

THUNDERBIRD GLOBAL ENTREPRENEURSHIP INCUBATOR

ENTRANCE AND EXIT CRITERIA

Qualifications:

- The company must be oriented toward growth
- The company should or be ready to be incorporated.
- The company should be less than two years old, or going through a business transformation, or working a new management team.

Potential Tenant Evaluations:

The tenant company is evaluated by how the incubator might benefit it. The company's current business status is explored through an initial meeting. Prior to the meeting, the potential tenant must complete an application form which requests basic information about the tenant's business (a current business plan may be submitted in lieu of the formal application). Following completion of the application, a meeting is scheduled during which Incubator Director evaluates the potential tenant's business situation

Moving In:

After acceptance, the tenant is expected to show the following:

- Proof of insurance
- Provide a security deposit
- Sign a Memo of Understanding/ Rental Agreement
- Within a specified time period, negotiate a long term success fee agreement.

Insurance

The tenant must have a comprehensive public liability insurance issued by the state of Arizona licensed insurance company with combined single limits of \$1,000,000 for bodily injury and personal damage. This is to protect the tenant, Thunderbird Global Entrepreneurship Incubator (TGEI), and the Thunderbird University from any potential liability stemming from accident, injury or property damage. This insurance coverage must name TGEI and Thunderbird University as "additional insureds".

Memorandum of Understanding/Rental Agreement

The memo of understanding describes some of the agreement features and acts as a binding agreement.

Long Term Success Fee

The long-term success fee is designed to support the Thunderbird Global Entrepreneurship Incubator so that it can provide services to future entrepreneurs. This fee will be negotiated between the incubator staff and the tenant company at a future date agreed upon by the parties.

Expectations:

Rent

A rent increase may occur after the company has been in the incubator for two years. This increase is typically between \$1.00 to \$1.25 per square foot per year (the amount of the increase is contingent on the type of space, e.g., office, suite). Rate increases are necessary to gradually prepare the tenant company for prevailing market rates.

Tenant Services

The services included in the rent are:

- 24- hours building access
- Kitchen facilities (includes use of a microwave oven, coffee machine, bottled water, and refrigerator)
- Conference room (includes white board)
- Office desk, chairs, telephone equipment and filing cabinets
- Workstation connected to a copy machine for printing.
- Access to the Document Resources Center for all documents processing (fee based)
- Computer help desk for assistance with general computer related matters
- Parking area for tenant and guests
- Access to a world renowned campus/resource library
- Wireless Internet access
- Mail and Postal Service (fee based)

Additional services provided to incubator tenants are described in the accompanying service manual.

Thunderbird Global Entrepreneurship Incubator:

As a tenant of the incubator program, you will be expected to provide information regarding the operation of the business to TGEI on a regular basis. This information includes such items as the tenant company's employee count, aggregate payroll figures and other financial statement information. All information reported to the funding sources is reported on an aggregate basis. Informal requests will be made on a quarterly basis, with a formal survey to be completed annually. Participation by all tenants within the program is mandatory/confidential.

There will be times when the incubator staff member may need to enter the premises of the tenant company, e.g. building maintenance, etc. In these instances, every effort will be made to contact the tenant. However, if the tenant cannot be reached, the TGEI reserves the right to be able to enter said premises.

Any chemicals to be used or stored within incubator space must be registered with TGEI. A current file of every chemical used by the tenant must be given to TGEI, as well as a copy of the corresponding Materials Safety Data Sheet for each chemical. We will periodically ask for an updated list and MSDS sheet to keep on file.

TGEI employees are not permitted to sign confidentiality agreements with tenant companies.

Graduation:

It is anticipated that tenant companies will remain in the incubator for no longer 24 to 48 months, with an average stay lasting 36 months. The tenant company's stay within the incubator is intended as an interim measure while its product/market/technology are developed for its market. The incubator has to balance the needs of tenant companies with those of new entrepreneurs who would benefit from the environment of an incubator.

Tenants staying beyond three years will meet with the incubator director to plan a graduation strategy. The strategy will include a timetable and list of action items that will ensure a smooth transition from the incubator.

As graduation approaches, the incubator director will assist the tenant in locating a new site. By introducing the tenant to suitable facilities and sources of support, the tenant company should experience ease of transition to the new location.