

RE-0214-25
EXHIBIT B - CURRENT LEASE

UNIVERSITY OF KENTUCKY SUBLEASE AGREEMENT

PR: 8488 Annual: \$263,098.00

This Sublease Agreement (the "Sublease"), dated September 1, 2022, is entered into between: Kentucky Technology, Inc, whose address is 824 Bull Lea Run, Suite 210, Lexington, Kentucky, its successors and assigns, hereinafter called the "Sublessor" and sometimes "KTI", and the University of Kentucky, hereinafter referred to as the "University" and sometimes "Sublessee" by and for the University of Kentucky, Equine Analytical Chemistry Lab (EACL).

WHEREAS, Sublessor is the Tenant of Bull Lea Run, L.L.C. (hereafter referred to as "Landlord") in a Facilities Lease dated September 17, 2020; and

WHEREAS, the Facilities Lease allows the Sublessor to sublease some of its space to KTI clients as is the case in this Sublease; and

WHEREAS, Sublessor has agreed that the University is not responsible for any prior agreement(s) between Sublessor and the Landlord including those in the Facilities Lease, but only for the terms and conditions in this Sublease.

NOW THEREFORE, that for the consideration hereinafter mentioned, the parties hereto agree to as follows:

1. The Sublessor hereby Subleases to the University and agrees to keep in quiet and peaceful possession the following described premises with its appurtenances, property located at: 824 Bull Lea Run, Suite 105, Labs 118/122/124 and other spaces shown on the floor plan Exhibit A in the County of Fayette, Lexington, Kentucky, hereinafter referred to as the "Subleased Premises."
2. Said Subleased Premises consists of the following: 5,932 square feet to be rented at the cost of \$34.00 per square foot, to be used as laboratory space, and 2,047 square feet to be rented at the cost of \$30.00 per square foot, to be used as office/receiving space. Utilities and janitorial are not included in this Sublease.
3. The University agrees to pay rent to Sublessor for the Subleased Premises at the rate of \$21,924.83 per month, payable in quarterly installments of \$65,774.50 per quarter, payable on or before July 15, October 1, January 1, and April 1 of each year. Rent will be calculated beginning on the date of beneficial occupancy as agreed to by the Lessor and the University. Since the Commencement Date will occur after the 1st day of July, the University shall pay pro-rata rent, within 15 days from the Commencement Date, for the period from the Commencement Date to September 30, 2020. The Commencement Date is September 1, 2022; therefore the prorated rent will be the monthly rate of \$21,924.83. Quarterly Rent will become effective for the October 1, 2022 payment.
4. Subject to the limitations imposed by law and as provided in Sections 5 and 6 of this Sublease, the term of this Sublease shall be effective September 1, 2022 and end June 30, 2024.

5. This Sublease shall be extended automatically upon the same terms and conditions herein for further periods of twenty four (24) months, not to exceed two (2) extension period(s) unless the University shall give the Sublessor written notice thirty (30) days prior to the expiration of the term or any extension that it will not be extended; no extension shall prolong the period of occupancy of the Subleased Premises beyond the 30th day of June, 2028. The Sublessor understands that as a state agency, University funds cannot be committed beyond its current fiscal year and its applicable appropriation, and the related allotment from rental payments will be made.
6. Pursuant to KRS 56.806(6), the University shall have the further right to terminate this Sublease at any time upon thirty (30) days written notice, time to be computed from date of mailing notice; termination under this Section shall not be considered effective until the last day of the month in which the notice period ends. Rent shall accrue through the end of the month in which the notice period ends, and any pre-paid rent shall be refunded pro-rata to the University.
7. The University agrees not to assign this Sublease, or to sublet the Subleased Premises except to a desirable tenant and for a similar purpose, and will not permit the use of the Subleased Premises by anyone other than the University, the Federal Government, or such sub-lessee, and the agents and servants of the University, Federal Government or such sub-lessee, without the prior written consent of the Sublessor.
8. The University shall have the right during the existence of this Sublease to make alterations, attach fixtures and erect additional structures or signs in or upon the Subleased Premises, provided such alterations, additions, structures, or signs shall not be detrimental to or inconsistent with rights granted to other tenants on the property or in the building in which the Subleased Premises are located. Fixtures, additions, structures, or signs placed in or upon or attached to the Subleased Premises shall remain the University's property and may be removed by it prior to the termination of the Sublease.
9. Unless otherwise specified, the Sublessor shall maintain the Subleased Premises in good repair and tenantable condition, including heating and/or air conditioning equipment, except in case of damage arising from the negligent acts of the University's agents or employees. For the purpose of maintaining the Subleased Premises and to make necessary repairs, the Sublessor reserves the right to enter and inspect the Subleased Premises at reasonable times.
10. The University agrees to take good care of the Subleased Premises and to return them at the expiration of this Sublease in as good order as received, ordinary wear and tear and decay excepted.
11. The Landlord shall be responsible for procuring and continuously maintaining casualty and liability insurance on the Subleased Premises.
12. If the Subleased Premises are destroyed by fire or other casualty, this Sublease shall immediately terminate. In case of partial destruction or damage so as to render the Subleased Premises untenable, the University may terminate or suspend this Sublease by giving

written notice to the Sublessor within fifteen (15) days after such partial destruction or damage, and, if so suspended, no rent shall accrue to the Sublessor after the date of such partial destruction or damage until such damage is repaired and Subleased Premises are considered tenantable. If this Sublease is terminated under this Section, any pre-paid rent for the period following the casualty event shall be refunded pro-rata to the University.

13. It is agreed by the parties hereto that if any one of the provisions of this Sublease shall contravene or be invalid under the laws of the Commonwealth of Kentucky, such contravention or invalidity shall not invalidate the whole Sublease, but shall be construed as if not containing that particular provision or provisions, and the rights and obligations of the parties shall be construed accordingly.
14. The Sublessor certifies by his signature hereinafter affixed that (“he” is construed to mean “they” if more than one person is involved; and, if a firm, partnership, corporation, business trust or other organization is involved then “he” is construed to mean a person with an interest therein) is legally entitled to enter into contracts with the University of Kentucky and that by holding and performing this contract will not be violating either any conflict of interest statute (KRS 45A.330-45A.340 or 45A.990) of the Executive Branch Code of Ethics, KRS Chapter 11A, or any other applicable statute or principle by the performance of this Sublease, or will he realize any unlawful benefit or gain directly or indirectly from it. The Sublessor further certifies that he has not knowingly violated a provision of the campaign finance laws of the Commonwealth of Kentucky, and that by entering into this Sublease he will not be in violation of the campaign finance laws of the Commonwealth of Kentucky.
15. The Sublessor agrees to notify the University of all persons owning or upon any change or transfer of ownership involving five percent (5%) or more in stock, in partnership, business trust, corporation, including silent or limited partners. Non-compliance may result in termination of this Sublease.
16. The Sublessor shall comply with all standards set by the Department of Housing, Buildings and Construction, Division of Building Codes Enforcement, and that of the Kentucky Occupational Safety and Health Standards Board and the Americans with Disabilities Act (ADA) and the University of Kentucky Fire Marshal.
17. When approved by the University of Kentucky, Executive Vice President for Finance and Administration this document constitutes a finding of fact that this Sublease of real property is fair and reasonable and is needed for use by the University.
18. TAX INCREMENT DISTRICT INFORMATION REPORTING. Sublessee acknowledges that the University is the master developer of a TIF District that includes the Subleased Premises. Sublessee agrees to reasonably cooperate, at no cost to Sublessee, with the University as an occupant of property included in the TIF District. Further terms and conditions relating to such cooperation are described more fully in the Exhibit B attached hereto and made part hereof and shall be part of this Sublease.
19. BUILDING RULES AND REGULATIONS. Specific guidelines for working in the CoRE Building as a Sublessee are attached to this Sublease as Exhibit C. All aspects of the Building

Rules and Regulations will be strictly enforced. Each Sublessee is responsible for the care and understanding of these guidelines by all persons employed by or who work for the Sublessee.

20. This Agreement shall be governed, construed and enforced in accordance with the laws of the Commonwealth of Kentucky.

Signature Page Follows

IN WITNESS WHEREOF, the parties have subscribed their names:

SUBLESSEE (University Officials):

Christine
O'Brien


Digitally signed by Christine
O'Brien
Date: 2022.09.12 09:05:16
-04'00'

Reviewed by: UK Real Estate Services

Mark B. Maier

Digitally signed by Mark B.
Maier
Date: 2022.09.12 09:37:41
-04'00'

Attorney, University of Kentucky


Executive Vice President for
Finance and Administration

SUBLESSOR: (Kentucky Technology, Inc.)


Name: George Ward
Title: President

EXHIBIT B

TAX INCREMENT FINANCING

The CoRE project (CoRE Project) is located within a local Tax Increment Financing (“TIF”) District, with tax participation by the Lexington-Fayette Urban County Government, and a state TIF Footprint, with tax participation by the Commonwealth of Kentucky. Prior to the groundbreaking of this project, final approval was granted, and the Tax Incentive Agreement was executed.

Upon execution of the Sublease, Sublessor and Sublessee agree to the following:

- A. Sublessee agrees to submit a completed state Tax Increment Financing (TIF) Business Questionnaire to Sublessor (see Exhibit C-1, attached). Sublessee agrees to submit a completed questionnaire to Sublessor within sixty (60) days of the end of each calendar year. A completed questionnaire shall be submitted on an annual basis to Sublessor until the Sublease has been terminated or Sublessee has been notified by Sublessor that a completed questionnaire is no longer required.
- B. If not previously done, Sublessee agrees to register its business with the Lexington Fayette Urban County Government (“LFUCG”) and provide its LFUCG occupational license number to Sublessor.
- C. Intentionally left blank.
- D. Sublessee agrees to submit a TIF Tax Form (See Exhibit C-2, attached) to Sublessor evidencing the following taxes generated within the CoRE Project and paid during the previous calendar year within sixty (60) days of the end of each calendar year:
 - Total local occupational license taxes withheld from Sublessee’s employees working within the CoRE Project and remitted to LFUCG during the previous calendar year.
 - Total net profits taxes generated by Sublessee within the CoRE Project and remitted to LFUCG during the previous calendar year.
 - Total state sales taxes collected and remitted to the state Department of Revenue by Sublessee during the previous calendar year on sales transacted within the CoRE Project.
 - Total state income taxes withheld from Sublessee’s employees working within the CoRE Project and remitted to the state Department of Revenue during the previous calendar year.Sublessee agrees to submit such tax report to Sublessor within sixty (60) days of the end of each calendar year, commencing with the first calendar year end after the commencement of the Sublease.
- E. Sublessor and Sublessee expressly acknowledge that this Sublease must be disclosed in response to a request made under the Kentucky Open Records Act, KRS 61.870 et seq., or

as required by other applicable law. Except as required by the Kentucky Open Records Act or other applicable law or court order, Sublessor agrees to hold confidential and will not disclose other information submitted by Sublessee per the items above, and only use in conjunction with the reporting requirements of a TIF agreement with LFUCG and the Commonwealth of Kentucky.

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EXHIBIT B-1 – PAGE 1

As of December 31, 20__

Tax Increment Financing (TIF) Business Yearly Questionnaire

For Official Use Only	
Zone Number _____	
Local Agent Initials _____	

TIF Development Authority – Agency should complete this section and the above date prior to distributing to all businesses operating within the State Footprint.

Agency Name LFUCG Department of Finance			
Contact Person Kevin Adkins		Title Chief Development Officer	
Address 200 E. Main St.			
City Lexington		State KY	Zip Code 40507
Telephone Number 859 258 - 3100	E-mail Address kadkins@lexingtonky.gov		

This form is distributed by the local TIF development authority for use in determining amounts eligible for TIF. The form must be completed by all businesses operating within the state footprint of an approved TIF project and returned to local TIF development authority as noted above. If you have any questions, please contact the local TIF development authority.

Business Information

Business Name		DBA (if applicable)	
Contact Person			
Location Address			
City		State KY	Zip Code
Telephone Number -	E-mail Address		
Are you registered with the Secretary of State? <input type="checkbox"/> Yes <input type="checkbox"/> No			
If yes, please provide the registered name, if it is not the Business Name or DBA listed above. _____			
Date operations began at this location _____			
Provide a brief description of business activity, property sold and services provided at location address: _____ _____ _____			
Was the business previously operated under a different owner or name? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Former Business Name: _____			
Name of Previous Owner: _____ Date of Acquisition: _____			

**Tax Identification Numbers (if applicable):
(if not applicable input "N/A")**

Commonwealth Business Identifier Number (CBI)	□ □ □ □ □ □ □ □ □ □
FEIN or SSN	□ □ □ □ □ □ □ □ □ □

EXHIBIT B-1 – PAGE 2

FOR KENTUCKY CORPORATE INCOME TAX PURPOSES	
KY Corporation Tax Number	<input type="text"/>
Is all income earned at the site of the business location?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If no, are separate accounting records kept for activity at this location versus other locations?	<input type="checkbox"/> Separate <input type="checkbox"/> Combined
What type of return is filed?	<input type="checkbox"/> Separate <input type="checkbox"/> Consolidated
If Consolidated, please provide the name of the Company that return is filed under. _____	
Amount of corporate taxes paid to Dept. of Revenue \$ _____	
FOR KENTUCKY WITHHOLDING TAX PURPOSES	
KY Withholding Tax Number	<input type="text"/> <input type="checkbox"/> check box if multiple locations or affiliates file using this Tax ID
Do you have a payroll provider that you use?	<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please provide the payroll provider's name and FEIN.	
Name: _____	FEIN: <input type="text"/>
Is the payroll provider <input type="checkbox"/> an affiliate, <input type="checkbox"/> a parent company payroll office, or <input type="checkbox"/> a third-party payroll company?	
Amount of withholding taxes paid to Dept. of Revenue \$ _____	
FOR KENTUCKY SALES TAX PURPOSES	
KY Sales Tax Number	<input type="text"/> <input type="checkbox"/> check box if multiple locations or affiliates file using this Tax ID
Amount of sales taxes paid to Dept. of Revenue \$ _____	

If the company has affiliates or multiple companies operating at the location identified above, this form should be completed for each company operating at the location.

I understand that the information provided will be confidential and will be shared only with the Commonwealth of Kentucky's Department of Revenue and the Cabinet for Economic Development.

Printed Name Title

Exhibit B-2

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Exhibit B-3

**Coldstream Research Campus
Mixed-Use TIF
Tenant TIF Tax Report**

Business Name _____
FEIN or SSN # _____
KY Withholding Tax ID _____
KY Sales Tax ID _____
Business Address _____
Business Address City/St _____
Contact Person _____
Telephone # _____
Email Address _____

On-Site Address _____
Date Operations Began _____

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**Tax Reporting Information
(Location Specific, not Company Wide)**

Year Reporting	_____
KY State sales taxes remitted for sales transacted on-site	\$ _____
KY State income taxes withheld from employee wages earned on-site	\$ _____
LFUCG occupational taxes withheld from on-site wages	\$ _____

Signature: _____

I certify that all information above is complete, accurate, and consistent with filings made with the appropriate government agencies.

EXHIBIT C

CoRE BUILDING RULES AND REGULATIONS

THE FOLLOWING RULES AND REGULATIONS ARE PRESCRIBED BY THE SUBLESSOR FOR THE GENERAL SAFETY, SECURITY, AND BENEFIT OF ALL OCCUPANTS OF THE PREMISES.

1. The sidewalks, entrances, passages, elevators, vestibules, stairways, corridors, or halls shall not be obstructed by the Sublessee or used for any purpose other than ingress and egress to and from the Premises. Equipment, furniture, or supplies to be delivered to the Premises shall be delivered using elevators and passageways designated for such purpose by the Sublessor and only during hours and in a manner approved by the Sublessor.
2. No awnings, antenna, or other projections shall be permitted on the outside of the Premises, and no curtains, blinds, shades, screens, or lights shall be attached to or hung in, or used in connection with, any window or door of the Premises, without the prior written approval of the Sublessor.
3. No sign, advertisement, notice, or other lettering or object shall be affixed or exhibited on any part of the outside of the Subleased Premises or the Premises, or on the inside of the Subleased Premises so as to be visible from the outside of the Premises or the corridors or vestibules adjoining the Subleased Premises, without the prior written consent of the Sublessor. All signs approved by the Sublessor shall be installed at the expense of the Sublessee, and shall be of a material, size, color, and style acceptable to the Sublessor.
4. The Sublessor shall have the right to control and operate the public portions of the Premises and the public facilities, as well as facilities furnished for the common use of all sublessees, in such manner as Sublessor deems best for the benefit of the sublessees generally. The Sublessee shall not invite to the Premises, or permit the visit of, persons in such numbers or under such conditions as to interfere with the use and enjoyment of the entrances, corridors, elevators, and facilities of the Premises by other sublessees. The Sublessee shall not in any way obstruct the sidewalks, entry passages, pedestrian passageways, driveways, entrances, or exits; the Sublessee shall use passageways, driveways, entrances, and exits only as ingress to and egress from the Subleased Premises.
5. No showcases or other articles shall be put in front of, or affixed to any part of, the exterior of the Premises, nor placed in the windows, corridors, corridor walls, or vestibules without the prior written consent of the Sublessor.
6. Canvassing, soliciting, or peddling in the Premises is prohibited and the Sublessee shall cooperate to prevent the same.
7. The Sublessee shall not advertise the business, profession, or activities of the Sublessee in any manner which violates the letter or spirit of any code of ethics adopted by any recognized association or organization pertaining thereto or use the name of the Premises for any purpose other than that of the business address of the Sublessee.
8. The Sublessee shall not attach or permit to be attached additional locks or similar devices, to any door, transom, or window of the Subleased Premises; change existing locks or the mechanism thereof; or make or permit to be made any keys for any door thereof other than those provided by the Sublessor. (If

more than two (2) keys for one (1) lock are desired, the Sublessor will provide additional keys upon payment therefore by the Sublessee.) The Sublessee, on termination of its tenancy, shall deliver to the Sublessor the keys of offices, rooms, and toilet rooms that were furnished to the Sublessee or that the Sublessee has had made. In case of loss of any keys furnished by the Sublessor, the Sublessee shall pay the Sublessor for them.

9. The Sublessee shall not mark, paint, drill into, or in any way deface, any part of the Subleased Premises or the Premises including, but not limited to, any walls, partitions, doors, or windows. No boring, cutting, or stringing of wires shall be permitted, except with the prior written consent of the Sublessor, and as the Sublessor may direct.

10. The Sublessee shall not permit any unusual or objectionable odors or gases to be produced upon or permeate from the Premises.

11. The Sublessee shall not make, nor permit its employees, agents, or invitees to make any unseemly or disturbing noises or vibrations, nor disturb nor interfere with occupants of this or neighboring buildings or Premises or those having business with them, whether by the use of any musical instruments, recording device, radio, equipment or in any other way. The Sublessee shall not use, keep or permit to be used or kept any noxious gas or substance in the Premises, or permit the Premises to be occupied or used in a manner offensive or objectionable to the Sublessor or other occupants of the Premises by reason of noise, odors and/or vibrations, or interfere in any way with other sublessees or those having business therein, nor shall any animals be brought in or kept on or about the Premises, except for service dogs.

12. The Sublessee agrees that it shall not willfully do any act or thing which shall discriminate or segregate upon the basis of race, color, sex, creed, or national origin in the use and occupancy, or in any subleasing or subletting, of the Subleased Premises.

13. Freight, furniture, or bulky matter of any description shall be delivered or removed only during the hours which the Sublessor may determine from time to time. In general, hours for shipping and receiving will be from 8a-5p. Items received will need to be removed from the receiving area the same day and is not allowed to be stored in common areas of the Premises to avoid conflicts with other building users.

14. The Sublessor shall have the right to prohibit any advertising by any the Sublessee which, in Sublessor's opinion, tends to impair the reputation of the Premises or its desirability as a Premises for offices, and upon written notice from Sublessor, the Sublessee shall refrain from or discontinue such advertising. The Sublessee shall not, in its advertising or other publicity, without prior written consent of the Sublessor, use the name of the Premises or use pictures or illustrations of the Premises.

15. The Sublessee shall not carry on, nor permit to be carried on, upon said Premises or any part thereof any immoral or illegal business that is prohibited by law.

16. The Sublessee and its authorized representatives or invitees shall not throw cigar or cigarette butts or other substances or litter of any kind in or about the Premises, except in receptacles placed in it for that purpose. 824 Bull Lea Run is a non-smoking Premises; please refrain from smoking and/or vaping or other smoking tobacco-related activities in all Sublessee suites and common areas (restrooms, stairwells, etc.).

17. The toilet rooms, toilets, urinals, washbowls, and other apparatus available to the Sublessee shall not be used for any purpose other than that for which they were constructed. No foreign substance of any

kind (including sanitary napkins, etc.) shall be thrown into them, and the expense of any breakage, stoppage, or damage resulting from the violation of this rule shall be paid by the Sublessee (or its authorized representative or invitee) that has caused it.

18. The Sublessor reserves the right to close and keep locked all entrance and exit doors of the Premises on Saturdays, Sundays, and legal holidays, and on other days, between the hours of 6:00 p.m. and 7:00 a.m. of the following day, and during such other hours as the Sublessor deems advisable for the adequate protection of the Premises and the property of its sublessees. If the Sublessee uses the Premises when the Premises is closed and locked, the Sublessee shall see that the doors of the Premises have been carefully shut, and all lights have been carefully shut off, so as to prevent waste or damage.

19. The Sublessor agrees that these rules and regulations shall be enforced against all sublessees in a nondiscriminatory manner. The Sublessee shall be deemed to have read these rules and to have agreed to abide by them as a condition to its occupancy of the Subleased Premises.

20. Utilities, heat, and air-conditioning to the Subleased Premises shall be provided subject to the following limitations and those provided elsewhere in this Lease and the Exhibits:

- (a) Waste and unnecessary use of water, electricity, and other utilities is prohibited.
- (b) All thermostats shall be set ~~no higher or lower than~~ allowed by Federal, State and/or local regulations, and the Sublessor hereby expressly reserves the right to reasonably require, from time to time, that all thermostats be set at levels other than as specified herein which the Sublessor, in its reasonable judgment, determines to be in keeping with sound energy management and conservation and in keeping with any then existing energy policies.
- (c) The Sublessor reserves the right to control minimum and maximum temperatures for heat and air-conditioning service to the Premises so long as the room containing the Sublessee's computer servers is continuously maintained at an appropriate temperature.

21. Vehicles may not be stored on the lot overnight without express written consent by the Sublessor.

22. Sublessor reserves the right by written notice to the Sublessee, to rescind, alter or waive any rule or regulation for the Premises when in the Sublessor's judgment it is in the best interest of the Premises, provided any change does not interfere with the permitted use of the Subleased Premises.

23. No exterior doors will be propped open at any time without previous permission from Sublessor.