

New Mexico State University

ARROWHEAD CENTER

LEADING ECONOMIC DEVELOPMENT FOR NEW MEXICO STATE UNIVERSITY



National Security Technology Incubator Operations Plan

National Security Preparedness Project
Grant No: DE-FG52-07NA28084

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Submitted
by
Arrowhead Center
New Mexico State University

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Live, Learn and Thrive

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1.0 INTRODUCTION

This report documents the operations plan for developing the National Security Technology Incubator (NSTI) program for southern New Mexico. The NSTI program will focus on serving businesses with national security technology applications by nurturing them through critical stages of early development. The NSTI program is being developed as part of the National Security Preparedness Project (NSPP), funded by Department of Energy (DOE)/National Nuclear Security Administration (NNSA). This document is a deliverable due April 30, 2008, as performance measure 1.1.4 of Grant No: DE-FG52-07NA28084 (reference: Arrowhead Center proposal, Page 15).

The purpose of the NSPP is to promote national security technologies through business incubation, technology demonstration and validation, and workforce development.

A key to completing the mission is the development of an incubator operations plan, a living document that serves as a tool in measuring progress in the development process and delivery of services for the NSTI program. Continuous review and evaluation of the operations plan is necessary in the development process of the NSTI. The operation plan includes detailed descriptions of the structure and organization, policies and procedures, scope, tactics, and logistics involved in sustainable functioning of the NSTI program. Additionally, the operations plan will provide detailed descriptions of continuous quality assurance measures based on recommended best practices in incubator development by the National Business Incubation Association (NBIA). Forms that assist in operations of NSTI have been drafted and can be found as an attachment to the document.

2.0 INCUBATOR ORGANIZATIONAL OUTLOOK

2.1 MISSION

The mission of the NSTI program is to identify, incubate, and accelerate technologies with national security applications at various stages of development by providing business and technology assistance to new or existing companies.

2.2 VISION

The vision of the NSTI is to be a successful incubator of technologies and private enterprise that assist the NNSA in meeting new challenges in national safety, security, and protection of the homeland. By nurturing the business and technology needs of its clients, the NSTI will contribute to the success of businesses in the rapidly growing entrepreneurial environment in southern New Mexico. By matching NNSA technology requirements with technologies of small businesses, the NSTI will assist small businesses in finding customers and the NNSA with finding technologies to make the nation more secure.

2.3 GOALS

The goals of the NNSP shaping the operations of the NSTI are:

- Incubate national security technology businesses relevant to the NNSA and the DOE, by creating a support environment, attracting security technology businesses, initiating start-ups, evaluating products and processes, and achieving sustainability.
- Promote demonstration and validation of national security technologies emanating from incubator companies to maximize the availability and use of the test assets in New Mexico as well as supporting technology demonstrations and validations through the incubation process toward sustainability of the demonstration and validation (DEMVAL) assets.
- Develop the appropriate workforce and ensure that a strong, well-trained workforce is available for current and future national security technology employers and leverage public and private resources for national security workforce development.

3.0 PROJECT AREA

Arrowhead Research Park encompasses approximately 257 acres located at the southern end of New Mexico State University (NMSU) bounded by Interstate Highways 25 and 10. The area of current development consists of approximately 15 acres with all advanced infrastructure in place.

In the heart of the Southwest, southern New Mexico offers convenient accessibility to all national markets through a major shipping hub, a local regional airport, the El Paso International Airport, two interstate highways, a network of railroads, and three border crossings into Mexico. New Mexico shares its southern border with the state of Texas and the state of Chihuahua, Mexico.

The region containing the metropolitan service areas of Las Cruces, New Mexico; El Paso, Texas; and Ciudad Juárez, Chihuahua; is the largest metropolitan area along the U.S.-Mexico border. The Arrowhead Park is located within a Historically Underutilized Business Zone offering federal contracting opportunities for qualified small businesses located in these distressed areas to stimulate economic development and employment growth.

The Arrowhead Park offers incubator clients the ultimate in state-of-the-art telecommunications and information technology in the Southwest. Incubator clients will have access to I-2 connectivity with access to NASA and White Sands Missile Range, a Cisco gigabit backbone, multi-building fiber-optic interconnectivity, Digital Subscriber Line (DSL), Long-Reach Ethernet (LRE), IP tunneling, Wireless Point-to-Point and Lambda Rail Connectivity.

4.0 INCUBATOR FACILITIES

4.1 GENESIS CENTER

The initial physical location of the NSTI will be in the Genesis Center, located at the northern edge of NMSU's Arrowhead Research Park. This Center is designed to house small start-up companies that will assist economic development in Las Cruces and southern New Mexico.

The Genesis Center has 30,000 square feet in three (3) pods of 10,000 square feet each. Available office or laboratory space ranges in size from 150 square feet to 2,000 square feet.

The Genesis Center also has a supporting office complex that includes a reception area and conference room. Occupants of the Genesis Center can use the conference room and may have some services provided by the reception area. A full-time resident manager is available to assist tenants.

4.2 PHASE-1 EXPANSION

The long-term physical location of the NSTI will be in a new building in the Arrowhead Research Park. Plans are underway for the construction of a multi-tenant incubator facility to be located in the Arrowhead Research Park. The phase-1 expansion is slated to be 23,000 square feet with approximately 18,000 square feet devoted to tenant-leased space with average allotments between 1,000 and 2,000 square feet. Projected capacity likely will be in the range of 15 to 18 full-time tenants.

Future tenants will have access to shared central service areas including a front desk reception area, a presentation equipped conference room, a copying and imaging center, and mailing and shipping facilities.

Funding of the phase-1 expansion is being sought from the regional office of the U.S. Economic Development Administration (EDA). Discussions with the EDA have taken place and funding looks likely in fiscal year 2009.

5.0 NSTI PROGRAM ORGANIZATIONAL STRUCTURE

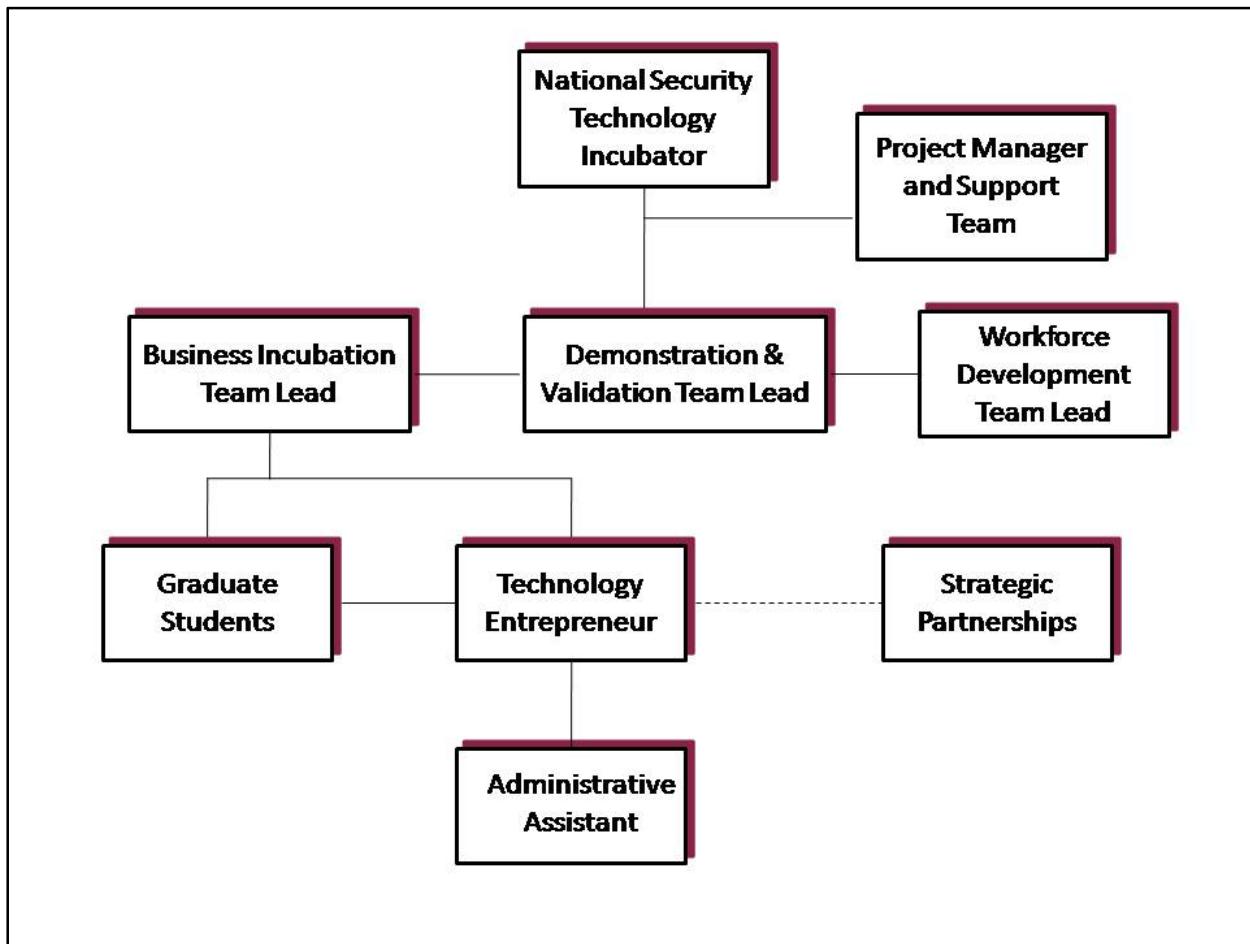


Figure 1. National Security Technology Incubator Organization

Figure 1 displays the organization chart for the NSTI. The Business Incubation Team Leader is responsible for all NSTI activities. The Technology Entrepreneur, a new position, reports directly to the Business Incubation Team Leader. Assisting the Technology Entrepreneur is the Business Incubation Administrative Assistant, also a new position within the Arrowhead Center. Graduate students support both the team leader and the Technology Entrepreneur.

Strategic partners, such as the local Small Business Development Center (SBDC), work with the Technology Entrepreneur to supply services to NSTI clients. The main function and purpose for the NSTI program staff is to help guide policy development for the NSTI program and to identify and facilitate appropriate services for clients in each step of their company's development.

6.0 INCUBATOR SERVICES

The NSTI program will scope basic services based upon the level of available resources, funding, and availability of incubator space. The NSTI program will provide services tailored to small security technology businesses, including facilitated access to potential security technology customers (such as NNSA), part-time administrative support, access to technology demonstration funding, and engineering and technology development assistance.

The following services have been identified and recommended by the NBIA for developing any incubator program and answering the needs of the small businesses. Delivery of these services will be developed as an integral part of NSTI operations:

Business Support and Assistance

- Business plans
- Strategic planning
- Marketing plans
- Product commercialization
- Financing
- Management plans and processes
- Entrepreneurship workshops
- Business development seminars
- Consulting and referral regarding intellectual property issues

Specialized Assistance

- Legal
- Financial
- Accounting

Logistical Business Services

- Business address
- Mail service
- Internet connection
- Networking
- Telecommunications

Administrative Services

- Front desk reception area
- Conferencing
- Imaging, copying, and FAX service

Assistance and Training on Proposals

- Federal grants
- Contracts
- DUNS and CCR numbers for federal entitlement

Marketing and Advertising Training and Assistance

- Promotion of products and services
- Press releases and periodical advertising
- Web site development
- Brochures
- Network with partner organizations

7.0 INCUBATOR OPERATIONS STAFF

A critical role in the delivery of the NSTI incubator services is fulfilled by the Technology Entrepreneur, who will serve as the chief advisor to all client companies and will hold regular meetings with each client to address specific needs. The Technology Entrepreneur will identify appropriate resources for the client and facilitate referrals to internal and external service providers. An administrative assistant will provide secretarial support to the incubator companies.

The Technology Entrepreneur will serve as an on-site hands-on mentor in general business matters to companies in the national security incubator program and provide market and technology development assistance. He or she will develop and implement business support programs that assist start-up companies in specified key technology sectors, mentor and advise client customers on an as-needed basis, develop a consultant and mentor network, coordinate networking events and facilitate workshops, and assist with identifying and maintaining strategic partnerships with Arrowhead Center stakeholders.

Additionally, the Technology Entrepreneur will work to attract security technology businesses to the region, create work plans and benchmarks for clients, screen clients, assist in the application and selection process, monitor and track client progress, and assist in development of various planning documents including incubator policies and procedures. He or she will work independently and as part of a management team representing Arrowhead Center to internal and external clients, constituents, and professional organizations.

The Technology Entrepreneur will hold a minimum of a bachelor's degree in Business, Communications, Engineering, or a related field and four years of related experience. Moreover, he or she will possess excellent oral and written presentation skills, short- and long-range planning skills, and masterful organizational skills with an emphasis on working within a framework of deadlines. The Technology Entrepreneur preferably will be experienced with technologies at various stages of development ranging from proof-of-concept to established technologies in prototype development.

The incubator operations staff will be committed to sustained operations applying the best practices as recommended by the NBIA. The management team will endeavor to maximize the productivity of the NSTI while remaining committed to producing the highest possible quality of technology businesses, products, and services for Arrowhead stakeholders and the NSPP.

8.0 CLIENT SELECTION

8.1 NATIONAL SECURITY TECHNOLOGY Focus

With the focus of the NSTI program on national security technology, in particular nuclear technologies, potential incubator client companies must have some applicable use within this focus. Within the sphere of national security technologies, a wide variety of different technological foci exist. It is important for the NSTI program to attract and accept those businesses for which technology or research will be applicable to the initiatives of the NSTI program's key stakeholders that were identified in performance measure 1.4.1. Some of the most critical needs of these stakeholders include:

Nuclear Non-Proliferation

- Technologies for early detection and surveillance of proliferation activities
- Maintenance and safety of nuclear stockpiles and the transport of nuclear materials
- Robotic technologies for the handling and cleanup of nuclear materials
- Distributed Information Systems for nuclear complexes

Homeland Security

- Technologies aimed at protecting U.S. armed forces both at home and abroad
- Security of domestic infrastructure and military assets

Biological and Chemical Weapon Non-Proliferation

- Early detection technologies
- Protection or deterrence technologies

Small businesses with non-proliferation technologies applying for incubator membership will be found at varying stages of growth. For those in early stages of development, the business services provided by the NSTI program can prove critical to producing a sustainable business. The development of a quality marketing plan or revisions to the

business plan, in addition to workshops and seminars on how to build a business, will be crucial services for successful applicants.

More developed businesses can benefit most from services like marketing assistance, help obtaining financing, and information on obtaining government contracts. Networking opportunities and the guidance of the technology business entrepreneur also can be helpful. These companies may participate in incubator activities; however, they may or may not apply for physical space.

8.2 APPLICATION PROCESS

A business applying for incubator membership initially submits a brief inquiry using the Internet, in person, or through referral from an external service provider. The initial inquiry is then reviewed by the management team. If the company meets preliminary standards, they will be contacted by the incubator staff requesting that they complete a formal application. Businesses that are declined will receive suggestions toward reapplication at a later date.

The initial application for incubator membership includes basic information about the company, the point of contact, leased space needed, the time frame for needed space, description of existing relationship with the incubator if any, description of business type, products/processes under development, and other applicable details. If the company meets application standards, they will be contacted by the incubator staff requesting that they schedule an interview with incubator management. Businesses that are declined will receive suggestions toward reapplication at a later date.

The initial interview will be conducted by Arrowhead administrators and incubator staff. The interview will include detailed questions to establish goodness of fit with the NSTI focus, the applicability of the products or technologies under development and the general financial status of the business, including credit ratings and access to capital. The interview is evaluated, and if the business receives initial approval for admittance, it will be contacted by the incubator staff and asked to schedule a presentation to be given to Arrowhead and incubator management. Businesses that are declined will be redirected.

The panel convened for the client presentation will be made up of a combination of members of the Arrowhead board of directors, Arrowhead administrators, incubator staff, and representatives from key stakeholders. The presentation will include detailed descriptions of the client's product or technology, the stage of development, and timeline. A summary business plan, a list of goals and objectives, and strategic plan also will be presented. After evaluation of the presentation by the panel, businesses meeting all standards will be approved for admittance. Businesses that are declined will be redirected.

9.0 ADMITTANCE OF INCUBATOR CLIENTS

The client will schedule an initial meeting with incubator management and will begin the admittance process including participation in an orientation session. The client will receive the client handbook at this time and, after review, will submit a completed client agreement form pledging to comply with the requirements, rules, and responsibilities contained in the handbook.

The client will complete an application for space and complete a detailed client needs assessment describing the specifics about services needed. These include phone lines, data ports, IP addresses, security pass keys needed, and details about the company

name and logo for area directories and signage. Allowable modifications may be available at the discretion of incubator management, and these changes, if any, would also be discussed as part of the needs assessment. The client will now sign the lease agreement and write a check for the first month's rent.

The client will complete the admission process by agreeing to produce a copy of their business/occupation license within 30 days and display a copy in the leased space. Additionally, the client will provide written proof of liability insurance within 30 days. Clients are also required to post MSDS safety sheets on any hazardous substances to be handled within the leased space.

10.0 THE INCUBATION PROCESS

10.1 ORIENTATION OF NEW CLIENTS AND INITIAL INCUBATION PROGRAM

Initially, the incubator staff will assist the new client business in assessing their individual level of business development. Often the new client will be at the beginning of this process at admission and will begin to adjust and professionalize their business plan; marketing plan; and research, plans, and strategies for funding growth and for locating sources of venture capital.

In an effort to refine and develop management techniques and operational approaches, the new client will begin attending Arrowhead Center entrepreneurial workshops, periodic workshops for high technology start-up companies, and workshops targeted at incubator-based businesses. Incubator staff also will serve as a liaison between the new clients and the business support network helping them to identify and begin to interact with these agencies including external service providers, university resources, and government programs.

10.2 FUNDAMENTAL PHASE OF BUSINESS INCUBATION

The client beginning the maturation process will continue to attend the Arrowhead Center entrepreneurial workshops, as well as other specialized workshops, offered at least bi-annually. Additionally, the client will participate in strategic work sessions guided by incubator staff. These work sessions will continually evaluate and improve company growth strategies, revenue projections, market growth and penetration strategies, and strategy toward continued funding and attraction of capital investment.

10.3 INTERMEDIATE STAGE OF INCUBATION FOR MATURE CLIENTS NEARING GRADUATION

During this final preparatory stage, the mature client will continue to attend targeted and entrepreneurial workshops as they move toward graduation. The client will prepare their final business plan with input from incubator staff and incorporate developments and improvements resulting from incubation. Additionally, the client and incubator staff will reexamine the client's strategic plan identifying new strategies needed as graduation approaches, as well as incorporating newly learned approaches.

During this stage, the client will begin the early stages of preparing to implement the sales and marketing plans and strategies that have been developed during incubation. With the assistance of incubator staff, the client will put the final touches on the operational system that will support the production and distribution of their goods and services in a timely manner and with an eye toward planned and sustained growth.

10.4 GRADUATION CRITERION

A client will graduate from the incubator program when the client achieves, or is prepared to achieve high and/or sustainable sales and adequate cash flows as well as

operating at a volume beyond a micro business capacity. A client will also graduate if it is sold or is acquired by another firm or if the client issues a successful public offering. Graduation also is warranted when the client is stable and exceeds standard incubator time limits to be standardized by incubator staff.

10.5 EXIT PROCEDURES

The incubator staff will liaison with commercial realtors and business support providers to help the client manage the transition out of the incubator. The client will clear the leased space, and any deficiencies or deviations from standard protocols will be arbitrated between incubator staff and the client. Finally, the client will return all incubator property, including all pass keys, and will arrange for the forwarding of all correspondence and freight to their new address.

11.0 PROGRAM EVALUATION AND TOTAL QUALITY ASSURANCE

To achieve success for both incubator businesses and the NSTI program, an evaluation process is essential to effectively measure results and implement corrective processes in the incubation design if needed. The evaluation process design will collect and analyze qualitative and quantitative data through a performance evaluation system.

The goal of the evaluation program is to optimize the chances of success for incubator businesses, and insure the sustainability of the NTSI by close and continuous monitoring of the incubator services and facilities used by clients and through regular assessment of continuing management processes.

11.1 EVALUATION SURVEY

In evaluating the NSTI programs strengths and weaknesses, the design will include an evaluation survey of incubation services, management practices, the management team, and tenant selection criteria. The evaluation survey will be administered to all NSTI clients (those companies currently in the incubation program and those companies that have graduated), resource network partners, and the staff of the NSTI. Results will be documented and shared among all those surveyed.

This survey will rate the services offered on a scale of 0 to 5 accordingly: 0 =Not Used or Unknown; 1=Needs Improvement; 2=Average; 3=Good; 4=Very Good; 5=Excellent. The services and practices evaluated will consist of items identified through ongoing discussion with incubator staff, management, and Arrowhead administrators.

11.2 EVALUATION OF MANAGEMENT PRACTICES

The management practices of the NSTI will be evaluated in terms of its mission and operations, governance and finances, management team, and tenant selection, monitoring, and graduation policies. The list below summarizes the foci guiding management evaluation.

Mission and Operations

- Clearly identified mission and program goals
- Strong strategic plan with quantifiable objectives to achieve the mission
- Sound business plan to guide and monitor growth
- Effective strategic alliances and collaborations with service area providers
- Regular reviews of finances with the Arrowhead Center Board of Directors

Governance and Finances

- Financing is capable of ensuring continued operations and effectiveness
- Board of directors supports the mission of the NSTI
- The organizational structure contributes to effective program operations and client service

Management Team

- Management is informed of industry best practices
- Staff salaries are at appropriate level to attract and retain experienced employees
- Staff is adequate to meet the needs of NSTI clients and provides efficient service
- Clear job descriptions for staff and evaluates staff annually through performance reviews
- Management supports professional development of staff

Tenant Selection, Monitoring, and Graduation Procedures

- Has well defined tenant selection criteria and selects only those applicants that meet the criteria
- Regularly collects information on client performance results
- Effectively utilizes effective business management tools in tracking client progress
- Has a formal benchmark-based graduation policy

11.3 SUSTAINABILITY AND OVERALL PROGRAM OUTCOMES

Successfully seeing businesses through to graduation, their success after graduation, who they employ, and what they contribute into the future are factors just as important as the efficient operation of the incubator. For this reason, several outcomes will be measured to provide information on the effectiveness of the NSTI. These outcomes include the graduation rate of incubator companies, the growth of client companies after graduation, number of jobs and revenue generated in the region by graduated companies, number of security technologies successfully marketed and employed, and the long-term financial sustainability of the incubator.

DRAFT



National Security Technology Incubator

Pre-Application Inquiry

Date of Inquiry _____

Company Information

Name of Company: _____

Organization (check one): Corporation Partnership Sole Proprietor 501-C-3

Date of incorporation or organization: _____

Mailing Address: _____

() _____
Phone

() _____
Mobile/Alternate

() _____
Fax

email address: _____
Website? _____

Primary product, service, or technology under development (confidential):

Stage of development (check the best answer):

Idea Development Ready to launch In production In production and generating revenue

Describe the market
for your products or
services:

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Contact Information

Contact name and title:

Alternate or co-contact:

Additional contact
instructions

Anticipated services needed (check all that apply):

Strategy Planning	Financial Planning	Contacts and Introductions	Partnerships Development
Financing/Investment	Workforce	Marketing Services	Legal Services

Are you interested in locating your business at the Incubator? (Describe space requirements):

If you were referred to us, please provide your referral source:

Please include any comments or further information that you wish to communicate to us:

Thank you for taking the time to fill out this questionnaire. A member of the Incubator team will contact you after reviewing the application. The Incubator understands that the information contained herein is private and confidential, and shall take steps to ensure that the privacy of this information is maintained.

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National Security Technology Incubator

Application for Incubator Admission

Application Date _____

Company Information

Name of Company: * All information in the company and contact sections are auto-completed by incubator software/staff before providing to applicant.

Organization: _____ *

Date of incorporation or organization: _____ *

Mailing Address: _____ *

() Phone _____

() Mobile/Alternate _____

() email address: _____ *

Fax _____ Website? _____ *

Applicant description of product, service, or technology:

_____ *

Stage of development :

_____ *

Applicant
description of
market:

_____ *

Contact Information

Contact name and title:

_____ *

Alternate or co-contact:

_____ *

Additional contact
instructions

_____ *

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Application (PLEASE ATTACH ADDITIONAL PAGES AS NECESSARY)

Principal Applicant: Check if same as contact above:

Name, title,
address, phone, fax,

Describe your background/experience with product/service of the business: Please also attach resume.

Give name(s), titles, address, phone number(s) of the principals, partners, or major shareholder(s):

Can your product or technology be patented, trademarked, or protected from duplication?

How much money do you already have invested in this business?

How much money do you already have invested in this business?

How much money do you have to invest in this business?

much money do you have to invest in this business?

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How do you intend to capitalize (finance) this business?

Your reason(s) for seeking space at the NSTI:

Estimated employees at time of occupancy:

Full-time _____ Part-time _____

One year later:

Full-time _____ Part-time _____

Two years later:

Full-time _____ Part-time _____

Three years later:

Full-time _____ Part-time _____

Does your business have special facility needs? (high voltage, refrigeration, special security, etc.)?

Do you expect to use any hazardous or toxic materials? If so, describe:

Do you currently have the following? (Check all that apply):

_____ Business plan outline

_____ Business plan

Do you need assistance to create or complete your business plan?

_____ Market/feasibility study

_____ Current financial information for business and/or principals

_____ Required business permits

Do you have any potential conflict of interest with the NSTI?

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What are your strengths?

What potential problems do you foresee in your business, and/or in entering your market?

You request occupancy in the NSTI on or about (DATE):

The business will require the following space in the Incubator:

Sq/ft Office

Sq/ft Service/shop

Sq/ft Production

Are you a resident of New Mexico?

If yes, how long?

If no, do you have plans to relocate here?

Please provide any additional information you feel is relevant:

I certify that everything I have stated in this application and attached to it is true to the best of my knowledge. I understand that the NSTI will retain this application and any attached materials whether or not it is approved.

Signature: _____

Date: _____

The information on this application will be kept confidential.

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Credit Report Authorization

Print Name

Last

First

Middle In.

Date of Birth:

/ /
MM DD YYYY

Social Security Number:

- - -

Current Address:

Previous Address (if at above address for less than 3 years):

Pursuant to my Application to the Incubator Program, I understand that a credit report may be obtained. I hereby authorize the National Security Technology Incubator, to obtain my credit report.

SIGNATURE

DATE

Please return this form and a check or money order made payable to The Arrowhead Center Inc. to cover the cost of the credit report.

DO NOT SEND CASH.

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National Security Technology Incubator

Request for Interview

Date _____

Applicant Company _____

Dear (contact),

Congratulations, the selection committee has approved your company for continuation of the application process for admission into the NSTI. For the next step, we ask that you contact us in order to schedule an interview with Arrowhead and NSTI management to gather more focused and detailed information about you, your team, and your business. An outline of documents that you should bring to the interview (if possible) as well as topics that you should be prepared to discuss in detail appear below. We recognize that businesses are at varying stages of development so please be as prepared as possible but do not be concerned if you do not have all the information. Again congratulations on this important milestone.

Plans:

Business
Strategic
Marketing
Operations

Projections:

Sales (units 5 yr)
Costs
Funding
Revenue

Product:

Technology basis
Stage of development
Intellectual property included
Customer Base

Market Data:

Demand for product
Size of the market
Make up of competition
Niche identified

Management:

Experience
Structure
Approach
Teamwork

Financial:

History of funding
Equity distribution/ownership
Capital acquisition strategy
Sustainability

We look forward to meeting with you. Please call us with any questions or concerns.

Sincerely: _____

(NSTI Staff/Title)

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National Security Technology Incubator

Interview Evaluation Worksheet

Date _____

Applicant Company _____

For NSTI and Arrowhead use Only

All areas and traits below should be assigned a value based on the substance of the interview
Values: Strong (S) Average (A) Weak (W)

Business Potential

Quality of business plan
Clarity of marketplace
Need in the marketplace
Assessment of competition
Overall

Comments

Technical Merit

Stage of development
Demonstratable technology
Proprietary technology
Overall

Commercial Viability

Product or service
Knowledge about customers
Financials
Strategic plans for growth
Fundability
Overall

Quality of Management Team

Experience
Size
Quality during interview
Ability to receive feedback
Overall

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Ability to use Incubator Services		Comments
Facility		
Programs		
Coaching		
Network		
Venture referrals		
Overall		
Potential Economic Impact on Community		
Jobs		
Sales revenue		
Economic development		
Strategic value to incubator partners		
Overall		

Final Assessment: Conditional acceptance, continue to business presentation. Initials

Decline, refer back to staff for reapplication.

Initials

Review Committee

Name	Title
Chairman:	

Signature (Chairman)

Decision Date

DRAFT



National Security Technology Incubator

Request for Business Presentation

Date _____

Applicant Company _____

Dear (contact),

Congratulations, the committee reviewing your interview has approved your company for provisional admission into the NSTI. For the next step in admittance, we ask that you contact us so that we can assist you in preparing a presentation of your business to Arrowhead Board Members, NSTI staff, University Representatives, and representatives from our key stakeholders. The presentation will formalize the information that you provided at the interview as well as offer strategies for overcoming obstacles, correcting weaknesses, and sustaining growth for the future.

Our staff and presentation specialists will be provided with all of your application materials to date and will be available to provide technical assistance with the presentation content and format. Congratulations again on completing this important milestone.

We look forward to meeting with you. Please call us with any questions or concerns.

Sincerely:

(NSTI Staff/Title)

DRAFT



National Security Technology Incubator

Client Agreement Form

Date _____

Company: _____

Hold Harmless Provision

Nothing contained in the client handbook shall be deemed to constitute nor be construed or implied to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto, other than the relationship of incubator and tenant/client. Clients shall hold harmless the incubator from all damages or losses whether direct, indirect or consequential, or resulting from the use or occupancy of any such offices.

Client will have benefit of various business, financial, technical, and management services offered through the incubator as described in the client handbook. Client hereby acknowledges, understands, and agrees that the incubator staff shall not be liable for advice, depth, extent, quality, and/or quantity of such management, financial, business, and/or technical services offered to Client hereunder. Furthermore, Client acknowledges and understands that such services, and the people and entities performing them, are merely advisory in nature without binding effect on Client and that it may accept and/or reject such advice and services offered. Accordingly, Client agrees that it shall not hold any of the providers of such services responsible or accountable for such services and shall hold such providers harmless from all damages, rather direct, indirect, or consequential. By accepting these services, Client acknowledges that it is responsible for all decisions with respect to its own business and is free to accept and/or reject any advice.

I have read and accept the terms of the NSTI incubator handbook. I understand that the handbook will be revised from time to time to reflect addition, deletion, or update information. I will not hold the incubator responsible for information in this edition of the handbook that may be changed in later editions.

Client: _____

Date: _____

Title: _____

DRAFT



National Security Technology Incubator

NSTI Client Application for Leased Space

Date _____

Name of Company: _____

Mailing Address: _____

() _____

Phone

() _____

Mobile/Alternate

() _____

Fax

email address: _____

Website? _____

Contact name and
title: _____

Please check all that apply

New Client

Have existing space in incubator and want to change it

Have existing space in incubator and want to expand

Applicant description of action requested

What operations will you perform in the requested space and how much space is needed for each

Office

Sq/ft _____

Production

Sq/ft _____

Other

Research _____

Storage _____

Describe:

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Please describe any special needs in detail.

The incubator staff will review your request for space combined with your needs assessment request against available space and resources and will contact you to reach the best accommodations available. Please contact us with any further information or with any questions you may have.

Client: _____

Date: _____

Title: _____

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National Security Technology Incubator

NSTI Client Needs Assessment

Date _____

Name of Company: _____

Mailing Address: _____

() _____
Phone
() _____
Mobile/Alternate
() _____
Fax

email address: _____
Website? _____

Contact name and
title: _____

If current tenant: _____

	Locations(s)	Building(s)
Operational Needs	Directions for installation if space has been assigned	
Number of phone lines needed	_____ in room	_____ in room
Number of data ports needed	_____ in room	_____ in room
Number of IP addresses needed	_____	
Number of Key/slide cards needed	_____ for room	_____ for room

Company name to appear on doors/directories.

Client: _____

Date: _____

Title: _____

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National Security Technology Incubator

SUBLEASE AGREEMENT (ABTI-006)

Date _____

Applicant Company

This Sublease Agreement (SUBLEASE) is made and entered into this _____ day of _____, 2008, by and between the Arrowhead Center, Inc., Las Cruces, New Mexico, a New Mexico 501 c(3) non-profit corporation (LANDLORD), and _____, a New Mexico corporation located in Las Cruces, NM (TENANT).

Now, therefore, in consideration of the foregoing, the rent herein reserved, the covenants herein contained, and for the good and valuable consideration, the LANDLORD does hereby sublease, demise and let unto TENANT the property herein described for the term and in accordance with the conditions herein set forth. The parties agree as follows:

1. Description: The LANDLORD subleases to the TENANT _____ square feet of space located in the NSTI, Building ___, Rooms _____ and _____ on the New Mexico State University campus in Doña Ana County, New Mexico, subleased herein as designated on attached Exhibits "A" hereinafter called the "PREMISES."
2. Term: The term shall be for one year, beginning _____, 2008 and ending _____, 2009.
3. Rent: TENANT agrees to pay, and LANDLORD agrees to accept, as rent _____ dollars and _____ cents (\$_____) per month payable monthly which is based on \$16.00 per square foot per year. Rent is payable in advance on the first day of each month and is delinquent if not paid by the tenth of the month. Rent payments not received or delivered to NSTI by 5:00 p.m. (close of business) on the tenth of the month shall incur penalty of \$50 for each 10 days the rent payment is late.
4. Condition of PREMISES: TENANT hereby acknowledges that TENANT has made an on-site inspection and knows the condition of said PREMISES, that no representations as to the condition of the PREMISES have been made by the LANDLORD, and TENANT hereby accepts the demised PREMISES in their present and/or improved condition.

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5. Ownership of Improvements:

6. Notice: All notices relating to this SUBLEASE shall be in writing and shall be delivered to the following addresses, with signed acknowledgment of receipt, or if mailed, sent certified or registered mail to:

LANDLORD: Kevin B. Boberg, CEO
Arrowhead Center, Inc.
New Mexico State University
MSC 3CR, Box 30001
Las Cruces, New Mexico 88003

TENANT: , Title
Company
New Mexico State University
MSC ARP, Box 30001
Las Cruces, NM 88003

or to such other addresses as either party may give to the other party by written notice as set forth above.

7. Utilities: Rent includes all normal and customary charges for janitorial, water, gas, sewer, electricity, and other public utilities supplied to the PREMISES.

8. Maintenance: LANDLORD's responsibilities for maintenance of the plumbing, heating, air conditioning, electrical systems, and all structural elements of the PREMISES shall be limited to a level of maintenance usual and customary for typical office space. TENANT assumes full responsibility for any and all maintenance of said systems above the level of maintenance provided by LANDLORD, at its sole expense. TENANT shall defend, indemnify, and hold landlord harmless from any action, proceedings, loss, costs, damages, liability, and all other liabilities and expenses, including, but not limited to, attorney's fees and cost of litigation incurred by LANDLORD by reason of any claim against LANDLORD arising out of the LANDLORD's maintenance of the PREMISES. Any additional equipment required for TENANT operations shall be at the expense and responsibility of TENANT.

9. LANDLORD shall repair and maintain in good condition, the plumbing, heating, air conditioning, and all structural elements of the PREMISES.

10. Assignment and Subletting: TENANT may not assign, sublet, mortgage, subordinate, alienate, or hypothecate the PREMISES, or any part thereof, without the express written consent of LANDLORD.

11. Signs and Personal Property: TENANT may place signs on the PREMISES only with the advance written approval of LANDLORD. All personal property, signs, and improvements of TENANT kept on the property, as well as TENANT's employees, agents, customers, and invitees, shall be at the sole risk of the TENANT, and LANDLORD shall not be liable for any damage or injury thereto.

12. Advertising: TENANT will notify LANDLORD of any advertising that includes use of name and logo of New Mexico State University and/or Arrowhead Center, Inc. and will receive written approval prior to such publication.

13. Taxes: LANDLORD assumes and agrees to pay, before they become delinquent, all property taxes and assessments levied or assessed against the PREMISES by any governmental authority. TENANT will pay all taxes assessed that pertain to TENANT's business.

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14. Inspection: TENANT will permit LANDLORD to come upon the PREMISES at all reasonable times in order to inspect the condition, use, safety, or security of the PREMISES and any improvements thereon. Upon three (3) days written notice, LANDLORD shall have the right to enter the PREMISES to provide necessary structural maintenance.

15. Parking: TENANT agrees, during the term of the SUBLEASE, and any extensions thereof, to pay current annual parking fee(s) directly to the NMSU Parking Department for parking for employees. TENANT further agrees to comply with the NMSU Parking Department's regulations and to advise visitors of Parking Department regulations.

16. Laws: TENANT will comply with all applicable federal, state, and local laws and ordinances and with all applicable rules and regulations of LANDLORD and will insure that those persons using the PREMISES so comply.

17. Non-Discriminations: TENANT, with respect to employment of staff and those persons using the PREMISES and/or receiving services from TENANT, shall not discriminate unlawfully with respect to race, sex, national origin, age, physical handicap, religion, or as to any other class protected against discrimination by the laws of New Mexico State or federal laws applicable to the PREMISES.

18. Indemnity: TENANT shall defend, indemnify, and hold LANDLORD harmless from action, proceedings, loss, costs, damages, liability, and all other liabilities and expenses, including, but not limited to, attorney's fees and cost of litigation incurred by LANDLORD by reason of any claim against LANDLORD arising out of this SUBLEASE and/or the operation of the PREMISES, except those claims arising out of the active conduct or negligence of LANDLORD's employees acting in the course of their employment for the benefit of LANDLORD and not TENANT, and from any damages resulting from structural defect of the PREMISES or from LANDLORD's failure to maintain the structure in a condition acceptable and conducive to TENANT's intended uses of the structure.

19. Expiration: If TENANT plans to end SUBLEASE prior to termination date, TENANT will notify LANDLORD in writing 30 days prior to termination date. Written notice to be delivered as stated in Item 6.

20. Insurance

a. Liability: TENANT shall carry and maintain in full force and effect during the term of this SUBLEASE, and any extension thereof, at TENANT's sole cost and expense and as additional rent hereunder, public liability insurance covering bodily injury, disease, illness, or death, and property damage liability in a form and with an insurance company acceptable to LANDLORD, with limits of coverage not less than \$500,000 for each person and \$750,000 in the aggregate for bodily injury, disease, illness, or death with respect to any one occurrence, and \$1,000,000 for each accident for property damage liability, for the benefit of both LANDLORD and TENANT as protection against all liability claims arising from the PREMISES, causing LANDLORD to be named as an additional-named insured on such policy of insurance, and delivering a copy thereof to LANDLORD upon the commencement of the term of this SUBLEASE.

b. Fire: TENANT, at its own expense, will during the Term maintain in force a legal liability insurance policy insuring improvements on the PREMISES for their full insurable value against loss or damage by fire. The policy will name LANDLORD and TENANT as the insured parties as their interests may appear. All funds paid by the insurance carrier as a result of any loss will be applied to repair or restore the damage or loss. TENANT will hold LANDLORD harmless regarding TENANT-owned property, except to the extent that a loss is not covered by insurance and was caused by LANDLORD's negligence.

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c. Personal Property: TENANT is responsible, at its own expense, for insurance on personal property contents within building.

21. Default of TENANT: If TENANT should default under terms of this SUBLEASE, then LANDLORD may give TENANT written notice by certified or registered mail specifying what default has occurred. Unless the default is remedied or obviated by TENANT within thirty (30) days after mailing notice, or unless within such a thirty (30) day period TENANT shall have commenced and shall continue to take action for the purpose of remedying or obviating such default and shall thereafter in good faith prosecute such action to completion, LANDLORD may declare the forfeiture of the interest of TENANT in this SUBLEASE by giving TENANT written notice thereof by certified or registered mail, and this SUBLEASE shall terminate forthwith.

Upon receipt of such notice of forfeiture, TENANT shall immediately and peaceably surrender the PREMISES, together with all improvements, (except as otherwise provided herein) and fixtures thereon. If TENANT fails to surrender the PREMISES, LANDLORD may forthwith take possession of the PREMISES, together with all improvements and fixtures thereon, either by force, summary proceedings, or by any other suitable action or proceedings at law or otherwise, without being liable for damages. TENANT agrees that in the event of forfeiture hereunder it shall, upon request of LANDLORD assign, convey, and transfer to LANDLORD the title of all improvements, buildings, and fixtures on the PREMISES. Under this remedy, TENANT shall be liable for the costs, expenses, and attorney's fees of LANDLORD in enforcing its rights under this SUBLEASE, including injunctive relief or the obtaining of possession, and LANDLORD shall have a lien on all property of TENANT on the PREMISES as security for the payment of such rental, costs, expenses, and attorney's fees. TENANT shall not be liable for any future rental from the date of termination if this remedy is pursued, and LANDLORD shall have no further obligation to TENANT under this SUBLEASE.

22. Uses to be Made of PREMISES: The PREMISES shall be used by TENANT for the conduct and operation of its business and for such other lawful purposes to which the LANDLORD shall consent in writing. In no event shall PREMISES be used for any unlawful purpose or other purpose constituting or creating a public or private nuisance.

23. Business Incubator Program: TENANT acknowledges that LANDLORD intends to use the NSTI as a facility designed to help entrepreneurs start or expand their businesses. TENANT and LANDLORD shall meet no less than semi-annually, to develop and review milestones to discuss participation in the ABTI program.

24. Rules and Regulations: LANDLORD reserves the right to establish rules and regulations with respect to the use and operation of the PREMISES and common areas and to amend such rules and regulations from time to time. TENANT shall faithfully observe and comply with these rules and regulations.

25. Succession: This agreement shall extend to and be binding upon the heirs, successors, and assigns of the parties.

26. Entire Agreement: This SUBLEASE and its attachments shall be considered to contain the entire agreement between the parties hereto pertaining to the PREMISES and all negotiations and all agreements acceptable to both parties are included herein.

IN WITNESS WHEREOF:

The parties hereto have set their hands this _____ day of _____, 2008.

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LANDLORD: Arrowhead Center, Inc.

BY: _____

Kevin B. Boberg, CEO

TENANT: Company

BY: _____

TENANT, Title