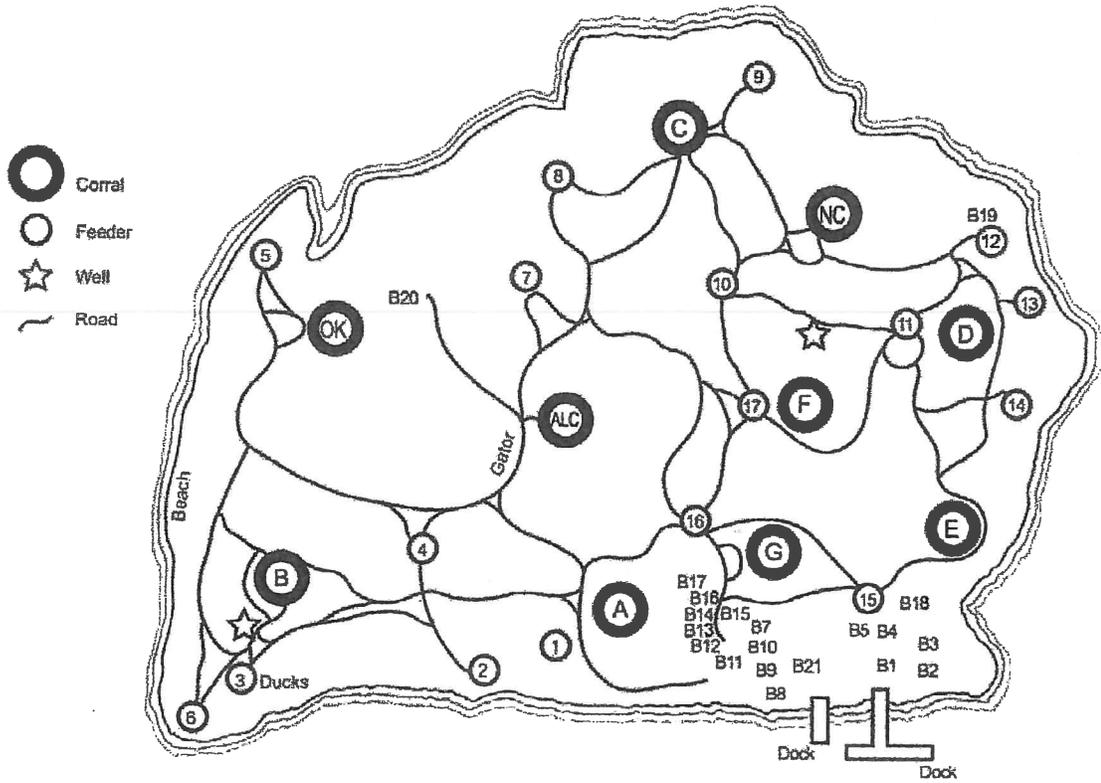
**EXHIBIT B**

**Existing Structures Map and List  
(2 pages following)**

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**National Institutes of Health**  
*Morgan Island*

**Morgan Island**  
**NIAID**



## Morgan Island Map Index

Buildings/Animal Holding Shelters	Square Footage
B1 Administrative Building 1	1632
B2 Refrigerator/storage	144
B3 Dormitory	448
B4 Tool Shed/Shop	560
B5 OR, Surgeon Prep, Treatment, Shelter Holding Room, Storage	528
B7 Transport Cage Storage	96
B8 Feed Storage	1104
B9 Burn Pen	64
B10 Vehicle Storage	748
B11 Trailer Storage	480
B12 Vehicle Storage	1280
B13 Open Trailer/Vehicle Storage	770
B14 Animal Holding Shelter I	832
B15 Shipping Crate Storage	384
B16 Animal Holding Shelter Storage	480
B17 Animal Holding Shelter II	784
B18 Storage Shed	81
B 19 Storage Shed	108
B20 Storage Shed	200
B21 Flammables/Storage	432
Well Sheds (2)	98
Feed Stations (17)	833
Corrals (10)	70754
Docks (2)	1080