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Business Incubator Center Contacts

Incubator Program Managers:

| | <u>Phone</u> | <u>Cell Phone</u> |
|------------------------------------|------------------------|--------------------------|
| Helen Roe | 243-5242 extension 411 | 589-1335 |
| Annalisa Pearson (Kitchen Manager) | 243-5242 extension 401 | 589-1979 |
| Mariah Zerbe | 243-5242 extension 415 | 589-0746 |

Maintenance:

| | | |
|--------------|------------------------|----------|
| Ken Short | 243-5242 extension 424 | 589-1373 |
| Cole Aldrich | 243-5242 extension 455 | 589-0505 |

Front Desk:

| | |
|----------------|------------------------|
| Maggie Clauson | 243-5242 extension 400 |
| Nancy McKenna | 243-5242 extension 400 |

Accounting:

| | |
|--------------|------------------------|
| Greg Stephen | 243-5242 extension 404 |
|--------------|------------------------|

Small Business Development Center:

| | |
|--------------|------------------------|
| Julie Morey | 243-5242 extension 403 |
| Mariah Zerbe | 243-5242 extension 415 |

Business Loan Fund:

| | |
|----------------|------------------------|
| Dean DiDario | 243-5242 extension 402 |
| Helen Roe | 243-5242 extension 411 |
| Kjersti Hudson | 243-5242 extension 412 |

Enterprise Zone:

| | |
|----------------|------------------------|
| Kjersti Hudson | 243-5242 extension 412 |
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Western Colorado Business Development Corp

| | |
|----------------------------------|------------------------|
| Executive Director: Chris Reddin | 243-5242 extension 405 |
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Overview

Welcome to the Business Incubator Program. You have joined a business support program that accelerates the successful development of start-up and fledgling companies by providing entrepreneurs with an array of targeted resources and services. The Business Incubator's main goal is to provide assistance to increase growth potential, resulting in a self sustaining, profitable company.

The Business Incubator Center's mission is to support the launch, growth, stabilization and long-term success of business enterprises in Mesa County. As a participant in the Business Incubator Program, one of four programs at the center, you will have access to management guidance, technical assistance and consulting tailored to young growing companies. Incubator Program Companies also have access to appropriate rental space and flexible leases, shared basic business services and equipment, technology support services and assistance in obtaining the financing necessary for company growth.

A basic outline of the services and support available to you is summarized in this handbook. Keep in mind that some of the most valuable rewards to participation in the Incubator Program come from the community of entrepreneurs who now surround you every day. Please take advantage of your peers and of the staff here at the Incubator Center. We can all contribute to the success of your company.

Location: The Business Incubator Center is located at the south end of the former Department of Energy complex on Orchard Mesa. In addition to the main Administration Building, the Incubator Center includes four buildings (Manufacturing, Services, Technology and Training) containing approximately 40,000 square feet of leasable space with adjacent parking areas. Buildings are fully equipped with a sprinkler and fire alarm system tied directly to the fire department (a factor that favorably impacts Incubator Program Company's insurance costs).

Incubator Program Companies may use the following information for mail, stationery, telephone listing, etc.:

Your Company Name
2591 B $\frac{3}{4}$ Road
Grand Junction, CO 81503
(970) 243-5242
fax (970) 241-0771

The Incubator is located in a designated Enterprise Zone. Thus, Incubator Program Companies can qualify and benefit from state tax incentives including, among others:

- A \$500.00 per new job tax credit, and
- A state tax credit of 3% on qualifying investments.

For more information see our website at www.gjincubator.org or contact the Enterprise Zone Program Assistant.

Program Entrance Policy

The Business Incubator Center provides services to a wide range of entrepreneurs, but to apply for the Business Incubator Program an applicant business must meet one of the following criteria:

- A business start, in operation for less than 2 years.

- A company that has undergone substantial change in ownership within one year of application date.
- A home-based business that is ready to transition to a professional environment.
- A company which will utilize their space at the Incubator solely for the Research and Development of a new and innovative product or service.

In order to apply for the program, a company must complete a program application and detailed business synopsis. Companies will be evaluated by their fit with the resources and services provided by the Business Incubator Program.

APPLICATION FEE: \$45 per company includes credit report(s) and processing fees.

Program Requirements

Admittance: Businesses engaged in a wide variety of functions including light manufacturing, distribution, technology, culinary, or service activities can apply for admittance to the Incubator Program. The Incubator facility is not conducive to retail activities, although it is acceptable for Incubator businesses to engage in a reasonable amount of retail sales. Admission to the program is based on the following criteria: the need for and interest in the Incubator Program; capacity of principals to be successful; uniqueness of product or service; availability of the service in the community; potential for job creation and/or retention; portion of the expected revenue that is derived from outside the County; and connection to targeted industry clusters within the Incubator or community. Interested businesses are required to complete and submit an Application for Admittance, which is reviewed by program management and is subject to approval by the Incubator Center Board of Directors. When applicable, every attempt is made to assist any rejected applicant in taking corrective actions necessary to resubmit an application.

Requirements: Incubator Program Companies must agree to participate in the Incubator Program, which includes a commitment to:

- Complete a Business Plan within the first 2 years of occupancy. Assistance in completing the Business Plan is available through the aforementioned Management Assistance program.
- Meet, at a minimum, semi-annually with The Incubator Center staff and provide them with up-to-date financial statements for the purpose of evaluating Incubator Program Company's financial performance and reporting aggregate numbers.
- Attend, at minimum, one business related class or workshop per year.
- Attend, at minimum, seven free networking events per year such as the monthly Business over Breakfast panel.
- Achieve, at minimum, 100 points per year through the Incubator Program Point System, a planning tool for starting, sustaining and growing your business (the requirements above equal 85 points).

Cost: Prices for Incubator spaces are graduated on a 5-year schedule. First year Incubator Program Companies pay 75 percent of Fair Market Value (FMV). Each year, Incubator Program Companies pay an additional 5 percent of FMV, ultimately paying 95 percent during their fifth (final) year. Minimum rent payments on all spaces are \$150 per month. All Incubator Program Companies pay an additional program fee of \$30 per month. Utilities (power, gas, water, sewer, trash) are included with the exception of the Manufacturing Building. In the Manufacturing Building, Incubator Program Companies pay ½ of the total building electrical costs pro-rated based on the square footage occupied by the business. (See Appendix A for current year pricing).

Lease Agreement: The typical Incubator Program Company and its principal owner(s) enter into a one-year formalized lease agreement. Short-term month-to-month rentals (up to six months) may be considered, assuming appropriate space availability, in situations involving pre-startup or pre-expansion, feasibility studies, business/marketing/financial plan development, facility readiness, etc. Lease agreements provide reasonable flexibility in allowing the Incubator Program Company to expand or retract within the Incubator, or to move to another facility at an appropriate time. An Incubator Program Company may lease any available combination of office and/or production space within the Incubator that is in keeping with efficient overall space utilization practices. Space will be tailored to individual business needs and clearly partitioned without interfering with building heating and ventilation systems. Incubator Program Companies must agree to consult regularly with staff members, who provide ongoing assistance to establish a plan for technical assistance and training. The total length of tenancy by a particular business is dependent on various factors, including the growth and maturity of the Incubator Program Company itself. Average Incubator tenancy is 3-5 years, with a maximum of 5 years.

ACH Withdrawal: As an additional service to Incubator Program Companies, the Business Incubator Center provides the option for tenants to have their monthly rent automatically withdrawn from their business account at no additional charge. As an Incubator Program Company you can opt-in to the ACH withdrawal system by filling out the ACH withdrawal form in Appendix D.

Industrial Pre-Treatment Survey: To fulfill City of Grand Junction EPA requirements, all Incubator Program Companies must fill out the City of Grand Junction's Industrial Pre-Treatment Survey which can be found in Appendix E.

Security Deposit: Incubator Program Companies are responsible for providing a Security Deposit equal to the first month's rent of the most recent Lease or Lease Addendum. Incubator Program Companies must provide the security deposit, the first months rent and evidence of insurance before occupying space. The terms and stipulations of this deposit are explained in the Lease Agreement.

Incubator Program Point System: In order to be considered in good standing within the Incubator Program, an Incubator Program Company must obtain a minimum of 100 points each year based on completing the basics of good business such as general business review, strategic planning and community involvement. If an Incubator Program Company does not reach the 100 point minimum, Incubator Program Managers will contact the Incubator Program Company to discuss possible issues and solutions. If 100 points are still not achieved by the Incubator Program Company, this may result in an assessment of other options for the company and a possible exit from the program. Please see Appendix C for elements of the point system.

Program Graduation Policy

Incubator Program Companies may be graduated or choose to graduate from the Business Incubator Center Program if program management determines the company has met one or more of the following conditions:

- The Incubator Program Company has completed 5 years in the Business Incubator Center Program.
- The Incubator Program Company reaches annual sales of \$10,000,000, is financially stable, and has steady positive cash flow.

- Space requirements of the business exceed Incubator Campus capacity.
 - The company is in need of additional space and the Business Incubator Center is unable to provide it.
 - The company occupies 20% or more of the Business Incubator Center rentable space.
- Ownership in the company changes significantly since acceptance into the program.
- The Incubator Program Company provides appropriate notice as prescribed in the Lease Agreement.

Management Assistance

Consulting: The program managers, support staff and other consultants provide ongoing assistance to Incubator Program Companies for technical help and training. Consultations range from quick answers on accounting issues to help in launching a new product or service. The Incubator Center is uniquely poised to offer a broad range of business assistance based on complimentary programs offered on site.

Colorado Small Business Development Center (SBDC), partially funded by the U.S. Small Business Administration, provides business consulting and technical assistance as well as workshops to Mesa County's small business community. The SBDC can provide information on licensing, legal issues, finance, marketing, intellectual property, and much more. Contact the Front Desk to make an appointment or reserve space in a class.

The Business Loan Fund is a lending program operated by the Business Incubator Center. The Loan Fund makes commercial loans to qualified for-profit Mesa County businesses that are not able to get their financing needs met by traditional lenders. Any Mesa County business is eligible to apply to the Loan Fund for funding after first exhausting traditional funding sources. In addition the "Incubator Bootstrap Fund" is a loan program only available to Incubator Program Companies. It is designed to provide short-term loans to help finance the expenses associated with completing certain contracts or purchase orders. The Loan Fund Manager is available to consult with Incubator Program Companies on financial issues. Contact the Loan Fund Manager or Associate for an appointment.

In addition to our in-house services, The Incubator Center is tied into local, regional and national networks, enhancing our ability to provide assistance. Contact the Incubator Program Manager for a referral.

- Mesa State College interns are employed on a regular basis to help Incubator Program Companies with various projects.
- Advisors or advisory committees can be developed for each business to provide access to outside experts. The Business owner and The Incubator Center's lead consultants determine the areas where the Incubator Program Company could benefit from outside input.
- Experienced and specialized Small Business Counselors are recommended and are available for many projects. The SBC's maintain office hours on site.

Marketing Assistance: The Marketing Manager can assist Incubator Program Companies with marketing issues including press releases and development of brochures, websites and social media.

Administrative Services

Telephone Answering – Incubator Program Companies who use the Incubator Center telephone system may occasionally forward their phone to the Front Desk if an answering service is needed. Contact the Communications Assistant.

Receptionist – Incubator Program Companies may receive administrative services for up to 2 hours per month dependent on the availability of the Communications Assistant. Services may include light secretarial, typing, word processing, and collections. Additional hours may be negotiated for a fee. Contact the Communications Assistant.

Notary Public – Contact the Accounting Department.

Mail – Incoming mail to Incubator Program Companies arrives from the US Postal Service in bulk. The Communications Assistant will sort the mail Monday through Friday and distribute it to individual mailboxes in the Administration Building. Outgoing stamped mail is picked up Monday through Friday. For extensive mail needs, you may choose to contract Mail Managers by calling 241-1612.

Once a company has left the Incubator, their mail will be forwarded for two (2) months from their departure date free of charge. Because mail is delivered to this location unsorted, the USPS will not act on a forwarding notice from the exiting company and will not forward your mail from this address. Please be sure to notify all persons and agencies of your new mailing address. Anything received after the two month period will be returned to sender, (with the exception of bulk mail, which will be discarded). If you wish for a forwarding service to continue past the two (2) month period there will be a **\$10.00 per month fee** payable in advance.

Shipping – UPS & FedEx deliver daily to the Front Desk in the Administration Building. This makes it easy for companies that do not have full-time office staff to receive packages. You may request direct delivery to your premises by contacting the carrier. You may arrange for pickup of outgoing packages by contacting the carrier. All outgoing packages must be brought to the Front Desk, the designated pickup site. Carrier info: UPS – www.ups.com or 245-0974; FedEx www.fedex.com or 1-800-463-3339

Shared-Use Equipment

The following equipment is available to Incubator Program Companies at no cost, unless otherwise indicated:

A central telephone system with voice mail and equipment to handle designated phone number(s) for an Incubator Program Company is available. The system includes voice mail, intercom and other features. One telephone is loaned to the Incubator Program Company at no charge, while additional telephones are available to rent if needed. Qwest installation, regular monthly service charges, repair charges and any additional lines are the Incubator Program Company's responsibility. All companies are responsible for setting up their phone service. The Incubator Center has a specific process to follow due to the configuration of phone lines into the complex.

- 1) Contact OBJ Group
Margaret Schleimer at 970.241.4500 mschleimer@objgroup.com
Or Debbie Schoonmaker at 970.241.4500 dschoonmaker@objgroup.com
- 2) OBJ Group will contact Qwest with your order (there is no charge to you from OBJ)

- 3) OBJ will contact you when they receive order confirmation from Qwest with the expected installation date.
- 4) OBJ will coordinate Comwest with Qwest. If you are contacted by Qwest with information on the Dmark or line number, immediately give it to the Incubator Program Management Team member or it may cause a delay in installation.
- 5) Please be available when your phones are installed or provide specific instructions for location to the Communications Assistant or Incubator Program Management Team.
- 6) OBJ will contact you after installation to make sure everything is installed to your satisfaction.

Please note that if you are on our central phone system, voicemail is included and you do not need to order it from Qwest. If you are having difficulties getting your phone system set up you may contact the Front Desk for help.

Copy machine is available in the Administration building. Incubator Program Companies are charged \$.05 per single-sided copy and \$.10 for double-sided copies. Management reserves the right to impose maximum usage limits. Contact an Incubator Program Manager or the Accounting Department for a copy code to ensure access to all machines.

Scanner is available in the Administration building. Management reserves the right to impose maximum usage limits. Contact an Incubator Program Manager or the Accounting Department for a copy code to ensure access to all machines.

FAX machines are available in the Administration (970-241-0771), Manufacturing (970-243-3227), and Services (970-255-7047) buildings. Charges are assessed for long distance faxes only.

Computers with spreadsheet, word processing and accounting software are available for Incubator Program Company use on a reservation basis. An additional hourly charge may apply on Incubator Program Company usage exceeding 10 hours per month. Contact an Incubator Program Manager.

A typewriter is available for use in the central office copy room.

A postage scale is located in the central office copy room.

Laptop computer, projector and screen are available on a reservation basis through the front desk.

Vacuum cleaners are available for Incubator Program Companies to use in the Administration, Manufacturing, and Services buildings.

A pallet jack and dolly are available for use, contact the front desk or maintenance.

A forklift is available by appointment. Contact the front desk to schedule a time.

Access to Conference and Training rooms, to be used for Incubator Program Company business, are available at no charge. Please contact the front desk to reserve time.

Membership in an Entrepreneurial Community

Collaboration amongst peers is one of the most important benefits to being part of the Business Incubator Center community. Incubator Program Companies benefit from continual interaction with their peers.

“The networking aspect of the Incubator was a great help to Tusca, from brainstorming with other tenants and sharing vendors to obtaining contracts that bundled services. The energy of the Incubator was a constant course of inspiration during the early years of quick development.”
Tysen Manros, Tusca II, Incubator Program Graduate and INC 500 awardee.

Activities and Resources:

Business Over Breakfast is held once each month for one hour in the Training Room. The Incubator Center provides a light breakfast and a panel discussion from informative speakers. There are also opportunities to receive and provide updates and discuss mutual issues.

Communications: The Incubator Center has a Google Group which is used for email communications including a bi-monthly Campus Newsletter. Participation in the Google Group is an easy way to start a dialog with fellow entrepreneurs on any number of professional topics. In addition, Incubator Program Companies will be subscribed to regular email campaigns to keep informed about events, workshops and resources available to entrepreneurs.

Social Networking: The Incubator Center is very supportive of social networking tools as a method to enhance and broaden our community. We encourage all Incubator Program Companies to participate.

LinkedIn: To help enrich this aspect of the program, we would like to suggest that if you are not already a user of the social networking site LinkedIn, please consider joining! The Business Incubator Center now has a group on LinkedIn, and we would like to invite all of you to join us. The more people who are in the group, the more valuable a resource it will become to the Business Incubator Center community. As the community grows, you will be able to find colleagues who may be in similar industries or facing similar growth issues, and it will serve as just one more way that the community can help businesses grow and prosper.

The Business Incubator Center
<http://www.linkedin.com/e/vgh/1554637/>

To learn more about how to use LinkedIn to help grow your business go to:
<http://learn.linkedin.com/entrepreneurs/>

Facebook: the Business Incubator Center is on Facebook. Login to become a fan and have Business Incubator Center news, events, and videos posted to your personal Facebook page:
<http://bit.ly/onYNO>.

Twitter: the Business Incubator Center is on Twitter
[@Biz_Incubator](http://Biz_Incubator).

Our Blog: the Business Incubator Center has a blog, <http://qjincubator.blogspot.com/>, where we post incites, commentary and other points of discussion with regard to Entrepreneurship in the Grand Valley. Please subscribe.



Training Classes - Offered through the Small Business Development Center (SBDC). Classes cover such topics as marketing, taxes, bookkeeping & financial statements, and the in depth Leading Edge business plan program. These are available at a reduced rate to Incubator Program Companies and

their employees (\$100 off of the Leading Edge Business Plan Program and 50% off other workshops and classes).

Toastmasters: Become the Speaker & Leader You Want to Be - The downtown chapter of Toastmasters meets weekly here on the Incubator Campus. Toastmasters participants practice and learn skills by filling a meeting role, ranging from giving a prepared speech or an impromptu one to serving as timer, evaluator or grammarian. There is no instructor; instead, each speech and meeting is critiqued by a member in a positive manner, focusing on what was done right and what could be improved. Good communicators tend to be good leaders. Incubator Program Companies are welcome! Attend a meeting or two to observe and participate as much as you like, but membership is required for additional participation.

When: Every Thursday at noon
Where: in the Incubator Training Room

On-Site Workout and Exercise Facility and Fitness Program - The Business Incubator Center is excited to offer a workout facility on campus that provides all Incubator Program Companies and their Staff the opportunity to meet their fitness goals 24 hours a day, 7 days a week. For more details, a schedule of fitness programs or to get a guided tour of our 540 square foot facility, contact Mariah Zerbe (mzerbe@gjincubator.org)

On-Site Video Lab and Green Screen – The Business Incubator has an on-site video lab with a green screen available to all Incubator Program Companies by appointment. For more details or to get a guided tour of our video lab, contact Mariah Zerbe (mzerbe@gjincubator.org)

Intensive Projects - From time to time, companies have intensive projects with which they need assistance. This may involve the use of interns or other specialists brought in by the Business Incubator Center for that purpose.

Trade Shows and Showcases – Through the Incubator Program, Incubator Program Companies have the opportunity to participate in trade shows and business showcases, often free of charge.

Open Houses and Socials - Many are offered throughout the year, including an annual Holiday Open House. Incubator Program Companies are highly encouraged to participate. These are excellent networking and marketing opportunities.

Chamber of Commerce Membership - Incubator Program Companies are encouraged to join the local Chambers of Commerce as finances allow. The Incubator Center partners actively with the Grand Junction Area, Fruita and Palisade Chambers in their efforts to support our business community.

Grand Junction Area Chamber of Commerce (GJACC) offers special incentives to Incubator Program Companies:

- Incubator Companies can attend many of GJACC events and programs at the member rate under the membership maintained by the Incubator Center. This includes Business After Hours, Networking at Noon, Business Showcase, and the like (exceptions include the Leads groups).
- The GJACC offers the first year membership at the “Business” level for half price. (Incubator Program Companies who join at “Entrepreneur” level or above do not receive a discount).
- GJACC members are listed in the Chamber directory and web page, and are entitled to all the benefits of membership including discounts and inclusion in Chamber events. See www.gjchamber.org for more details.

- The Chamber holds a ribbon cutting for all new businesses and recognitions for expansions and new locations. This provides excellent publicity! You can call the GJACC at 242-3214 to arrange for the ribbon cutting.

Fruita may be an important part of your business network and we encourage Incubator Program Companies to become active in the Fruita Chamber. In support of the Incubator Program, the **Fruita Chamber of Commerce** offers special membership incentives:

- The Fruita Chamber of Commerce offers the “Small Business Membership” at half price to Incubator Program Companies for the first year.
- Fruita Chamber members are listed in the Chamber directory and web page, and are entitled to all the benefits of membership including discounts and inclusion in Chamber events. Members also receive preferred referrals on inquiries about area businesses and services. See www.fruitachamber.org for more details.
- The Fruita Chamber holds a ribbon cutting for all new Chamber businesses, expanding businesses and new Chamber members. The photo is published on The Daily Sentinel Chamber Page, in The Fruita Times and in the Chamber newsletter. Become a member and call the Fruita Chamber at 858-3894 to arrange for the ribbon cutting.

The Palisade Chamber of Commerce provides you with opportunities to boost awareness of your company to potential customers and business professionals and to be included in the Community Directory and newsletter as well as discounts on booth space for events. To become a member call, (970) 464-7458.

Colorado Business Incubation Association (CBIA) - Free usage of CBIA members’ facilities throughout the state for meetings, networking, etc. and access to technical assistance specialties of CBIA Incubators’ staff. Arrangements can be made through the Incubator Center Executive Director, Chris Reddin.

National Business Incubation Association (NBIA) – Incubator Program Companies can take advantage of the following NBIA member privileges: discounted payroll services, insurance products specially designed and priced for small businesses, low cost bankcard processing, discounted rates on market information, and many other services.

Internet Access

Businesses have two options for high-speed internet access:

- 1) Qwest DSL – This must be coordinated through OBJ (see process under phone system)
- 2) Broadband Access – Contact a member of the Incubator Program Management Team
 - a. Prime T1 access for those with significant bandwidth needs.
 - b. Shared T1 access for businesses with standard e-mail and internet access needs.

For more details and costs, see Appendix B: 2011 Internet Access Policy.

Access to Premises

Keys: The Incubator Center is responsible for keying all spaces and will provide an Incubator Program Company with up to three keys for the Premises. An Incubator Program Company shall pay \$3 for each additional key. No Incubator Program Company shall alter any lock or install a new or additional lock or any bolt on any door of its premises. An Incubator Program Company will receive pass codes

for the main and distribution gates and exterior doors. All keys must be returned to The Incubator Center upon the termination of the Lease Agreement and gate codes will be deactivated. Should the Incubator Program Company fail to return all keys, the Incubator Program Company will be charged for the cost of rekeying the space.

Security: The Incubator Center assumes no responsibility for the security of the property or the personal property of the Incubator Program Company, its employees, or invitees. The main security gate is programmed to be open during business hours and will be closed on weekends. Gate codes are provided to Incubator Program Companies to enable their ingress and egress at any time. Codes are changed by the Incubator Program Management Team upon termination of each Lease, or upon request from an Incubator Program Company. Each Incubator Program Company shall see that the doors of its Premises (including exterior doors of occupied building) are closed and securely locked upon exit each day. Each Incubator Program Company must keep their gate codes confidential, these gate codes should not be given out to any clients or guests of an Incubator Program Company.

Common Areas: In addition to the Premises, the Incubator Program Company shall have a non-exclusive right to access to such common areas as The Incubator Center determines to be necessary to the use of the Premises, including break rooms, restrooms, paint booth, loading dock, copier and fax locations, and mailboxes. An Incubator Program Company may, at no charge, reserve access to Conference Rooms and Training Room as available. The sidewalks, passages, exits, entrances and stairways of the Premises shall not be obstructed by any of the Incubator Program Companies or used by them for any purpose other than for ingress to and egress from their respective Premises.

Inspection & Repairs: The Incubator Center staff or its agents may enter the Premises at any reasonable time in order to inspect them. If The Incubator Center deems any repair necessary for which the Incubator Program Company is responsible, The Incubator Center may demand that the Incubator Program Company perform the repair. If the Incubator Program Company refuses or neglects to make the repair in a reasonable time, The Incubator Center may make the repair and charge the Incubator Program Company in accordance with Section 6 of the Lease Agreement. The Incubator Center may enter the premises at reasonable times to install or repair pipes, wires or other appliances or to make any repair The Incubator Center deems essential to the use and occupancy of the other parts of the Building. The Incubator Center shall give reasonable advance notice to an Incubator Program Company of its intention to make non-emergency repairs.

Tours: The Incubator Center is an organization supporting business development within the community. Tours of the Property are frequently provided to government officials, students, prospective Incubator Program Companies, and others. As tours can be a marketing tool for the Incubator Program Company itself, Incubator Program Companies shall accept and provide support for tours as business allows. Every effort shall be made by the Incubator Center staff to provide notice to an Incubator Program Company before the occurrence of such tours.

Parking: Parking is available for serviceable business-related passenger vehicles with current Colorado registrations that are moved at least once during each 7-day period. The Incubator Center may, from time to time, assign parking spaces to an Incubator Program Company and may require specific areas to be designated for Incubator Program Company's customers, invitees or employees.

Exterior Spaces: Exterior storage fees will apply to any materials stored outside, including but not limited to loose items, storage sheds, equipment, and trailers. Incubator Program Companies must receive written permission from the Incubator Center to use exterior storage facilities, and will pay a monthly storage fee as described in the current year's Incubator Pricing Policy (see Appendix A). In order to maintain a professional entrepreneurial environment, fines will be assessed for any items

stored without permission. Vehicles or loose items stored longer than 14 days will be assessed a fine of 10 times the above rates, based on square footage occupied.

Workout and Exercise Facility: We are very pleased to be able to offer such a valuable amenity. This 540 square foot facility has a variety of different types of exercise equipment and tools; there is also a bathroom and shower within the facility. In order to access the gym, an Incubator Program Company must sign a liability waiver for each individual using the gym. To ensure the best facility experience for all, please abide by the following rules and regulations for the gym facilities.

1. You must be 18 years of age to use the facility
2. Only Incubator Program Companies and their employees are allowed to use the gym
3. Please make sure you sign in and out when you use the facilities
4. Please limit your time to 30 minutes on each type of equipment when the equipment is in demand
5. If something is broken, missing, or dirty, please inform the front desk promptly
6. Please wipe down the equipment with the provided equipment cleaning materials once you've finished using it
7. Please be courteous to all fitness facility patrons
8. Leave the facility as clean or cleaner than when you entered it
9. Please take all personal property with you when you leave
10. Make sure the TV, DVD player, stereo and lights are turned off before you leave
11. Make sure the door is shut and locked when you leave
12. The Incubator Program Management Team reserves the right to revoke gym privileges if there is any misuse of the facility and/or equipment.

Care of Premises

Emergency contact for property maintenance issues: Ken Short at (970) 589-1373.

Smoking is not permitted inside any building on the Property. Smokers must dispose of all waste in an appropriate receptacle.

Incubator Program Company Maintenance Responsibilities: Incubator Program Companies shall be responsible for routine maintenance, upkeep and cleaning of the Premises. The Incubator Center provides janitorial services for common areas; however Incubator Program Companies are responsible for the cleaning of refrigerators and other common appliances. An Incubator Program Company and their employees must observe strict care and caution that all water faucets, water apparatuses and utilities are shut off before exiting the premises and will be financially responsible should waste or damage occur to the facility through oversight. The toilet stalls, toilets, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed; no foreign substance of any kind shall be disposed of in the toilet or down the drain. The expense of any breakage, stoppage or damage resulting from violation of this rule shall be borne by the Incubator Program Company who, or whose employees, agents or invitees, shall have caused it. An Incubator Program Company shall, at its expense, install and maintain under all caster chairs a chair pad or acceptable "carpet casters" to protect the carpeting in appropriate spaces.

Incubator Maintenance Responsibilities: All maintenance issues should be reported to the front desk.

Repairs & Alterations: The Incubator Program Company shall not perform any act or carry on any practices that may injure the Premises or be a nuisance or a menace to other Incubator Program

Companies on the Property. An Incubator Program Company shall, at its own expense, keep the Premises in good repair, and will, at the expiration of the Lease Agreement, leave the Premises in like condition as when it was taken, reasonable use and wear thereof and damage by the elements excepted. **The Incubator Program Company shall not make any alterations, additions or improvements to the Premises without the Incubator Program Manager's written consent.** A written plan showing proposed alterations must be submitted and approved by the Executive Director prior to any alterations. This submission should address who will perform the work, what is the purpose of the alteration, how jobs or profits will be affected and how the alterations will be paid for. Licensed contractors shall perform any electrical work. It is the policy of the Incubator not to provide 100% funding participation in the alterations requested by an Incubator Program Company. Contribution to cost, if any, by the Incubator Center will be negotiated, with each Incubator Program Company based on the relative benefit and/or burden of the alterations. For improvements over \$500, The Incubator Center may negotiate to amortize leaseholds for the Incubator Program Company. All alterations, additions and improvements made by either party upon the Premises during the Term hereof, except movable office furniture and trade fixtures put in at Incubator Program Company's expense, shall become the property of The Incubator Center at the termination of the Lease Agreement. Incubator Program Company covenants to pay as they become due all just claims for labor and materials used in making any such additions, alterations, or improvements and to indemnify and save The Incubator Center harmless of and from all costs, expenses, and damages, including reasonable attorneys' fees and costs of suit, arising out of or connected with any statutory or other liens against the Premises, the Building or the Property for or on account of such labor and materials. Incubator Program Company covenants both for itself and its servants, agents, and employees, to observe and keep all necessary rules and regulations of the Building which affect said Premises and will at its own cost and expense make any and all necessary alterations or changes in the Premises which may be necessary because of any act of the Incubator Program Company, its servants, agents, and employees, in violation of any law, ordinance, rule or regulation of any city, state or government body. Upon the failure of the Incubator Program Company to make or proceed to make, any such changes or alterations within thirty (30) days after being required to by any other rule, regulation or ordinance above referred to within ten (10) days of the receipt of said order or notice, then The Incubator Center may enter the Premises at its option and do and perform said alterations or make such changes at the cost and expense of the Incubator Program Company, which said expense shall be deemed as rent and added to the next monthly installment of rent then accruing and be collectable as such.

Pets: Incubator Program Companies who bring pets to the Premises must clean up all messes anywhere on the Property. **A \$50 fine per mess will be charged to an Incubator Program Company who does not pick-up after their pet.** No pet shall be allowed on the Property without the presence of its owner. Should pets in any way significantly impede the business of other Incubator Program Companies; such pets will no longer be allowed on the Property.

Trash & Recycling: Trash and recycling services are included in monthly rent. Incubator Program Companies shall place trash generated from normal business use in appropriate receptacles on the Property. Dumpsters are located on the southeast side of the Manufacturing Building, on the north side of the Services building, and between the Technology and Training buildings. Containers for recycling office paper are located in the copier rooms in the Manufacturing, Services and Administration buildings. Recycling containers for cardboard, newspapers, magazines, glass and aluminum cans are on the east side of the Manufacturing building. Items from other locations or in violation of local codes (including computers and other electronics) *cannot* be accepted. Incubator Program Companies with extraordinary trash needs can arrange additional pickups through the Incubator Center Maintenance Manager and will be responsible for monetary charges pertaining to such service.

Lighting: The Incubator Center shall be responsible for maintenance of lighting systems in common and exterior spaces as well as maintenance of ballasts in all spaces on the Property. Light bulbs and changing thereof shall be the responsibility of the Incubator Program Company. An Incubator Program Company may request assistance from the Maintenance staff and will be billed for services except in extraordinary circumstances as determined by the Incubator Program Manager. Incubator Program Companies may purchase replacement bulbs from the Incubator Program Management Team.

Signage: The Incubator Center shall provide uniform signage for an Incubator Program Company outside the Premises as well as on the occupied building's exterior. No other signage is permitted without express written consent of the Incubator Program Manager, although permission shall not be unreasonable withheld. Please provide information and logo materials to Mariah Zerbe mzerbe@gjincubator.org

Vending: Vending machines are provided and maintained by the Business Incubator Center or an Incubator Center's agent. An Incubator Program Company, its employees or guests may not install other vending equipment on the Premises nor tamper with existing equipment. Extraordinary damages shall be the responsibility of the Incubator Program Company.

Quiet Enjoyment: All Incubator Program Companies have the right to peaceably and quietly have, hold, and enjoy the Premises for the duration of the Lease Agreement. No Incubator Program Company is permitted to disturb the quiet enjoyment of another outside the normal course of business. Loud music and animals are examples of such.

Complaints: Complaint forms are available at the front desk. Any complaints will be investigated and addressed in a timely manner.

Discontinuation or Exit

An Incubator Program Company may be asked to leave the program and the premises for any one of the following reasons:

- Incubator Program Company business closes.
- Incubator Program Company repeatedly fails to adhere to the covenants prescribed in the Lease Agreement.
- Incubator Program Company falls more than **three** months behind on lease payments.

Rules and Regulations

The Incubator Center and Incubator Program Company hereby agree that the preceding covenants are for the benefit of each Incubator Program Company and the operation of the entire Incubator Program. The Incubator Center is authorized to create these covenants and may change them at The Incubator Center's option. The Incubator Center reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Premises, and for the preservation of good order therein.

The Incubator Center may waive any one or more of these Rules and Regulations for the benefit of any particular Incubator Program Company or Incubator Program Companies, but no such waiver by The Incubator Center shall be construed as a waiver of such Rules and Regulations in favor of any other Incubator Program Company or Incubator Program Companies, nor prevent The Incubator Center from

thereafter enforcing any such Rules and Regulations against any or all of the Incubator Program Companies of the Premises.

These Rules and Regulations are in addition to and shall not be construed to in any way modify, alter or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of the Premises.

Appendix A 2011 Incubator Pricing Policy

The purpose of the Business Incubator Center's Incubator Program is to assist new, expanding, or fledgling small businesses by providing affordable space, shared administrative/office services and equipment, along with management assistance services, thus helping businesses succeed, creating new jobs and bringing new dollars into the area economy. With more than 20 years of experience in this practice, the Incubator has proven that a graduated rent scale on a 5-year schedule based on tenants' anniversary dates is best suited to meet this objective. First year tenants pay 75 percent of Fair Market Value (FMV). Each year, tenants pay an additional 5 percent of FMV, (example 80 percent second year, 85 percent third year, etc.) Anchor tenants (those not fitting within the traditional mission of the Incubator Program) shall pay 100 percent of Fair Market Value or a higher negotiated rate. All tenants pay an additional Incubator Program fee of \$30 per month.

LEASE RATE CALCULATION: Leases are created based on Gross Square Footage, or usable square footage as dictated by the site maps plus 15% for common area usage (i.e. hallways, bathrooms and conference facilities). Minimum payments on all spaces are \$150 per month.

UTILITIES: Power, gas, water, sewer, trash are included in the monthly lease fee except in the Manufacturing Building. In the Manufacturing Building, tenants pay an additional fee equal to their pro-rated portion (based on square footage) of ½ of electrical charges. Additional services, such as phone and internet, are not included in the lease agreement.

2011 FAIR MARKET VALUE (price is per gross square foot)

COMMERCIAL SPACE:

| | |
|--|--------------------------------------|
| Manufacturing with overhead door | \$8.50 (plus electrical charge-back) |
| Manufacturing without overhead door | \$8.00 (plus electrical charge-back) |
| Training | \$9.00 |
| Technology upstairs | \$9.50 |
| Technology downstairs with overhead | \$8.50 |
| Technology downstairs without overhead | \$8.00 |
| Services offices | \$9.50 |

EXTERIOR: An Incubator Program Company must receive written permission from The Incubator Center staff for any vehicles, trailers, storage units, loose items, etc. that are located on Business Incubator Center grounds longer than 7 days. No fee will be charged for serviceable business-related passenger vehicles with current Colorado registrations that are moved at least once during each 7-day period. Tenants may store approved loose items in a designated location at no cost with the written consent of the Incubator Program Manager. Approval may be granted for business-related items that may not fit into a standard storage unit (example: utility poles).

| | |
|--|-------------------------------------|
| Storage units owned by The Incubator Center | \$0.37 per square foot |
| Storage units owned by Incubator Program Company | \$0.27 per square foot |
| Trailers (catering commissaries, etc.) | \$1.40 per linear foot/\$35 minimum |

In order to maintain a professional entrepreneurial environment, fines will be assessed for any items stored without permission. Vehicles or loose items stored longer than 14 days will be assessed a fine of 10 times the above rates, based on square footage occupied.

Appendix B 2011 Internet Access Policy

Reliable high-speed internet access is critical for growing small businesses. The Business Incubator Center is located in a 1940's era government compound and therefore must work hard to help our Incubator Program Companies navigate the complexities of the site and find a reliable, cost-effective solution. Over the past 2 years, the Center has invested heavily in an IT "backbone" that enables our program companies to receive high-quality broadband internet access at an affordable price.

Incubator Program Companies have three options for internet access. Qwest DSL service is available through OBJ Group, the local Qwest service provider. In addition, the Incubator Center manages and provides two levels of high-speed internet access through our T1 lines.

- a) Prime T1 access for those with significant bandwidth needs.
- b) Shared T1 access for businesses with standard e-mail and internet access needs.

A T1 line refers to a specific type of telephone line that can carry more data than traditional telephone lines. The T1 line creates a "pipe" capable of blowing through larger data streams. While standard copper telephone lines can transfer data and voice at a rate of about 30,000 bits per second (30 kbps) using a dial-up modem, a T1 line can transmit 1.544 megabits per second. The cost of a T1 line can be expensive, up to \$575/month, but the Incubator Center is able to cut this cost by sharing the line with multiple Incubator Program Companies.

Prime T1 is limited to 5 Incubator Program Companies and offers access to the full capabilities of the T1 level of service. This line is restricted to just a few Incubator Program Companies so that large data files can be transferred quickly. The Prime T1 is available at \$75/month. Installation is performed by Networks Unlimited, and the Incubator Center is willing to cover the cost of the first hour of installation. To order this service, please contact an Incubator Program Manager or the front desk and we will arrange for installation. Costs of the service will be added to your monthly bill.

Shared T1 is open to all our Incubator Program Companies and offers shared access to the T1 line. The level of service on this line will be comparable to DSL. This line is open to several Incubator Program Companies and therefore the performance will vary depending on who is using the capacity at that time. The Shared T1 is available at \$45/month. Installation is performed by Networks Unlimited, and the Incubator Program Company is responsible for the cost of installation. To order this service, please contact an Incubator Program Manager or the front desk and we will arrange for installation. Monthly billings and installation costs will be added to your monthly bill.

Appendix C 2011 Incubator Program Company Point System

Beginning in 2011 Incubator Program Companies will be involved in the 100 point system. This system is helpful if you are just starting your company or if you're trying to expand and grow your business. The point system is a suggested checklist and a way to set goals for you and your organization. The Business Incubator, the Community, Entrepreneurs and others in your industry have a lot to offer. The point system is just a tool you can use to organize and manage those business opportunities.

In order to be considered in good standing within the Incubator Program, an Incubator Program Company must obtain the minimum requirement of 100 points each year. All items listed on the next two pages are opportunities to achieve the 100 point minimum.

Only items listed with an asterisk (*) are required in order to comply with Incubator Program requirements. If an Incubator Program Company completes all items with an asterisk (*) they will obtain 85 to 90 points. An Incubator Program Company will need to achieve 10 to 15 points outside of the required items in order to achieve 100 points.

If an Incubator Program Company achieves more than the 100 point minimum they will be rewarded by the Incubator Program Management Team.

Bronze: 150 to 274 points

Silver: 275 to 399 points

Gold: 400+ points

Incubator Program Companies should keep track of things they have done for their business each year. At the end of the year, Incubator Program Managers will compare the scores of Incubator Program Companies and tally the total points.

| <i>Incubator Program</i> | | # of Times or One Time | Minimum Points for Involvement | Actual Points | Comments or Questions |
|--|--|---------------------------|--------------------------------------|------------------|--------------------------|
| The More You Ask The More You Get | | | | | |
| | Update of Marketing Plan (stand alone) | 1 | 10 | | |
| | Update/Review of Operations Plan | 1 | 10 | | |
| | Update Business Plan (all segments) | 1 | 10 | | |
| * | Complete a Website Review | 1 | 10 | | |
| * | Bi-Annual Tenant Review w/ Business Health Check-up | 2 | 20 | | |
| | Complete an analysis on your Industry (stand alone) | 1 | 5 | | |
| | Complete a Growth Plan | 1 | 15 | | |
| | Develop an exit strategy for your business (stand alone) | 1 | 10 | | |
| | Completed a commercialization strategy (stand alone) | 1 | 5 | | |
| | Applied for and received a patent | | 25 | | |
| | Other: | | 5 | | |

145

| Don't Be Afraid of the Financial Review | | | |
|--|---|----|--|
| Complete Financial Review | 1 | 25 | |
| Update of Cash Flow Projections | 1 | 5 | |
| Sales Forecast (annual sales) | 1 | 5 | |
| Annual Marketing Budget (stand alone) | 1 | 15 | |
| Banking Assessment & Review | 1 | 5 | |
| Received a Grant, Angel Capital, Venture Capital Financing | | 30 | |
| Received a business loan for financing | | 25 | |
| Other: | | 5 | |

115

| Ask Dumb Questions | | | |
|---|---|----|--|
| Marketing Assessment & Review | 1 | 5 | |
| Insurance Assessment & Review | 1 | 5 | |
| Appointment with SBDC Counselor | | 5 | |
| Business Plan Assessment | 1 | 5 | |
| Identify Your Target Market (stand alone) | 1 | 5 | |
| New/Updated Web Site | 1 | 10 | |
| Other: | | 5 | |

40

| Have a Latte Everyday at 10am-Community Involvement | | | |
|--|---|----|--|
| MSC Small Business Consulting (participant) | 1 | 15 | |
| Member of Manufacturer's Council | 1 | 15 | |
| Have a Mesa County Library Card | 1 | 5 | |
| Volunteering on a Community BOD | 1 | 10 | |
| Your Industry/Trade Show & Conference | | 10 | |
| Membership in local Chamber or Biz Org | 1 | 10 | |
| Membership in local Service Club | 1 | 10 | |
| Other Community: | | 10 | |

85

| Make a Fool of Yourself | | | |
|--|---|----|--|
| Present at a Conference/Convention | | 15 | |
| Toastmaster (Public Speaking) Member | 1 | 5 | |
| Complete Toastmaster CTM, ATM | 1 | 5 | |
| Local/Regional Press Coverage of Company | | 10 | |
| Make a video clip for your website (BIC video lab) | | 10 | |
| Other: | | 5 | |

50

| Be Healthy | | | |
|---|---|---|--|
| Member of the BIC Gym | 1 | 5 | |
| Member of Other Gym | 1 | 5 | |
| Taking Yoga or Self Defense Classes (or similar) | | 5 | |
| Member of a group such as: Weight Watchers or similar | 1 | 5 | |
| Bike or Skate to Work | | 5 | |
| Other: | | 5 | |

25

| Take Classes-Professional Development | | | | |
|---|---|----|--|--|
| Leading Edge (participate) | 1 | 25 | | |
| Leading Edge (complete Biz Plan) | 1 | 15 | | |
| Building Your Social Brand | 1 | 10 | | |
| Payroll: The Process in a Nutshell | 1 | 10 | | |
| Business Valuation | 1 | 10 | | |
| Guerrilla Marketing for New Businesses | 1 | 10 | | |
| Bookkeeping Bootcamp: Understand Financial Statements | 1 | 10 | | |
| Other Classes: | | 10 | | |

100

| Know Yourself | | | | |
|---|---|----|--|--|
| Participate on Social Media Sites | | 5 | | |
| Take the Temperament Test | 1 | 15 | | |
| Have your staff take the Temperament Test | 1 | 10 | | |
| Update your resume | 1 | 5 | | |
| Create a SWOT analysis of your business | 1 | 5 | | |
| * Read the Client Handbook | 1 | 5 | | |
| Develop an Employee Handbook (written policies) | 1 | 5 | | |
| Other: | | 5 | | |

55

| Collaborate with Peers | | | | |
|--|---|----|--|--|
| Collaborate with other Incubator Program Companies | | 25 | | |
| Create, Select, Organize Advisory Board | 1 | 15 | | |
| Your Advisory Board meets Regularly | 1 | 5 | | |
| Select & Retain or Set Appt for Review w/CPA | 1 | 15 | | |
| Create, Set-up Formal Board of Directors | 1 | 40 | | |
| Appointment with PTAC or CAMT | | 10 | | |
| Other: | | 5 | | |

115

| * Attend 7 "Time Wasting" Mandatory Events | | | | |
|---|---|----|--|--|
| Business Over Breakfast | | 5 | | |
| Annual Holiday Open House | 1 | 10 | | |
| Mesa State Entrepreneurship Day | 1 | 10 | | |
| Open Coffee Club | | 5 | | |
| Other BIC Special Occasion | 1 | 10 | | |

Total Numbers (Events, Points of Involvement)

Regular BIC/SBDC Programs

SUPPLEMENTAL

| | | | | |
|------------------------------------|---|----|--|--|
| Expanded into new space | | 25 | | |
| Had an Open House | 1 | 15 | | |
| Nomination for SBDC Star Performer | 1 | 15 | | |
| Nomination for NBIA award | 1 | 15 | | |
| Volunteered to be a SBC Counselor | 1 | 15 | | |
| Focus group or clinical trials | | 20 | | |

Total Supplemental

105

Supplemental to BIC

Grand Total

Appendix D ACH Form

Dear Sir or Madam,

There have been several clients that have requested electronic loan payment options. We are pleased to inform you that the Western Colorado Business Development Corp. dba the Business Incubator Center (BIC) now has this option available. If you would like to make your monthly payment electronically, please fill out the enclosed authorization for automatic withdrawal from your business account for your Business Incubator Center rent payment.

Please provide the information requested and attach a VOIDED check. You may hand deliver this document and voided check to the Business Incubator Center or mail the original documents to The Business Incubator Center, 2591 B ¾ Road, Grand Junction, Colorado 81503. Attn: Greg Stephen or Helen Roe.

If you have any questions or concerns, please feel free to contact us at 970/243-5242 or by email at gstephen@gjincubator.org or hroe@gjincubator.org.

Greg Stephen

Accounting Manager

Helen Roe

Business Loan Fund/Incubator Management Team

Business Incubator Center

2591 B 3/4 Road

Grand Junction, CO 81503

hroe@gjincubator.org

ph: 970.243.5242

www.gjincubator.org

The Grand Valley's Center for Entrepreneurship - Explore, Enrich, and Expand.

AUTHORIZATION AGREEMENT FOR AUTOMATED PAYMENTS (DEBITS)

COMPANY NAME: _____

I (we) hereby authorize the Western Colorado Business Development Center dba the Business Incubator Center, hereinafter called Company, to initiate debit entries to my (our) Checking Savings (select one) indicated below and the depository named below, hereinafter called DEPOSITORY, to debit same account.

BANK NAME: _____ NAME OF BRANCH _____

CITY: _____ STATE: _____ ZIP: _____

ROUTING NUMBER: _____ ACCOUNT NO: _____

This authority is to remain in full force and effective until COMPANY and DEPOSITORY has received written notification from me (or either of us) of its termination in such time and in such manner as to afford COMPANY and DEPOSITORY a reasonable opportunity to act on it.

NAME _____

NAME _____

ID NO: _____

ID NO. _____

(Drivers license number)

(Drivers license number)

EXPIRATION DATE: _____

EXPIRATION DATE: _____

SIGNED _____

SIGNED _____

DATE: _____

DATE: _____

PLACE A

VOIDED CHECK

HERE

Appendix E Industrial Pretreatment Survey