

CITY OF CAMBRIDGE  
COMMUNITY DEVELOPMENT DEPARTMENT  
City Hall Annex - Inman & Broadway - Cambridge, Mass. 02139

498-9034

September 14, 1984

MEMORANDUM/TRANSMITTAL

TO: Robert W. Healy  
City Manager

FROM: ~~X~~ Kathy A. Spiegelman  
Assistant City Manager  
for Community Development

RE: Cambridge Enterprise Collaborative  
HHS Grant Appropriation

Pursuant to the request of City Council for additional information on the above referenced subject, please find enclosed the following documents:

- Draft contract between the City of Cambridge and the Cambridge Enterprise Collaborative, Inc. for administration of the Business Incubator and Venture Capital programs
- By-laws and Articles of Organization for the Cambridge Enterprise Collaborative, Inc.
- Summary of Tenant Selection Plan. Please note that this document is a brief summary of the type of criteria that will be examined in selecting tenants for the incubator facility. The actual plan will be finalized in the next few months
- Two memorandums from Alan Zimlicki of Greater Boston Community Development (GBCD) outlining in more detail the incubator project, including draft pro-forma's and projected cash flow to be realized from the incubator facility. Also attached to these memo's is an updated implementation schedule for the project

I trust that the above satisfies Council's request adequately. Staff from my office along with representatives of GBCD and the Boys and Girls Club will be present at the September 17 Council meeting to answer any additional questions.

KAS/jk

Enclosures

THE CITY OF CAMBRIDGE MASSACHUSETTS

AND

THE CAMBRIDGE ENTERPRISE COLLABORATIVE, INC.  
526 Cambridge Street  
Cambridge, Massachusetts 02141

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THIS AGREEMENT entered into as of the \_\_\_\_ day of \_\_\_\_\_, 1984 by and between the City of Cambridge, a municipal corporation in the Commonwealth of Massachusetts (hereinafter called the City), and the Cambridge Enterprise Collaborative, Inc., a corporate body duly organized under the General Laws (hereinafter called CEC);

WITNESSETH THAT:

WHEREAS, the City acting through its Community Development Department (hereinafter called the Department), is funded under a Notice of Financial Assistance dated September 27, 1983 with the United States Department of Health and Human Services (hereinafter called HHS), Office of Community Services (hereinafter called OCS), for the administration of a local economic development project; and

WHEREAS, the City desires to engage the CEC to render services in the execution of the project; and

WHEREAS, the CEC has agreed to perform such services and has the apparent ability to so perform; and

WHEREAS, the City has encumbered \$1, 000,000.00, the full amount payable under this contract with a City of Cambridge Purchase Order No. \_\_\_\_\_, and assigned said Purchase Order to City Budget Code No. \_\_\_\_\_.

NOW, THEREFORE, the parties do mutually agree as follows:

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A. SCOPE OF SERVICES

1. The CEC shall utilize \$500,000. of the OCS Grant as equity to finance the following real estate renovations and/or acquisitions:

- a. Assist the Boys and Girls Club of Cambridge to purchase and rehabilitate the gymnasium currently owned by St. Mary's Parish at the corner of Harvard and Prospect Streets. The facility will then be occupied by the Boys and Girls Club who will provide services for the youth of Cambridge.
- b. Construct or renovate approximately 30,000 square feet of rental space to be used as an incubator facility for use by start-up enterprises. The location of such rental space will be subject to prior consultation with residents of the surrounding neighborhood. The net profit from the rental space shall be transferred to the Boys and Girls Club of Cambridge to further purposes of the Club.

2. The CEC shall utilize \$500,000.00 of the OCS Grant to establish a Venture Capital Loan Guarantee Fund to facilitate the expansion of existing Cambridge businesses in order to provide jobs for low income residents of the City.

3. The CEC shall submit detailed work plans which must be approved by the City prior to the expenditure of OCS funds. A work plan for each of the phases of the project as identified in A. 1. and A. 2. above shall be prepared separately with funds to be released as each work plan is approved. Significant changes in the work plan must be approved in advance by the City.

4. The CEC shall submit monthly progress reports to the City and assist in the preparation of quarterly reports and a final report to HHS.

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5. The CEC shall consult regularly with appropriate neighborhood groups, human service providers and interested citizens regarding the use of the gymnasium facility and the development of the incubator rental space.

6. The CEC shall perform all other activities necessary to the successful completion of the project as generally described in the proposal submitted to HHS-OCS dated June 1, 1983.

B. TIME OF PERFORMANCE

1. The services of the CEC are to commence no sooner than 1984, but only after receipt of a Notice to Proceed from the Department and shall be undertaken in such sequence to insure their expeditious completion, but in no event shall that date extend beyond

C. COMPENSATION AND METHOD OF PAYMENT

1. The City agrees to pay the CEC \$500,000.00 for equity financing for building renovation and/or new construction, and \$500,000.00 for the Venture Capital Loan Guarantee Fund.

2. Payment shall be made on the basis of itemized invoices which detail project progress according to the approved work plan. Significant lack of progress by the CEC may result in withholding of funds by the City.

D. CHANGES

1. Either party may from time to time request changes in the Scope of Services of the CEC. Such changes, except as

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specified below, shall be mutually agreed upon by the parties and shall be incorporated in written amendments to this contract. Any changes in the terms and conditions of this contract must be consistent with Federal, State and Local laws and regulations governing this program.

2. This agreement may be cancelled without cause by either party by giving thirty (30) days written notice to the other party.

E. APPLICABLE LAWS, REGULATIONS, PROCEDURES

1. The CEC shall provide services in accordance with the following documents, all of which are herein incorporated by reference and made an integral part of this agreement:

- a. June 1, 1983 Proposal to OCS
- b. September 27, 1983 Notice of Award from HHS
- c. 45 CFR Part 16, Departmental grant appeals process
- d. 45 CFR Part 46, Protection of human subjects
- e. 45 CFR Part 74, Administration of Grants
- f. 45 CFR Part 80, Nondiscrimination under programs receiving Federal assistance from the Department of Health and Human Services
- g. 45 CFR Part 81, Practice and procedure for hearings under Part 80
- h. 45 CFR Part 83, Nondiscrimination on the basis of sex in the admission of individuals to training programs
- i. 45 CFR Part 84, Nondiscrimination on the basis of handicap in Federally assisted programs
- j. 45 CFR Part 86, Nondiscrimination on the basis of sex in Federally assisted education programs
- k. 45 CFR Part 91, Nondiscrimination on the basis of age in Department programs or activities receiving Federal financial assistance

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- 1. 5 CFR Part 900, Intergovernmental Personnel Act Programs: Merit System Standards
- m. All other applicable Federal, State and Local laws and regulations that may govern this project.

F. SOURCE OF PAYMENT

1. Funding for this agreement is subject to the City receiving the full amount of grant funds from the HHS as noted in the September 27, 1983 Notice of Financial Assistance.

2. Nothing in this agreement shall be construed as to encumber the General Fund of the City.

IN WITNESS WHEREOF, the parties hereto have hereunder set their hands as of this \_\_\_\_ day of \_\_\_\_\_ 1984.

Approved as to Legal Form:

Approved for the Department:

\_\_\_\_\_  
Russell B. Higley  
City Solicitor

\_\_\_\_\_  
Kathy A. Spiegelman  
Asst. City Manager for  
Community Development

Approved for the City:

Approved for the CEC:

\_\_\_\_\_  
Robert W. Healy  
City Manager

\_\_\_\_\_  
Marvin E. Gilmore, Jr.  
President

# The Commonwealth of Massachusetts

MICHAEL JOSEPH CONNOLLY

Secretary of State

ONE ASHBURTON PLACE, BOSTON, MASS. 02108

## ARTICLES OF ORGANIZATION

(Under G.L. Ch. 180)

Incorporators

NAME

RESIDENCE

*Include given name in full in case of natural persons; in case of a corporation, give state of incorporation.*

Marvin E. Gilmore Jr.	26 Mt. Vernon St., Cambridge, Ma.
Michael J. Gurnick	37 Rogers Park Ave., Brighton, Ma.
Robert W. Healy Jr.	47 Montview Ave., Lowell, Ma.

The above-named incorporator(s) do hereby associate (themselves) with the intention of forming a corporation under the provisions of General Laws, Chapter 180 and hereby state(s):

1. The name by which the corporation shall be known is:

The Cambridge Enterprise Collaborative, Inc.

2. The purposes for which the corporation is formed is as follows:

The purposes for which this corporation is formed are exclusively charitable and educational and consist of the following:

- (A) The specific and primary purposes are:

- (1) To foster the establishment of a boys and girls club facility and to provide any and all assistance requisite to its functions;
- (2) To provide space, financial and technical assistance for start-up and expanding enterprises;
- (3) To provide job training, counseling and recreational facilities for residents of Cambridge, particularly youth from the city's lower income neighborhoods;
- (4) To do any and all lawful activities which may be necessary, useful or desirable for the furtherance of the foregoing purposes, either directly or indirectly with other educational and/or charitable organizations, foundations, corporations or governmental agencies;
- (5) To promote neighborhood revitalization initiatives and to combat blight, unemployment and discrimination.

Note: If the space provided under any article or item on this form is insufficient, additions shall be set forth on separate 8 1/2 x 11 sheets of paper leaving a left hand margin of at least 1 inch for binding. Additions to more than one article may be continued on a single sheet so long as each article requiring each such addition is clearly indicated.

3. If the corporation has more than one class of members, the designation of such classes, the manner of election or appointment, the duration of membership and the qualification and rights, including voting rights, of the members of each class, are as follows: -

N/A

\*4. Other lawful provisions, if any, for the conduct and regulation of the business and affairs of the corporation, for its voluntary dissolution, or for limiting, defining, or regulating the powers of the corporation, or of its directors or members, or of any class of members, are as follows:-

Please see Attachment Sheets 4A, 4B, 4C, and 4D

\*If there are no provisions state "None".

4. The corporation shall have the following powers in furtherance of its corporate purposes:
- (a) The corporation shall have perpetual succession in its corporate name.
  - (b) The corporation may sue and be sued.
  - (c) The corporation may have a corporate seal which it may alter at pleasure.
  - (d) The corporation may elect or appoint directors, officers, employees, and other agents, fix their compensation and define their duties and obligations.
  - (e) The corporation may purchase, receive, take by grant, devise, bequest or otherwise, lease or otherwise acquire, hold, improve, employ, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated, in an unlimited amount.
  - (f) The corporation may solicit and receive contributions from any and all sources and may receive and hold, in trust or otherwise, funds received by gift or bequest.
  - (g) The corporation may purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer or otherwise dispose of, mortgage, pledge, use and otherwise deal in and with, bonds and other obligations, shares, or other securities or interest issued by others, whether engaged in different or similar business, governmental or other activities.
  - (h) The corporation may sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage, pledge, encumber or create a security interest in any or all of its property, or in any interest therein, wherever situated.
  - (i) The corporation may make contracts, give guarantees, and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds and other obligations, and secure any of its obligations by mortgage, pledge or encumbrance of or security interest in all, or any of its property or any interest therein, wherever situated.
  - (j) The corporation may lend money, invest or reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.

- (k) The Corporation may do business, carry on its operations, and have offices and exercise powers granted by Massachusetts General Laws, chapter 180, as now in force or as hereafter amended, in any jurisdiction within or without the United States, although the corporation shall not be operated for the primary purpose of carrying on for profit a trade or business unrelated to its tax exempt purpose.
- (l) The corporation may participate as a subscriber in the exchanging of insurance contracts specified in Massachusetts General Laws, chapter 175, section 94B as now in force or hereafter amended.
- (m) Unless the corporation is entitled to exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code, in which case it shall make no contribution for other than religious, charitable, scientific, literary, or educational purposes, the corporation may make donations in such amounts as the members or directors shall determine, irrespective of corporate benefit, for the public welfare or for community fund, hospital, charitable, religious, educational, scientific, civic, or similar purposes, and in time of war or other national emergency in aid thereof.
- (n) The corporation may be an incorporator of other corporations of any type or kind.
- (o) The corporation may be a partner in any business enterprise which it would have power to conduct by itself.
- (p) The directors may make, amend or repeal the by-laws in whole or in part, except with respect to any provisions thereof which requires action by the members.
- (q) Meetings of the members may be held anywhere in the United States.
- (r) No person shall be disqualified from holding any office by reason of any interest. In the absence of fraud, and where full disclosure of such interest is made to the directors, any director; officer or member of this corporation; individual; or any individual having any interest in any concern in which any such directors, officers, members, or individuals have any interest, and be a party to, or may be pecuniarily interested in, any contract, transaction or other act of this corporation, and

- (i) such contract, transaction or act shall not be in any way invalidated or otherwise affected by that fact;
- (ii) no such director, officer, member or individual shall be liable to account to this corporation for any profit or benefit realized through any such contract, transaction, or act; however
- (iii) any director of this corporation with an interest in a transaction may not be counted in determining the existence of a quorum at any meeting of the directors or of any committee thereof which shall authorize any such contract, transaction or act, and such director may not vote to authorize the same;

The term "interest" shall include personal interest and interest as a director, officer, stockholder, shareholder, trustee, member or beneficiary of any concern; the term "concern" meaning any corporation, association, trust, partnership, firm, person, or other entity other than this corporation.

- (s) No part of the assets of the corporation and no part of any net earnings of the corporation shall be divided among or inure to the benefit of any officer or director of the corporation or any private individual or be appropriated for any purpose other than the purposes of the corporation as herein set forth; and no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. It is intended that the corporation shall be entitled to exemption from federal tax under section 501(c)(3) of the Internal Revenue Code and shall not be a private foundation under section 509(a) of said Code.
- (t) Upon liquidation or dissolution of the corporation, after payment of all of the liabilities of the corporation or due provision therefore, all of the assets of the corporation shall be disposed of to one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.
- (u) The corporation may have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed; provided that no such power shall be exercised in a manner inconsistent with Massachusetts General Laws of the

. Commonwealth or section 501(c)(3) or section 170(c)(2) of the Internal Revenue Code.

(v) All references herein to the Internal Revenue Code shall be deemed to refer to the Internal Revenue Code of 1954, are now in force or as may be hereafter amended.

5. By-laws of the corporation have been duly adopted and the initial directors, president, treasurer and clerk or other presiding, financial or recording officers whose names are set out below, have been duly elected.
6. The effective date of organization of the corporation shall be the date of filing with the Secretary of the Commonwealth or if later date is desired, specify date, (not more than 30 days after date of filing).
7. The following information shall not for any purpose be treated as a permanent part of the Articles of Organization of the corporation.

a. The post office address of the initial principal office of the corporation in Massachusetts is:

**526 Cambridge St., Cambridge, Massachusetts**

b. The name, residence, and post office address of each of the initial directors and following officers of the corporation are as follows:

NAME	RESIDENCE	POST OFFICE ADDRESS
<b>President:</b>		
Marvin E. Gilmore Jr.	26 Mt. Vernon St.	Cambridge, Ma.
<b>Vice President</b>		
Michael Gurnick	37 Rogers Park Ave.,	Brighton, Ma.
<b>Treasurer:</b>		
Robert W. Healy Jr.	47 Montview Ave.,	Lowell, Ma.

**Clerk:**

Marvin E. Gilmore, Jr.      26 Mt. Vernon St., Cambridge, Ma..

**Directors: (or officers having the powers of directors)**

Same as officers hereinabove depicted.

c. The date initially adopted on which the corporation's fiscal year ends is:

**December 31**

d. The date initially fixed in the by-laws for the annual meeting of members of the corporation is:

**Third Tuesday in March**

e. The name and business address of the resident agent, if any, of the corporation is:

**None**

IN WITNESS WHEREOF, and under the penalties of perjury the INCORPORATOR(S) sign(s) these Articles of Organization this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

I/We the below signed INCORPORATORS do hereby certify under the pains and penalties of perjury that I/We have not been convicted of any crimes relating to alcohol or gaming within the past ten years; I/We do hereby further certify that to the best of my/our knowledge the above named principal officers have not been similarly convicted. If so convicted, explain.

*Marvin E. Gilmore Jr.*  
*Michael Gurnick*  
*Robert W. Healy Jr.*

The signature of each incorporator which is not a natural person must be by an individual who shall show the capacity in which he acts and by signing shall represent under the penalties of perjury that he is duly authorized on its behalf to sign these Articles of Organization.

**THE COMMONWEALTH OF MASSACHUSETTS**

**ARTICLES OF ORGANIZATION  
GENERAL LAWS, CHAPTER 180**

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I hereby certify that, upon an examination of the within-written articles of organization, duly submitted to me, it appears that the provisions of the General Laws relative to the organization of corporations have been complied with, and I hereby approve said articles; and the filing fee in the amount of \$30.00 having been paid, said articles are deemed to have been filed with me this                    day of                    19

**Effective date**

**MICHAEL JOSEPH CONNOLLY**  
**Secretary of State**

**TO BE FILLED IN BY CORPORATION  
PHOTO COPY OF ARTICLES OF ORGANIZATION TO BE SENT**

**TO:**

... Marcus Weiss - Attorney at Law .....  
6 Faneuil Hall Marketplace  
.....  
Boston, Ma. 02109  
.....  
Telephone..... (617)...742-4406.....

**Filing Fee \$30.00**

**Copy Mailed**

**BY-LAWS OF**  
**THE CAMBRIDGE ENTERPRISE COLLABORATIVE, INC.**

**ARTICLE I**

**NAME, LOCATION**

**SEAL AND FISCAL YEAR**

Section 1.1 Name of Corporation. The name of the Corporation shall be The Cambridge Enterprise Collaborative, Inc.

Section 1.2 Location. The principal office of the Corporation shall be in the Commonwealth of Massachusetts and shall be initially located at the place set forth in the Articles of Organization at 526 Cambridge Street, Cambridge, Massachusetts 02141. The Board of Directors may change the location of the principal office in the Commonwealth of Massachusetts effective upon filing a certificate with the Secretary of the Commonwealth.

Section 1.3 Corporate Seal. The Board of Directors may adopt and alter the seal of the Corporation.

Section 1.4 Fiscal Year. The fiscal year of the Corporation shall, unless otherwise decided by the Board of Directors, end on December 31 of each year.

**ARTICLE II**

**PURPOSE**

The purposes for which this Corporation is formed are exclusively charitable and educational and consist of the following:

(A) The specific and primary purposes are:

- (1) To foster the establishment of a boys and girls club facility and to provide any and all assistance requisite to its functions;

- (2) To provide space, financial and technical assistance for start-up and expanding enterprises;
- (3) To provide job training, counseling and recreational facilities for residents of Cambridge, particularly youth from the city's lower income neighborhoods;
- (4) To do any and all lawful activities which may be necessary, useful or desirable for the furtherance of the foregoing purposes, either directly or indirectly with other educational and/or charitable organizations, foundations, corporations, or governmental agencies.
- (5) To promote neighborhood revitalization initiatives and to combat blight, unemployment and discrimination.

### ARTICLE III

#### MEMBERS

##### Section 3.1 Eligibility, Voting Privileges, Termination, Rights, and Powers of Members

- a. Voting Members - Voting Membership shall include one representative of the following organizations:

Cambridge Boys & Girls Club, Inc.;

City of Cambridge;

Employment Resources Inc.;

One neighborhood representative designated by the Board of Directors representing area four as depicted in a map maintained by the Community Development, City of Cambridge

One neighborhood representative designated by the Board of Directors representing the area where in the business incubator center is located.

- b. Voting Privileges. Each voting member shall be entitled to one vote.

- c. Termination of Membership. The Board of Directors may, by affirmative vote of two-thirds (2/3) of the entire Board, suspend or terminate the membership of any member for good cause shown, as the Board may, from time to time, define it. Any member may terminate membership in the Corporation at any time by giving written notice to the Clerk of the Corporation. Such termination shall become effective as of the date of its receipt by the Clerk of the Corporation. Should any organization fail to fulfill this membership

obligation, or designate a representative in any given year, or resign or be removed from the Board of Directors then the remaining directors may designate another local entity to serve in the place of any organization no longer affiliated with the corporation.

- d. Rights of Members. Every member shall have the right to attend and participate in business and social meetings for the membership of the corporation. Every member shall receive the publications and correspondence of the corporation. Every member shall have the right to any and all other privileges established from time to time by the Board of Directors.

Section 3.2 Place of Meeting. Meetings of members shall be held at the principal office of the Corporation or, at such other place within the Commonwealth of Massachusetts or elsewhere in the United States as the members or the Directors may from time to time designate.

Section 3.3 Annual Meetings. The annual meetings of members shall be held at such hour as may from time to time be designated by the Board of Directors, on the third Tuesday in March of each year, beginning in March, 1984, or, if a legal holiday, at the same hour on the next succeeding Tuesday, for the purposes of electing a Board of Directors, adopting an annual report and transacting such other business as may properly be brought before such meeting. At the annual meeting any business may be transacted whether or not the notice of such meeting shall have contained reference thereto, except where such a reference is required by law, the Articles of Organization or these By-laws. If the annual meeting is not held as herein provided, a special meeting of the members in lieu of the annual meeting date may be held with all the force and effect of an annual meeting.

Section 3.4 Special Meetings. Special meetings of the members, including a special meeting in lieu of an annual meeting, may be called by the President or the Board of Directors, and shall be called by the Clerk or in case of death, absence, incapacity or refusal by the Clerk, by any other officer, upon written application of three or more members entitled to vote at the meeting. At any special meeting only business to which a reference shall have been contained in the notice of such meeting may be transacted.

Section 3.5 Regular Meetings. Regular meetings of the members may be held at such time and place within Massachusetts as the members may determine.

Section 3.6 Notice of Meetings.

- (a) Regular meetings shall be announced at the previous regular meeting, with respect to time, place and date, and no further notice of regular meetings need be given.

(b) Special meetings shall be held by givin two weeks written or telephone notice to all duly constituted members, or by publishing a notice at least 7 days in advance in a publication designated by the Board of Directors.

In all cases, notice shall be given by the President, Vice President (if any), Clerk or their authorized representative. Any person authorized to give notice of any such meetings may make affidavit of such notice, which, as to the facts therein stated, shall be conclusive. It shall be the duty of every member to furnish to the Clerk of the Corporation his or her current post office address and telephone number, both home and business.

3.7 Quorum. At any meeting of the members, three Voting Members shall constitute a quorum. Any meeting may be adjourned by a majority of votes cast upon the question, and the meeting may be held as adjourned without further notice.

3.8 Action by Vote. When a quorum is present at any meeting, a majority of the Voting Members present shall decide any question, including election of officers, unless otherwise provided by law, by the Articles of Organization or by the By-laws.

## ARTICLE IV

### BOARD OF DIRECTORS

**Section 4.1 Powers.** The activities, affairs and property of the Corporation shall be managed, directed and controlled, and its powers exercised by and vested in, the Board of Directors. The Board of Directors may hire a General Manager to facilitate the management of the Corporation and to engage such additional personnel as are required. The Board of Directors shall make all final determinations concerning the personnel, fiscal and programmatic policies of the Corporation.

**Section 4.2 Vacancies.** Any vacancy may be filled by the Board of Directors in the case of an elected Director and by the appointing agency in the case of an appointed Director. The person elected shall hold office for the unexpired term of his or her predecessor.

**Section 4.3 Annual Meeting.** The annual meeting of the Board of Directors for the election of officers of the Corporation and for transaction of such other business as may properly come before it shall be held within one week following the last day of the annual meeting of the members or special meeting called in lieu thereof.

**Section 4.4 Other Meetings.** Regular meetings of the Board of Directors shall be held bimonthly or as otherwise determined by the Board of Directors, at a time and place to be specified by the Board of Directors. Special meetings shall be held at any time when called by order of the President, another officer of the Corporation, or any three (3) directors.

**Section 4.5 Notice.** Notice of each meeting of the Board of Directors, other than the annual meeting, shall be made by telephone or mail to each director, at his or her residence or usual place of business, not less than three (3) nor more than twenty (20) days before the day on which the meeting is to be held, or sent by telegraph to such address or delivered to such director personally not later than two (2) days before the day on which the meeting is to be held. Each such notice shall state the purpose of the meeting, the time and place of such meeting, and by whose order it was called. Notice of any meeting of the Board of Directors need not be given to any director who shall waive such notice in writing or by telegram, whether before or after such meeting, or if he or she shall be present at the meeting. No notice need be given of any adjourned meeting. No notice need be given of a meeting if the time and place of any meeting has been announced at a previous meeting of the Board of Directors.

**Section 4.6 Quorum.** The presence at any meeting of the Board of Directors in person, or by proxy, of three directors shall be necessary and sufficient to constitute a quorum for the transaction of business. In the absence of a quorum, a majority of those present in person may by resolution adjourn the meeting from time to time for a period not exceeding twenty (20) days in any one case. At any duly adjourned meeting at which a quorum is present, any business may be transacted at the meeting as originally called.

**Section 4.7 Voting.** At any meeting of the Board of Directors, at which a quorum is present, the vote of a majority shall decide any matter except as otherwise provided by law, the Articles of Organization or these By-laws.

**Section 4.8 Action Without Meeting.** Any action which may be taken at any meeting of the Board of Directors may be taken without a meeting if all the directors consent to the action in writing and the written consents are filed with the records of the meetings of the Board of Directors. Such consents shall be treated for all purposes as a vote at a meeting.

**Section 4.9 Number of Directors.** The Board of Directors shall consist of five (5) members and shall include one representative as designated by the following member organizations:

Cambridge Boys & Girls Club, Inc.;

City of Cambridge;

Employment Resources Inc.;

One neighborhood representative designated by the Board of Directors representing area four as depicted in a map maintained by the Community Development, City of Cambridge

One neighborhood representative designated by the Board of Directors representing the area where in the business incubator center is located.

## ARTICLE V

### COMMITTEES

Section 5.1 Committees. The Board of Directors may, by vote of a majority of the Directors then in office, appoint one or more committees, including an executive committee, of one or more persons and delegate to such committees some or all of their powers to the extent permitted by law, the Articles of Organization or these By-laws. Any committee to which the powers of the Board of Directors are delegated shall consist exclusively of Directors. Except as the Board of Directors may otherwise determine, any such committee shall be governed in the conduct of its business by the rules governing the conduct of the business of the Board of Directors contained in these By-laws and may, by majority vote of the entire committee, make other rules for the conduct of its business. The Board of Directors shall have the power at any time to fill vacancies on such committees, to change its membership or to discharge the committee.

The Board of Directors may appoint other committees to function in an advisory or other capacity, but such committees shall not be delegated any powers of the Board of Directors. Such committee may consist of members, employees, other persons deemed appropriate by the Board of Directors. The Board of Directors shall have the power at any time to fill vacancies, change the membership or discharge such committees.

## ARTICLE VI

### OFFICERS

**Section 6.1 Officers.** The officers of the Corporation shall consist of a President, a Treasurer, a Clerk and such other officers with other titles as the members may determine, including but not limited to one or more Vice Presidents, Assistant Treasurer and Assistant Clerks.

**Section 6.2 Qualification, Nomination, Election and Term of Office.** Except for the initial officers, the President, Treasurer and Clerk shall be elected by the Board of Directors within 1 week after the annual meeting or at the special meeting held in lieu of the annual meeting and shall hold office until the following annual meeting and until their successors are chosen by the Board of Directors at their annual meeting or any other meeting and shall hold office for such period as the Directors may prescribe.

**Section 6.3 President.** The President shall be the chief executive of the Corporation. He or she shall be a member of the Board of Directors and shall preside over meetings of the Corporation and the Board of Directors where he or she shall serve as Chairman of the Board of Directors and shall perform the duties delegated to him or her by law, the Articles of Organization, these By-laws, the Board of Directors and the members.

**Section 6.4 Treasurer.** The Treasurer shall be the principal financial officer of the Corporation. He or she shall have custody and control over all funds of the Corporation, maintain full and adequate accounts of all moneys received and paid by him or her in account of the Corporation and, subject to the control of the members, discharge all duties incident to the office of Treasurer.

In the absence of the President or any Vice President from any meeting, the Treasurer shall preside. Any Assistant Treasurer shall perform such of the duties of the Treasurer and such other duties as the members, the Board of the Directors, the President or the Treasurer may designate. The Treasurer shall have authority, in connection with the normal business of the Corporation to sign checks, drafts, contracts, bids, bonds, powers of attorney and other documents when required. The Treasurer shall be a member of the Board of Directors. The Treasurer shall cause an audit to be made of the books of the Corporation at the end of the fiscal year or whenever required by the members.

**Section 6.5 Clerk.** The Clerk shall be the principal recording officer of the Corporation. He or she shall record all proceedings of the members and discharge all duties incident to the Office of Clerk. The Clerk shall record all proceedings of the Board of Directors. Any assistant Clerk shall perform such of the duties of the Clerk and such other duties as the members, the Board of Directors, the President

or the Clerk may designate. In the absence of the Clerk or any Assistant Clerk from any meeting of members, the Board of Directors or any committee appointed by the Board of Directors, a Temporary Clerk designated by the person presiding at the meeting shall perform the duties of the Clerk. The Clerk shall be a member of the Board of Directors.

**Section 6.6 Resignation.** Any officer may resign by giving written notice to the President or Clerk. Such resignation shall take effect at the time or upon the event specified therein, or, if none is specified, upon receipt. Unless otherwise specified in the resignation, its acceptance shall not be necessary to make it effective.

**Section 6.7 Removal.** An officer may be removed from office for cause by vote of a two-third majority of the members of the Board of Directors entitled to vote in the election of such officer. An officer may be removed for good cause only after reasonable notice and opportunity to be heard before the body proposing to remove him or her.

**Section 6.8 Vacancies.** The Board of Directors may fill any vacancy occurring in any office for any reason and may, in their discretion, leave unfilled for such period as they determine any offices other than those of President, Treasurer, and Clerk.

**Section 6.9 Subordinate Officers.** The Board of Directors may, from time to time, authorize any officer to appoint and remove subordinate officers and to prescribe their powers and duties. The term "subordinate officers" shall in no event include the President, Vice President, Treasurer and Clerk.

**Section 6.10 Compensation.** Officers shall not be compensated for services rendered as officers of the Corporation. Officers may receive compensation for reasonable expenses incurred in the performance of their duties, if approved by a majority of the Board of Directors.

## ARTICLE VII

### MAINTENANCE AND INSPECTION OF RECORDS

Section 7.1 Maintenance and Inspection of Records. The Corporation shall maintain in the Commonwealth of Massachusetts the original or attested copies of its Articles of Organizations, By-laws and records of all meetings of incorporators, the Board of Directors and Members, as well as its membership records which shall contain the names and addresses of all members of the Corporation. Such copies and records may be maintained at the principal office of the Corporation or the office of the Clerk or the office of the Corporation's attorneys and shall be open at all reasonable time to the inspection of any member for a proper purpose. The Directors may from time to time make reasonable regulations as to the time, place and manner of inspection by the members of the records and documents of the Corporation as aforesaid within this Article. All records of the Corporation shall be open to inspection by any member of the Board at all times during the usual hours of business.

## ARTICLE VIII

### DEPOSITS, CHECKS, LOANS, CONTRACTS, ETC.

Section 8.1 Deposit of Funds. All funds of the Corporation not otherwise employed shall be deposited in such banks, trust companies or other reliable depositories as the Board of Directors from time to time may determine.

Section 8.2 Checks, etc. All checks, endorsements, notes and evidences of indebtedness of the Corporation, and all endorsements for deposits to the credit of the Corporation shall be signed by such Officer or Officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Treasurer or Assistant Treasurer if any and counter-signed by the President or Vice President (if any) of the Corporation.

Section 8.3 Loans. No loans or advances shall be contracted on behalf of the Corporation, and no note or other evidence of indebtedness shall be issued in its name, unless and except as authorized by the Board of Directors. Any such authorization may be general or confined to specific instances, and may include authorization to pledge, as security for loans or advances so authorized, any and all securities and other personal property at any time held by the Corporation.

Section 8.4 Contracts. The President, or any other Officer specifically authorized by the Board of Directors, may, in the name or on behalf of the Corporation, enter into those

contracts or execute and deliver those instruments that are specifically authorized by the Board of Directors. No officer or other agent of the Corporation may enter into any contract or execute or deliver any instrument in the name of or behalf of the Corporation. Notice shall be provided to the membership of the Corporation prior to such authorization where the authorization pertains to the investment of Corporate funds in any new venture or project.

**Section 8.5 Representative of Other Corporations.** The President, or the Treasurer and the Clerk of the Corporation are authorized to vote, represent, and exercise on behalf of the Corporation all rights incident to any and all shares of any other corporation or corporations held in the name of this corporation. The authority granted to said Officer to vote or represent on behalf of this Corporation, any and all shares held by this Corporation and in any other corporation or corporations may be exercised either by such Officers in person or by any other person authorized to do so by proxy, agreement or by power of attorney duly executed by said Officers, a copy of which is filed with the Clerk of the Corporation.

**Section 8.6 Bonding of Officers and Employees.** The Treasurer and such other Officers and employees handling funds for the Corporation shall be bonded in such amounts as are determined by the Board of Directors at the expense of the Corporation.

## ARTICLE IX

### CONFLICT OF INTEREST

Section 9.1 Conflict of Interest. No contract or other transaction of the Corporation shall, in the absence of fraud, be affected or invalidated by the fact that any member or officer of the Corporation or any corporation, firm or association of which he or she may be a director, officer, stockholder or member may be a party to or may have an interest, pecuniary or otherwise, in any such contract or other transaction provided that the nature and extent of his or her interest was disclosed to, or known by, the Board of Directors before acting on such contract or other transaction. Except in the case of any other corporation controlling, controlled by or under common control with stockholder, or member of any corporation, firm or association with which the interest, pecuniary or otherwise, in any such contract or otherwise, in any such contract or other transaction, may not be counted in determining the existence of a quorum at any meeting of the members or Board of Directors which shall authorize any such contract or such transaction, and such director shall not participate in the vote to authorize any such contract or transaction.

## ARTICLE X

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 10.1 Indemnification. Any person (and the heirs, executors and administrators of such persons) made or threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was a Director or officer of the Corporation shall be indemnified by the Corporation against any and all liability and reasonable expenses, including attorney's fees and disbursements, incurred by him or her (or by his or her heirs, executors or administrators) in connection with the defense or settlement of such action, suit or proceeding, or in connection with any appearance therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director or officer is liable for negligence or misconduct in the performance of his or her duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director or officer (or such heirs, executors of administrators) may be entitled apart from this Article.

## ARTICLE XI

### AMENDMENT OF BY-LAWS

Section 11.1 Amendment of By-laws. Except as otherwise provided herein, and subject to the power of the Members to change or repeal the By-laws, these By-laws may be amended or repealed and a new By-law or new By-laws may be enacted by two thirds (2/3) of the Directors of the Board of Directors present at any meeting of the Board of Directors, the notice or waiver of notice of which shall have specified or summarized the changes proposed to be made, provided that a notice of the proposed amendment shall have been presented to every Director at least 30 days prior to the meeting at which the proposed amendment or repeal is acted upon, subject to the power of the Members to change or repeal the By-laws. An amendment changing the authorized number of Directors of the Corporation may be adopted only by the Members of the Corporation. Action by the Members to change or repeal amendment of these By-laws by the Board of Directors or to change the authorized number of Directors of the Corporation may be taken by the written consent of Members entitled to exercise a two-thirds (2/3) majority of the voting power, or by a vote of a majority of those present and voting at a meeting of the Members duly called for the purpose, which vote must also equal or exceed two-thirds (2/3) of the number of Member required for a quorum at the meeting.

## ARTICLE XII

### DISSOLUTION

Section 12.1 Dissolution. The Corporation may, subject to applicable provisions of law, be dissolved by the affirmative vote of a majority of the members. Upon such a vote, a petition for dissolution may be filed in the Massachusetts Supreme Judicial Court or the Superior Court applying for authority to dissolve the Corporation and to distribute its funds. On liquidation or dissolution of the Corporation, all properties and assets remaining, after providing for all debts and obligations, shall be distributed to such other funds, foundations, or organizations formed and operated primarily for charitable, educational, scientific, civic, or similar purposes in the public interest which is not organized primarily for profit, and which shall at the time qualify as an exempt organization under section 501 (c) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law), as the Board of Directors or a court may determine.

adopted: July 18, 1984  
Robert [Signature]  
Merrin Engelmann  
[Signature]

Business Incubator Facility  
Summary of  
Tenant Selection Criteria

This document is not meant to be the actual working plan for selecting tenants for the Cambridge Enterprise Collaborative's Business Incubator Facility. It is provided only as a summary of the type of criterion that will most likely be used.

Generally, tenants will be selected on a first come, first served basis after the following requirements are satisfied:

- Evidence of ability to meet financial obligations must be provided
- A detailed business plan must be provided
- Evidence of adequate training opportunities for low and moderate income, unskilled, and semi-skilled Cambridge residents
- Commitment to work with Employment Resources, Inc. in providing specified number of jobs
- Evidence of future growth potential
- Demonstrated need for inexpensive incubator space
- Evidence that principals of business possess good credit background
- Evidence that products of business will not be for military use
- Preference will be given to Cambridge businesses

Attached, for further information is an excerpt from the Collaborative's original proposal to HHS which discusses selection criteria for Loan Guarantee Clients and Technical Assistance Clients. The factors identified in this discussion will also most likely be considered in the selection of incubator tenants.

## A. Venture Development

In addition to providing incubator space, the Collaborative will foster the development and growth of local business enterprises through consulting assistance and loan guarantees. The following presents operating guidelines for both the consulting and loan guarantee activities of the Collaborative and the criteria by which the Collaborative will evaluate opportunities for consulting and loan guarantees.

### 1. Consulting

Collaborative consulting will focus on businesses that are both high technology spin-offs of the Cambridge academic community network as well as those that are operated by economically or socially disadvantaged individuals residing in the Cambridge area. These potential clients will provide a combination of referrals and fulfill the community need for economic opportunities.

The consulting client intake process outlined below suggests how consulting clients are developed.

a. Client Contact

As a first step in making contacts the Collaborative will evaluate the contacts that member organizations, the Chamber of Commerce, MIT's Enterprise Forum and others have established with entrepreneurs. Thus, the Collaborative will be able to organize and consolidate the assistance rendered as well as find prospective clients. In addition, the Collaborative will provide client screening for local financial institutions, the U.S. Small Business Administration (SBA), and other business development agencies and financial assistance groups.

b. Interviews and Screening

When a prospective client is recruited, the Collaborative General Manager or Collaborative representative appointed by the Manager will interview the applicant to determine eligibility for assistance and, if qualified, the type of assistance required and how it should be rendered. Generally, potential business success often can be projected if the business concept is judged by:

- the apparent capabilities of the entrepreneur or management team sustain the growth of the business. This determination can be based on the entrepreneur's ability to help gather the data required to assess the business opportunity, personal experience and track record, technical capability, and the ability to train and manage subordinates. If the potential client's operation shows weakness or undue risk in any of the above test criteria, the Collaborative should counsel the individual to seek additional training or experience before attempting to begin a business;

- the potential economic payoff from the client's business operation and the likelihood of being able to sustain its debt while providing retained earnings for growth; and

- estimates of the market for the client's product or service, the potential market penetration, and the prospects of the business exceeding the break-even point within a reasonable time period as well as for sustaining growth or market position.

Client acceptance will be a continuous sorting process. Some prospective clients will be obviously unqualified to be business people. In most cases, however, the Collaborative will find itself choosing from among many plans, each with a

reasonable chance for success. In addition, the General manager's experience will indicate whether the potential client's financial and consulting needs are attainable with reasonable effort. No one business should be the center of the Collaborative's consulting efforts if the organization is to have the impact it desires.

At the first interview, the CEC's representative will begin to estimate the prospective client's motivation, management capability, and skill level to decide which kinds of further preparation the client should undertake. For example, applicants with limited administrative or business backgrounds should be requested to seek remedial training. Many applicants will lack the administrative background, experience in the appropriate business desired, or willingness to make sacrifices for the chance to become successful. Most of these individuals will cease their efforts to operate a business as they discover the difficulties involved. Thus, based on the experience of similar efforts, about one in seven applicants will be eligible to become a client and as such will probably require constant follow-up assistance.

### c. Action Plan Development

The key to successful client consulting projects lies in the quick, professional development of a client Action Plan. This plan will build on the interviewing and screening data by scheduling the acquisition of additional data for precisely determining an enterprise's needs (e.g., consulting, financial, marketing data, legal assistance), principal opportunities, and initial control mechanisms (e.g., pro-forma financial and operational requirements, income and cash flow statements, market analysis). Each client, guided by the consultant, will play a substantial role in completing those sections of the Action Plan that relate to areas he or she will have to monitor in the operation of the enterprise. If training is required for this role, it will be administered helping the client becomes further involved with the development of the business or the implementation of consulting recommendations.

Before beginning Action Plan development, the CEC representative will secure the client's agreement to pay for the Collaborative's services should the business's goals be reached. When the Action Plan is completed, the consultant should have established that the:

- enterprise's pro-forma cash flow shows that the business can support itself and its debt, as planned;
- pro-forma income statement indicates the possibility of enough growth of capital to make the business self supporting within a reasonable period; and

business still appears to be capable of penetrating the selected markets.

#### d. Action Plan Implementation

If any factor appears to be negative or if the CEC representative is not yet fully confident of the client's capabilities, the client should be counseled to seek other vocational choices. Often, the CEC representative will be aided in making a decision by consulting with appropriate CEC board members. When clients are not felt to be acceptable, they should be referred to a job or an agency where they can gain skills to suit their needs.

If additional funds (e.g., debt, equity, contractor bonding) are necessary, the CEC General Manager or other representative will ascertain the available sources as well as the types of obligations that the venture will have to support to obtain them. First consideration should be given to linking the business venture with established sources of debt rather than equity funds. The more equity the individual enterprise can retain the more ability it will have to raise capital at a later time when the stock might be worth more to investors. The obvious limit on borrowing should be the business's ability to sustain the debt without undue hardship.

Programs of the SBA and other small business financing organizations should be considered as potential funding sources. The SBA 503 program, for example, is administered by the Chamber of Commerce's Cambridge Economic Development Corporation, a member of the Collaborative. The Collaborative's guaranteed loan program should be used only in those cases where the business does not qualify for conventional financing.

When equity funds are necessary and desirable, threshold investment criteria must be met and other sources are determined not to be feasible or the investment has outstanding growth potential.

For the client enterprise's growth management and control, the consultant will outline the follow-up assistance to be provided to the business to ensure its success, the timing of the acquisition of resources necessary for expansion, and details of proposed market strategies. This information should be a guide for the future actions of the consultant, the client entrepreneur, and other possible investors and lenders.

The above information should be combined into a prospectus to show to other investors and the Collaborative Board of Directors. Loan package data will also be appropriate for securing debt funds. Monthly financial statements will be required by the Collaborative from all clients for whom it has helped secure funding. Only by the availability of this data can

the Collaborative ensure that: the proper follow-up is given each client; that the funding source is protected; and client problems are anticipated before serious damage is caused.

All consulting clients who are acceptable to the Collaborative General Manager are recommended to the Board of Directors. Those approved by the Board should then contract with the Collaborative for its services.

e. Financing and On-Going Consulting

As the Action Plan is implemented, the consultant will guide the client entrepreneur in taking the steps outlined (e.g., securing of financing, personnel recruiting, etc.). In most cases, the securing of necessary financing should be almost automatic if the consultant has prepared the Action Plan properly.

After the client's initial financing or consulting needs have been met, a continuing relationship will be maintained between the Collaborative and the enterprise. The consultant should focus this on-going or follow-up relationship on ensuring that the plans established in the follow-up assistance plan are being carried out, and helping the client to meet and solve unexpected problems.

The emphasis, as always, must be on making the entrepreneur self-sufficient. Accordingly, the consultant will, as much as possible, monitor the client's activities through the monthly financial statements that are submitted. And render assistance when requested, serving as a sounding board for his client's ideas concerning the operation of the business.

f. Consulting Phase Out

All clients are expected to become sufficient enough that Collaborative services are no longer required on a continuing basis. Therefore, the General Manager will seek an appropriate plan for phase out. Included in the plan should be methods for training the client's staff to begin to anticipate their own problems and know how to develop solutions with their own resources. Probably, training will emphasize financial analysis and marketing planning techniques.

2. Guaranteed Loan

Once a potential guaranteed loan client has been identified it will be the responsibility of the consultant to conduct a detailed credit evaluation and analyze the economic feasibility of the proposed venture. In conducting this analysis the General Manager is to assess key characteristics of the venture and to weight them as shown in chart 1-2.

Chart 1-2  
Guaranteed Loan Criteria

<u>Criteria</u>	<u>Weight</u>
1. Personal character and capacity	10%
2. Financial status	10
3. Management ability	15
4. Experience and technical competence	30
5. Profit potential of proposed venture	30
6. Terms and accommodations for financing	5
	<hr/>
	100%

Case studies in all industries have demonstrated that the six criteria and their corresponding weights are effective determinents of business success or failure.

The two most important criteria in the evaluation are the level of the client's technical competence and the profit potential of the venture. Annual studies conducted by Dun and Bradstreet demonstrate that technical incompetence is the single greatest cause of business failure. The profit potential of the business is also given a relatively high weight -- since it is the only "fail safe" which CEC can rely on in the event that divesture or takeover are necessary.

The CEC representative is to use two measures in evaluating loan guarantees. The first involves judging the client's total score out of a possible 100 points on the criteria scale. The second involves making judgement about the potential of the proposed venture compared with alternative loan guarantee opportunities. As part of this evaluation the consultant is to use existing or projected pro-forma financial statements to classify the venture's potential as being in the upper, middle, or lower quartile of its industry category. In conducting this analysis the consultant is to use annual statement studies such as those from Robert Morris Associates, Dun and Bradstreet, and NCR publications.

Three ventures proposed to receive loan guarantees upon receipt of OCS and leveraged funding have been preliminarily evaluated (see business plans in Exhibit VI) and determine to meet CEC threshold investment criteria. Moreover, local commercial banks have agreed to fund their expansion with CEC loan guarantees. The final decision to provide guarantees will be made after current operating data are examined when the OCS and leveraged funds are made available. Should present plans be fulfilled, the ventures should secure loan guarantees in October 1983.

Based upon the data supplied by entrepreneurs seeking CEC aid, the CEC representative is to complete the Criteria Form

(see Chart 1.3) and prepare a written evaluation. This information is to be included as part of a portfolio on the proposed venture. It is to be used in evaluating the personal abilities of the client.

In addition to the required form the CEC representative is to secure certain documentation from the client. This documentation is to be included as part of the client's portfolio -- and used as a tool in assessing the clients capability and capacity to understand the proposed business venture. Required documentation forms include:

- Business prospectus
- Financial statements for previous 5 years of operations or forecast of profit potential
- Estimates of fund requirements
- Projections of cash flows, balance sheet and operating statement for a 5-year period
- Copies of U.S. Individual Income Tax Returns over the past 5 years
- Incorporation Papers, Partnership Agreement, Certificate of Doing Business, licenses, Material Contracts, or other appropriate documents
- Copies of leases, oral or written agreements to rent or otherwise secure space and equipment

Provided the preliminary screening and the resulting evaluation are positive, the CEC representative will then conduct a complete market analysis and credit evaluation. Upon completion of this work the General Manager will submit potential loan guarantee candidates to the Board of Directors for final review and approval.

Once approved, the CEC enters into a formal agreement to guarantee a bank loan to the client business. The CEC then sends to the client a formal letter of approval, followed by a formal agreement to be signed and returned to CEC.

Upon receipt of a signed formal agreement the CEC initiates steps to implement the loan guarantee. While the client's needs will vary it is the responsibility of the General Manager to prepare, or have the client prepare a complete business plan. This plan is to include:

- A market study
- Sales plan

**Chart 1-3**  
**CRITERIA FOR EVALUATION**  
**OF CLIENT VENTURES**

<u>Client Character/Capacity</u>	<u>Total Points</u> 10	<u>Relative Ranking</u> 1 2 3 4
Motivation/Commitment		
Self Awareness		
Self Confidence		
Aggressiveness		
Willingness to take risks		
Reliability/Consistency		
Determination/Persistence		
Mental Alertness		
<u>Financial Status</u>	<u>10</u>	<u>1 2 3 4</u>
Family employment		
Family health		
Family budget		
Assets/Liabilities		
Credit references		
Personal obligations		
<u>Management Ability</u>	<u>15</u>	<u>1 2 3 4</u>
Task Definition/Planning		
Budgeting		
Supervision/Administration		
Hiring ability		
Training ability		
Performance evaluation		
Firing		
<u>Experience/Technical Ability</u>	<u>30</u>	<u>1 2 3 4</u>
Education		
Previous experience		
References		
Knowledge of product		
Personal accomplishments		
<u>Profit Potential of Venture</u>	<u>30</u>	<u>Industry Quartile</u> Upper Median Lower
Fixed assets to net worth		
Collection period		
Net sales to inventory		
Net sales to net worth		
Net profit to net sales		
<u>Terms and Accommodations</u>	<u>5</u>	<u>1 2 3 4</u>
Loan size/Equity required		
Length of term		
Interest/Return on invested capital		
Liquidity of business		
Risk of investment		
Expected future capital requirements		

The relative ranking is to be used as a means of comparing the client and the potential of the business with alternative investments in other fields.

- Technical and operations plan
- Organization plan
- Financial Plan
- Plan and formal agreement to monitor client accounts
- Formal agreement on fees and services to be provided
- Formal agreement for opening and follow-up technical assistance

After the business opens it will be the continuing responsibility of the CEC to meet client needs. Assistance should involve monitoring, review, and liaison functions as long as the business is meeting its plans and forecasts. Provided the business results are favorable the CEC will:

- Provide assistance in implementing sales and marketing plans
- Analysis of income, collection periods, and budgets
- Assistance in inventory purchasing
- Aid in utilizing cost accounting, cost control, and expenditure payment systems
- Developing staff and improving management capabilities of the client

A summary of the foregoing evaluation and structuring of loan guarantee proposals is contained in Chart 1-4. A list of required documentation is shown in Chart 1-5. It is anticipated the CEC will use its earnings to begin to develop a small venture capital pool to use as appropriate. The choice of where to use these funds will be made by use of the same criteria.

Chart 1-4

CRITERIA FOR EVALUATION OF  
LOAN GUARANTEE PROPOSALS

- Proper record keeping and office management system for the business.
- Financial statements and cash flow analyses.
- Use of CEC staff or consulting assistance in the preparation of statements if owner/manager does not have an accountant and time is short — possibly assist owner/manager in selecting an accountant if he does not have one.
- Analysis and review of the owner/manager's plans, forecasts and specifications for business, cost estimates, subcontractors' bids, or suppliers' prices, market promotion, profitability, cash flows, operating budgets, investment requirements and market penetration targets.
- Reviews of existing contractual agreements and related documents.
- Review of receivables, payables, inventory, subcontracts and related documents.
- Training targets and procedures for business. It may be determined by experience that training imposes an undue burden on the owner/manager and should be accomplished in other ways.
- Use of suppliers or subcontractors in purchasing materials for business and/or bulk purchasing to achieve economies.
- Reviews of the owner/manager's business organization and procedures for supervision, labor problems, and any other problems relating to business.
- Level of assistance to owner/managers in making applications for necessary business or construction permits.
- Aid in obtaining any bank credit or funds from federal programs available.
- Product quality control in terms of timely delivery, composition, etc.

Chart 1-5

REQUIRED LOAN GUARANTEE  
DOCUMENTATION

- Business Prospectus -- basically describes the business and methodology of achieving the borrower's goals. Prospectus can be brief, perhaps a few pages, outlining the business opportunity.
- Financial Statements -- for the last 5 years -- provide a measure of the capital of the business.
- Estimates of Fund Requirements -- over the last 5 years and next 5 years -- determine financing necessary to operate the business.
- Projections -- of cash flow, balance sheet and operating statement for 5 years. To properly structure a loan it is necessary to evaluate the projected cash flow of the venture.
- Resume of Principals -- to evaluate character and capacity of the principals.
- Business References -- to evaluate character and capacity of the principals.
- Personal Financial Statements -- for last 5 years -- to evaluate character and capital of the principals, by reviewing their personal savings and personal debts.
- Copy of U.S. Individual Income Tax Returns -- for last 5 years -- to evaluate financial capacity and worth of principals.
- Copy of Business Tax Returns -- for last 5 years -- to measure the capital of the business.
- Incorporation Papers, Partnership, Certificate of Doing Business, Material Contracts or Agreements -- to evaluate the capacity to do business.
- Copy of Lease or Promise to Rent -- to evaluate the capacity to do business.
- Copy of any Licenses Needed to Operate -- to evaluate the capacity to do business.

MEMORANDUM

TO: File  
FROM: Alan Zimlicki *AZ*  
RE: Draft CEC pro-formas  
DATE: 9/14/84

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The attached material represents one draft pro-forma analysis of one of several possible buildings which could be purchased by the Collaborative.

The purpose of these pro-formas is simply to explore the feasibility of the Collaborative proposal. This package includes:

- o Table I - Development Pro-forma. Assuming a construction cost for a building in reasonably good repair and a cost that has not been accurately developed. This table also assumes a building purchase price that has not been negotiated.
- o Table II - Construction Finance. This table presents one of several possible alternatives for the proposed project. All items will change as the project progresses.
- o Table III - Permanent Finance. Again this table shows one of several possible solutions. This table will also be different as various items are put in place.
- o Table IV - Operating Budget. This table builds on the previous assumptions and most items in the table must be researched and adjusted to the needs of the project as it develops. This table assumes that it will take two years to fully lease the proposed project. Obviously the configuration of all numbers in the preceding table will affect this as the project progresses.
- o Table V - Rents Analysis. Without having implemented a full market study, certain rent levels are assumed and assumptions are made as to how fast the proposed building will lease up. These rent and leasing assumptions affect the operating pro-forma Table IV.
- o Table VI - Income to B & G Club. Based on all of the preceding tables and without having done a complete syndication analysis this table shows one of several possible income scenarios for the B/G club. Again this projection will certainly be different in the final analysis.

It must be kept in mind that a pro-forma analysis of development is simply a way of mapping overall development strategy and a test of basis project feasibility. All tables will change.

CHCO SEPT. 84

C.E.C. BUSINESS INCUBATOR FACILITY  
 (127,760 SF (93,000 above ground) lot area 102,000SF)

B:EGT02C1

COST ELEMENT NUMBER OF UNITS UNIT AMOUNT TOTAL AMOUNT PER S.F.

COST ELEMENT	NUMBER OF UNITS	UNIT AMOUNT	TOTAL AMOUNT	PER S.F.
<b>Construction</b>				
site-work	0	0	\$0.00	
bldg. const.	120,000	0	\$0.00	
parking	50	0	\$0.00	
overall const.	120,000	\$25.00	\$3,000,000.00	
const. contngncy	120,000	0.10	\$300,000.00	
<b>Subtotal</b>			<b>\$3,300,000.00</b>	<b>\$27.50</b>

<b>Design-Eng.</b>				
arch-eng.		0.055	\$165,000.00	
other (survey)			\$6,000.00	
<b>Subtotal</b>			<b>\$171,000.00</b>	

<b>Finance</b>				
const. ln term	8			
const. ln. amt		\$5,330,025.00		
const. ln. rate	0.119759949571	0.009979995798		
const. ln. int.			\$212,774.51	
const. ln. prts	0.01	4530025	\$45,300.25	
const. ln. fees	2	\$0.00	\$0.00	
perm. fin. misc		30000	\$30,000.00	
real est. taxes	\$37.50	000'S	\$20,000.00	
insurance	0.0035	\$3,300,000.00	\$11,550.00	
title insurance	0.0018	\$3,300,000.00	\$5,940.00	
fin. related insection fee			\$6,000.00	
<b>Subtotal</b>			<b>\$335,790.25</b>	

<b>Constr. Devel.</b>				
testing			\$3,000.00	
clerk			\$25,000.00	
dev. ch/managmt.	0.015		\$49,500.00	
accounting	0.00175		\$5,775.00	
legal/audit	0.0075		\$24,750.00	
estimator			\$3,000.00	
appraisal (built)			\$2,500.00	
appraisal (acq)			\$1,000.00	
miscellaneous			\$1,500.00	
dev. conal. fee est.			\$45,000.00	
<b>Subtotal</b>			<b>\$161,025.00</b>	

<b>Marketing</b>				
advertising			\$4,000.00	
brokerage fee			\$80,000.00	
<b>Subtotal</b>			<b>\$84,000.00</b>	

<b>Site Related</b>				
acquisition				
land			\$0.00	
improvements	120,000	\$14.20	\$1,704,000.00	
rezoning			\$0.00	
easement			\$0.00	
ground lease			\$0.00	
bldg. preservation		maintenance	\$3,000.00	
		Insurance	\$3,000.00	
<b>Subtotal</b>			<b>\$1,710,000.00</b>	

Soft cost contingency		0.02	\$66,000.00	
<b>Subtotal</b>			<b>\$66,000.00</b>	

**TOTAL** \$5,830,025.00 \$48.58

TABLE II CONSTRUCTION FINANCE

SOURCE	TERMS	PRINCIPLE	PERIOD/MNTHS	MELDED RATE	TAKE OUT	AMOUNT
OFC BRIDGE	0.08	\$400,000.00	8	0.005488827235	SYN.	\$400,000.00
LISC BRIDGE	0.08	\$400,000.00	8	0.005488827235	SYND.	\$400,000.00
EQUITY (OCS-\$500,000)		\$500,000.00			STAYS IN	\$500,000.00
GEOD CH. TRST.	0.08	\$0.00	8	0	SYND	
CONVENTIONAL	0.14	\$4,530,025.00	8	0.108782295102	PERM. LADR.	\$4,530,025.00
TOTAL		\$5,830,025.00		0.119759949571		\$5,830,025.00

TABLE III PERMANENT FINANCE

SOURCE	TERMS	PRINCIPLE	ANN. DEBT	D.S.C.	R.O.I.
EQUITY (SYND. \$800,000)		\$800,000.00		0	
O.C.S. LOAN	P+2 (15%) 15 YRS.	\$500,000.00	\$83,975.00	0.16795	
LAND BANK	i=10.5%; 20 yrs. balloon yr. 15	\$1,000,000.00	\$119,806.00	0.119806	
CONVENTIONAL	13%; 20YR. NOTE 15th yr. balloon	\$1,630,025.00	\$229,163.58	0.140589	at 8% i; 20yrs
UDAG	i=9.5%; 25yrs 5yrs-4th only 15th yr balloon	\$1,900,000.00	\$199,203.60	0.104844	
TOTAL		\$5,830,025.00	\$632,148.18		
DEBT: 4% i only; 5 yrs. (4% i only=76000)			\$508,944.58		
R.O.I.:					
COST/SF ALL DEB			\$5.27		
CONVENTIONAL DEBT:			\$229,163.58		

TABLE IV OPERATING BUDGET STAND. YR.

INCOME/EXPENSE	UNITS	AMOUNT	STAND. YR.	YR.1	YR.2	YR.3	YR.4	YR.5	YR.6	YR.11
<b>GROSS INCOME</b>										
office	120000	\$8.71	\$1,045,200.00	\$252,000.00	\$364,000.00	\$420,000.00	\$420,000.00	\$420,000.00	\$504,000.00	\$604,800.00
Red		\$0.00	\$0.00	\$285,000.00	\$427,500.00	\$475,000.00	\$475,000.00	\$475,000.00	\$570,000.00	\$684,000.00
incubator		\$0.00	\$0.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00
parking	100		\$0.00							
subtotal			\$1,045,200.00	\$687,000.00	\$941,500.00	\$1,045,000.00	\$1,045,000.00	\$1,045,000.00	\$1,224,000.00	\$1,438,800.00
vacancy/coll.	0.05		\$52,260.00	\$0.00	\$0.00	\$52,250.00	\$52,250.00	\$52,250.00	\$61,200.00	\$71,940.00
<b>EFF. GRS. INCM</b>			\$992,940.00	\$687,000.00	\$941,500.00	\$992,750.00	\$992,750.00	\$992,750.00	\$1,162,800.00	\$1,510,740.00
<b>OPPING. EXP.</b>										
management	\$992,940.00	0.04	\$39,717.60	\$27,480.00	\$37,660.00	\$39,710.00	\$39,710.00	\$39,710.00	\$46,512.00	\$56,279.52
r.e. taxes	,000's	\$38.00	\$120,000.00	\$82,045.55	\$85,327.37	\$129,792.00	\$134,983.68	\$140,383.03	\$145,998.25	\$176,658.00
snow remov.	est.		\$4,000.00	\$4,160.00	\$4,326.40	\$4,499.46	\$4,679.43	\$4,866.61	\$5,061.28	\$6,264.14
trash	120000	\$0.10	\$12,000.00	\$7,889.00	\$11,243.94	\$12,979.20	\$13,498.37	\$14,038.30	\$14,599.83	\$17,665.80
common mainten	120000	\$0.25	\$30,000.00	\$19,722.49	\$29,234.25	\$32,448.00	\$33,745.92	\$35,095.76	\$36,499.59	\$44,164.50
repr./replacm	120000	\$0.20	\$24,000.00	\$15,777.99	\$23,387.40	\$25,958.40	\$26,996.74	\$28,076.61	\$29,199.67	\$35,311.60
legal/acct.	120000	\$0.07	\$8,400.00	\$8,736.00	\$9,085.44	\$9,448.86	\$9,826.81	\$10,219.88	\$10,628.68	\$12,860.70
insurance	120000	\$0.25	\$30,000.00	\$31,200.00	\$32,448.00	\$33,745.92	\$35,095.76	\$36,499.59	\$37,959.57	\$45,931.08
elect. allowance	120000	\$0.50	\$60,000.00	\$39,444.98	\$58,468.50	\$64,896.00	\$67,491.84	\$70,191.51	\$72,999.17	\$88,129.00
heat/ac allow	120000	\$0.75	\$90,000.00	\$59,167.46	\$87,702.75	\$97,344.00	\$101,237.76	\$105,287.27	\$109,498.76	\$132,491.50
sewage/water	120000	\$0.10	\$12,000.00	\$7,889.00	\$11,693.70	\$13,498.37	\$14,038.30	\$14,599.83	\$15,183.83	\$18,372.43
elev. reserv	120000	\$0.05	\$6,000.00	\$0.00	\$0.00	\$6,489.60	\$6,749.18	\$7,019.15	\$7,299.92	\$8,832.90
reserve	120000	\$0.20	\$24,000.00	\$0.00	\$23,387.40	\$26,996.74	\$28,076.61	\$29,199.67	\$30,367.66	\$36,744.86
subtotal			\$460,117.60	\$303,512.46	\$413,965.16	\$497,806.54	\$516,130.40	\$535,187.22	\$561,808.30	\$679,788.05
cost/ef			\$3.83	\$2.53	\$3.45	\$4.15	\$4.30	\$4.46	\$4.68	\$5.66
tenants share over \$3.85/ef				\$0.00	\$0.00	\$0.31	\$0.47	\$0.63	\$0.85	\$1.83
operating expense			\$460,117.60	\$303,512.46	\$413,965.16	\$460,117.60	\$460,117.60	\$460,117.60	\$460,117.60	\$460,117.60
<b>NET OPER. INC.</b>			\$532,822.40	\$383,487.54	\$527,534.84	\$532,632.40	\$532,632.40	\$532,632.40	\$702,682.40	\$956,742.40
<b>DEBT SERVICE</b>			\$508,944.58	\$508,944.58	\$508,944.58	\$508,944.58	\$508,944.58	\$508,944.58	\$632,148.18	\$632,148.18
<b>NET CASH FLOW</b>			\$23,877.82	(\$125,457.04)	\$18,590.25	\$23,687.82	\$23,687.82	\$23,687.82	\$70,534.22	\$274,594.22
<b>CLM. CASH FLOW</b>				(\$125,457.04)	(\$106,866.79)	(\$83,178.97)	(\$59,491.16)	(\$35,803.34)	\$34,730.87	\$661,996.16

TABLE V RENTS ANALYSIS

USE	N.S.P. LSEL	RENT/SF/YR	INCOME	YR.1	YR.2	YR.3	YR.4	YR.5	YR.6	YR.11
office	30,000	\$14.00	\$420,000.00	\$252,000.00	\$364,000.00	\$420,000.00	\$420,000.00	\$420,000.00	\$504,000.00	\$604,800.00
Red	50,000	\$9.50	\$475,000.00	\$285,000.00	\$427,500.00	\$475,000.00	\$475,000.00	\$475,000.00	\$570,000.00	\$684,000.00
incubator	30,000	\$5.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00
parking										
other										
Total	110,000		\$1,045,000.00	\$687,000.00	\$941,500.00	\$1,045,000.00	\$1,045,000.00	\$1,045,000.00	\$1,224,000.00	\$1,438,800.00
avg./sf			\$9.50							
<b>PERC. OCCUPANCY</b>				0.66	0.90	1.00	1.00	1.00	1.00	1.00
<b>S.P. OCCUPIED</b>										
office			30,000	18,000	26,000	30,000	30,000	30,000	30,000	30,000
Red			50,000	30,000	45,000	50,000	50,000	50,000	50,000	50,000
incubator			30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
parking										
Total										

(1) 20% RENT INCREASE IN YEAR 6 AND 11

TABLE VI INCOME TO B/G CLUB CREDIT

	YR.1	YR.2	YR.3	YR.4	YR.5	YR.6	YR.11
CLUB LEASE	\$12,000.00	\$83,975.00	\$83,975.00	\$83,975.00	\$83,975.00	\$83,975.00	\$83,975.00
UDAG REPAYMENT		\$76,000.00	\$76,000.00	\$76,000.00	\$76,000.00	\$76,000.00	\$199,203.60
40% OF THE CASH FLOW??	(\$50,182.82)	\$7,436.10	\$9,475.13	\$9,475.13	\$9,475.13	\$9,475.13	\$109,837.69
MANAGEMENT ?	\$27,480.00	\$37,660.00	\$39,710.00	\$39,710.00	\$39,710.00	\$46,512.00	\$56,279.52
SYNDICATION	\$50,000.00		\$50,000.00				
DEVELOPMENT FEE	\$49,500.00						
TOTAL	\$61,500.00	\$187,272.18	\$255,071.10	\$209,160.13	\$209,160.13	\$209,160.13	\$449,295.81
MANAGEMENT FEE TO OTHERS THEN TOTAL INCOME:	\$159,792.18	\$217,411.10	\$169,450.13	\$169,450.13	\$169,450.13	\$311,392.29	\$393,016.29
RESIDUAL VALUE OF BUILDING IS SPLIT 50/50 WITH LDM PARTNERS IN 15TH YR.							

MEMORANDUM

TO: Files

FROM: Alan Zimlicki *AZ*

RE: Cambridge Enterprise Collaborative  
Business Incubator Facility

DATE: 9/14/84

-----

Project Scope

The acquisition and renovation of a 129,000 SF industrial building or similar building for use as a business incubator facility and as an income generator for the Cambridge Boys and Girls Club.

The Business Incubator Facility

Most of the tenants leasing the new Cambridge office space are firms that have started out in Cambridge and used low cost space in their formative years. Examples of these firms include Saddlebrook, Lotus, Symbolics, Spinnaker, Polaroid, Kurzweil, AS&E, Cybermation, Kloss Video, KLH and many others. It is clear that the type of space once used by these firms is quickly disappearing. Cambridgeport will be the last area offering this space and within 10 years this area will no longer exist as it does today. This is the time to acquire and save inexpensive buildings to guarantee the future growth of these Cambridge businesses and the future economic vitality of the City.

This project also offers the advantage of picking and choosing which firms are most appropriate and will offer the best job opportunities to city residents. The project offers low cost quality space, job training through ERI's involvement and \$500,000 of OCS funds to be administered by the Collaborative as venture capital loans to these start-up companies.

Financial Objectives

To establish approximately 30,000 SF of business incubator space which will rent for approximately \$5.50/SF and generate \$160,000 - \$240,000 per year in revenue to the Cambridge Boys and Girls Club which will be used to retire debt required to renovate a Boys and Girls Club building.

## Status of Acquisitions

The CEC has been in constant contact with the owners of a proposed business incubator facility. The Collaborative has clearly stated its desire to purchase the building at a reasonable price. The owners are in the process of setting the sales price for the building. It is hoped that a serious negotiation for the building acquisition can begin immediately. It is anticipated that the Collaborative will be competing with several other developers for this acquisition.

The St. Mary's gym facility is also under active negotiation with the archdiocese of Boston for acquisition by the Boys and Girls Club. If a mutually agreeable price for this building can be established the B/G Club would like to acquire ownership of the building, do minor rehab work and plan for major rehab after the business incubator facility is successfully developed and tenanted.

## Financing Plan

Although detailed architectural and structural analysis has not been performed, two architects have toured the proposed incubator facility; an acquisition price has been estimated and a development cost has been estimated. Based on these preliminary estimates the two most likely combinations of financing sources are presented in Table I - "Sources and Uses of Funds." One of several pro-forma packages is also included for review.

The permanent financing strategies are based on several major factors:

- a) The OCS grant will be loaned to the project to generate income to the B/G Club.
- b) The project will be syndicated to raise \$600,000 to \$900,000 of equity.
- c) CDFC and LISC (Community Development Finance Corporation and Local Initiatives Support Corporation) will be asked to provide funds to cover the period over which syndication payments will be made (up to five years).
- d) The CEC (Cambridge Enterprise Collaborative) is a new organization with no track record in development, which means unconventional, low interest and high risk financing sources are more likely to result in a successful project.
- e) The Mass Land Bank is under pressure to fund business incubator facilities.
- f) The project is an excellent candidate for a UDAG since the developer is a socially motivated non-profit corporation, the project is directed toward job

creation, the project has venture capital funds and a job training component and the financial beneficiary will be a social service organization.

It can be seen that by using option #2 (in Table I) there will be virtually no conventional financing in the deal, which means that the Cambridge Enterprise Collaborative should not be hindered by excessive pre-leasing conditions or other elements which could raise the probability of failure.

The funding plan as outlined in option #2 also creates a situation where regardless of how slow UDAG and MLB approvals may be, the CEC will be in a position to purchase the building in a timely way, which is obviously the absolute key to a successful project.

### Schedule

This is a project with complicated financing structure and tough time constraints. Table II - Business Incubator Facility Implementation Schedule lays out the major tasks and the time frame that would most appropriately meet the objectives of the Collaborative. As can be seen, if an option on the building can be secured by the end of September a major work effort to further define the project from a construction and marketing perspective will be necessary. In efforts to submit a UDAG by the end of November a concentrated effort must also be applied to securing preliminary financial commitments.

### Development Team

Developer - C.E.C. (Cambridge Enterprise Collaborative)  
Development Consultant - GBCD (Greater Boston Community Development, Inc.)

Attorney - Marcus Weiss  
Architect - Stull and Lee Associates  
Marketing - (not selected)  
Contractor - (not selected)  
Syndicator - GBCD (Greater Boston Community Development, Inc.)

ASZ:jk

Encs.

Table I - Sources and Use of Funds

Assuming Development Cost of \$5,830,025  
(See development pro-forma; operating pro-forma.)

Permanent Finance - Option #1

\*\$100,000 Syndication Reserve

Equity (Syndication)	\$ 800,000
OCS Loan (14%; 15 yr. note)	\$ 500,000
Conventional (13%; 20 yr. note)	\$1,630,025
Land Bank (10.5%; 25 yr. note)	\$1,000,000
UDAG (9.5%; 25 yr. note; 4% int. interest only for 5 yrs. 15th yr. balloon)	<u>\$1,900,000</u>
Total	\$5,830,025

Permanent Finance - Option #2

\*\$100,000 Syndication Reserve

Equity (Syndication)	\$ 800,000
OCS Loan (14%; 15 yr. note)	\$ 500,000
108 Loan (12.5%; 20 yr. note)	\$1,630,025
Land Bank (10.5%; 25 yr. note)	\$1,000,000
UDAG (9.5%; 25 yr. note) 4% int. for (5 yrs. 15th yr. balloon)	<u>\$1,900,000</u>
Total	\$5,830,025

## Construction Financing

### Option I

CDFC (gap financing 8.0% i)	\$ 400,000
LISC (gap financing 8.0% i)	\$ 400,000
OCS	\$ 500,000
Conventional	<u>\$4,530,025</u>
Total	\$5,830,025

### Option II

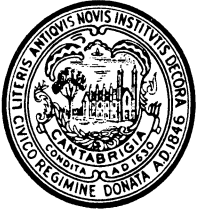
CDFC (gap financing 8.0% i)	\$ 400,000
LISC (gap financing 8.0% i)	\$ 400,000
OCS	\$ 500,000
108 Loan	\$2,900,000
Conventional	<u>\$1,630,025</u>
Total	\$5,830,025

BUSINESS INCUBATOR FACILITY IMPLEMENTATION SCHEDULE

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19																							
	MAY																																									
	JUNE			JULY			AUGUST			SEPTEMBER			OCTOBER			NOVEMBER			DECEMBER			JANUARY			FEBRUARY			MARCH			APRIL			MAY			JUNE			JULY		
1																																										
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5 TASK																																										
6																																										
7																																										
8 Planning/feasability																																										
9 Form C.E.C.																																										
10 Locate building																																										
11 C.E.C./CMB.agreement																																										
12 Select dev.constlt.																																										
13 Select architect																																										
14 Select marketing consultant																																										
15 Select contractor																																										
16 Preliminary A&E																																										
17 Prel. Const. Est.																																										
18 Market Study																																										
19 Prel. Syndication analysis																																										
20 Finance Plan																																										
21 Development Pro-Forma																																										
22 Operating Pro-Forma																																										
23																																										
24																																										
25 Bldg. Option Agreen.																																										
26 Application 108 Loan																																										
27 Application UDAG																																										
28 Application Land Bank																																										
29 Applic. LISC Bridge loan																																										
30 Bank of Boston const. ln.																																										
31 CDFC Bridge loan																																										
32																																										
33																																										
34 Marketing / Preleasing																																										
35 Structure OCS Venture \$																																										
36																																										
37																																										
38 Loan Closings																																										
39 Loan Negotiations																																										
40 UDAG Contract																																										
41 Const. Loan Administration																																										
42 Write Synd.Brochure/																																										
43 Legal Opinion/Syndic																																										
44 Sell Tax Syndication																																										
45																																										
46																																										
47 Design																																										
48 Hire Clerk of Works																																										
49 Negotiate Constr. Contract																																										
50 Coord. Design/Const.est/budget																																										
51																																										
52																																										
53 Construction																																										
54																																										
55																																										
56 Lease-up																																										
57 Management plan/Agreements																																										

—9 mths-Jan.85 compl.— Comple

to compl.date



CITY OF CAMBRIDGE

CAMBRIDGE, MASSACHUSETTS 02139  
Tel. 498-9011

EXECUTIVE DEPARTMENT  
ROBERT W. HEALY  
City Manager

September 17, 1984

To the Honorable, the City Council:

With respect to City Council's request for additional information on the Cambridge Enterprise Collaborative (Boys and Girls Club), enclosed please find copy of a report from Kathy A. Spiegelman, Assistant City Manager for Community Development.

Very truly yours,

Robert W. Healy  
City Manager

RWH/mbf  
Enc.

S-567

Re: response to the City Council's request for additional information on the Cambridge Enterprise Collaborative (Boys and Girls Club).

See Calendar #  
of this date

Order Adopted

9-1-80

Order for \$1,000,000

In City Council,

September 17, 1984

-9/17/84-

Presented to  
the

Hearing this

date

9/17/84