

FCR 11

Office of the President
June 24, 2003

Members, Board of Trustees:

APPROVAL OF LEASE

Recommendation: that the President be authorized to negotiate and execute the following:

A lease between the University of Kentucky and Kentucky Technology, Inc. ("KTI") for space in the Kentucky Tobacco Research and Development Center ("KTRDC") facility for 998 square feet of laboratory space and 819 square feet of office space. If fully utilized, the annual rental to the University of Kentucky would be \$23,984.40.

Background: This is a lease of University space in the KTRDC to KTI for the express purpose of subleasing to start-up companies. Pursuant to KRS 248.520, use of the KTRDC facility by operations having related or complimentary interests is subject to the approval of the Kentucky Tobacco Research Board ("KTRB"), which has already approved this use. To ensure that the use of the facility by subtenants (generally start-up companies) is consistent with KRS 248.520, KTI will utilize an advisory committee who will review subtenants' proposed activities for consistency with the statutory goals and compatibility with KTRDC's other operations.

KTI currently leases property in the ASTeCC facility for sublease to start-up companies, and is qualified to manage these premises.

Action taken: Approved Disapproved Other _____