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Memorandum of Understanding

Between

Foundry Consortium (“Consortium”),

And

The Cambridge Redevelopment Authority (the “CRA”)

Dated February 12, 2020 and Amended on July ____, 2021

This Amended Memorandum of Understanding (~~this~~ “**Memorandum**”) sets for the terms and understanding between the Consortium, an organization incorporated in Massachusetts, and the CRA with respect to the Foundry Project (as defined below). This Memorandum replace all language in the Memorandum dated February 12, 2020.

A. PURPOSE. ~~The purpose of T~~this Memorandum of Understanding (this “**Memorandum**”) is to reflect the shared objectives and understandings of the Consortium and the CRA (together with the Consortium, the “**Parties**”), concerning the management and operations within a certain property known as the “**Foundry Building**” (~~or “the Foundry”~~) located at 101 Rogers Street, Cambridge, MA (~~the “Foundry Project”~~). This Memorandum is in furtherance of the CRA’s Request for Proposals for an operating entity for the Foundry (the “**RFP**”) dated January 25, 2018 and Lemelson-MIT’s response to the RFP dated March 8, 2018 and further details and clarifications offered as part of the RFP interviewing process (collectively, the “**RFP Response**”). The CRA voted to designate Lemelson-MIT as the operator of the Foundry on April 25, 2018. Consistent with the RFP Response, and the CRA’s designation, Lemelson-MIT, with assistance from the CRA, went on to form the Foundry Consortium as the future nonprofit Operator of the Foundry. The Foundry Consortium and the CRA entered into a Memorandum of Understanding on February 12, 2020, which is now amended.

This Memorandum may be included as an exhibit in the future sublease for the Foundry, to be executed between the CRA and Foundry Consortium. Once the sublease is executed, this Memorandum will be subordinant to the terms of the Foundry sublease.

B. BACKGROUND. The City of Cambridge (“**City**”) and CRA are parties to that certain Lease Agreement dated July 13, 2015, as amended by Amendment to Lease dated January 17, 2018 (as so amended, the “**Lease Agreement**”), pursuant to which the City is leasing the Foundry Building to the CRA, and has granted the CRA the authority to sublease portions of the Foundry Building to an operator.

The Lease Agreement calls for the “redevelopment and management of the Foundry Building into a productive, innovative mixed-use center consistent with,” *inter alia*, the demonstration project plan originally approved by the CRA Board on December 17, 2014, and most recently amended on September 25, 2017 (the “**Demonstration Project Plan**”). The Demonstration Project Plan sets forth the following Vision for the Foundry Project:

The Foundry will be a creative, innovative center that offers a collaborative environment with a mix of cultural, educational, manufacturing, and commercial uses. The renovated multipurpose building will be designed for flexibility and will be accessible, inclusive, and welcoming to the public. The activities within will be multigenerational and multicultural,

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providing a citywide and neighborhood resource that is financially sustainable for years to come.

[The Demonstration Project Plan](#) also sets forth three key objectives – innovative programs, building site and development, and sustainable operational and financial structure – with associated sub-objectives. Though community input has and will continue to shape the Foundry Project, [these the Vision and](#) objectives will remain integral to the Foundry Project as the Parties work to move forward with redevelopment and refine the building’s program.

Per the Lease Agreement, the CRA has allocated One Million Dollars (\$1,000,000) to an Operation and Maintenance Account for the Foundry Project (the “**Foundry Start-Up Reserve**”), portions of which are intended both to support program ramp-up for the first year of operations, as well as to provide financial support during the period of time prior to occupancy of the Foundry and the execution of a sublease agreement between the Parties (the “**Pre-Occupancy Period**”) for building the capacity of the Foundry Program. The CRA has also allocated One Million Dollars (\$1,000,000) to an Operating Reserve Fund for the Foundry Project to cover unforeseen costs in the Foundry’s operation (the “**Foundry Operating Reserve**”). An initial \$200,000 of the Foundry Start-Up Reserve was allocated to Lemelson-MIT in 2019 to advance the Foundry Project and was expended in full.

This Memorandum establishes the mutual responsibilities of the Parties with respect to the Foundry Project during the Pre-Occupancy Period. The Parties will use their respective reasonable efforts to meet the responsibilities set forth in this Memorandum and shall meet on a monthly basis in order to achieve that end.

C. CRA OBLIGATIONS. The CRA shall use reasonable efforts to perform the following obligations in accordance with the Target Completion Dates set forth in Section E below:

1. Purchase of Furnishings and Equipment for Community Use Spaces

The City of Cambridge is managing the major renovation of the Foundry building, using funds from the City and the CRA, and a grant from the Massachusetts Cultural Council. The renovation project [also includes furnishings, fittings and some equipment \(FF&E\), but](#) does not include ~~equipment and some required furnishings for Community Use Space everything needed to open.~~ The CRA has allocated up to \$500,000 for the purchase of [the maker space equipment and operating supplies and equipment \(OS&E\) furnishings](#) for the Community Use Space, ~~as necessary for the Foundry to open to the public in summer 2022.~~ The list of ~~items~~ [Maker Space equipment and OS&E](#) to purchase will be based on documents developed in partnership with the Foundry Consortium during 2019 and subsequent communication with the City of Cambridge to ensure coordination with the renovation project.

2. Pre-Opening Financial Support

During 2020 the CRA allocated an additional \$200,000 of the Foundry-Start-Up Reserve to assist the Consortium in its staff formation and capacity building during the Pre-Occupancy Period. The CRA has used \$40,000 of these funds to pay for the Foundry Consortium’s now completed Executive Search. The remaining funds (\$160,000) shall be provided to the Consortium for the personnel expenses for the Executive Director and to the extent available, additional staffing needs identified by the Executive Director ahead of building occupancy. The CRA will provide the remaining funds in equal quarterly increments (four payments of \$40,000) in July 2021, October 2021, January 2022, and April 2022.

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3. Pre-Opening Work Space

The CRA will provide one work seat at no cost for the Foundry Consortium at The Link, a nonprofit coworking space at 255 Main Street, 8th Floor, Cambridge, MA 02142 between August 1, 2021 and May 31, 2022, or the date when the Foundry building secures its Certificate of Occupancy, whichever comes later. The CRA will hold the license agreement for this seat with TSNE MissionWorks, the operator of the Link. This work seat will include access to wifi, a shared copier/printer/scanner, communal kitchen, phone room, and two meeting rooms.

4. Office Space Leasing Strategy and Brokerage

The CRA has entered into an agreement with Newmark real estate brokers to provide marketing and recruitment strategies and lease negotiations for the market rate office space in the Foundry Building. The CRA will direct TSNE Mission Works, currently under contract to provide property management consulting services to the Foundry, to conduct a public selection process for a nonprofit tenant for the below-market office space. ~~The CRA will ensure that total annual office rental income meets or exceeds the amount expected in the annual operating budget that the Foundry Consortium will develop. That line item in the Foundry Consortium's budget must be approved by the CRA.~~ The CRA will notify and keep the Foundry Consortium informed regarding lease negotiations and will seek participation by the Foundry Consortium in the selection of office tenants. The CRA will have final decision making authority for office tenant selections. All initial office tenant leases will be held by the CRA. The parties will work together to establish the building use policies for office tenants as they relate to overall use and operation of the Foundry. Once leases are signed, the CRA will notify the Foundry Consortium of the expected annual office rents, which the CRA may combine with funds from the Operating Reserve, in order to provide a portion of the Foundry Consortium annual budget.

5. Property Management

The CRA will facilitate coordination between the Foundry Consortium, its Property Management staff and/or consultants, and the City's construction management team, including securing documentation of, and where relevant, training in building systems.

6. Sublease between CRA and Consortium

The CRA will draft a sublease and operating agreement to be negotiated in good faith between the CRA and the Consortium, consistent with the RFP Response and the Lease, (the "**Sublease**"). The Sublease shall have an initial term of ten (10) years, with options granted to the Consortium to extend the term (to be negotiated during the Sublease negotiations). The Sublease will contain mechanisms to provide the Consortium with capital and operational support for the Foundry Project, and shall contain reporting requirements regarding programmatic and operational measures of performance for the Consortium.

7. General Technical Support

The CRA will be available to provide feedback, connections to relevant resources, and other technical assistance to Foundry Consortium staff in support of the Consortium's obligations below.

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D. CONSORTIUM OBLIGATIONS. The Consortium shall use reasonable efforts to perform the following obligations in accordance with the Target Completion Dates set forth in Section E below. The items listed below constitute the Foundry Consortiums's Start Up Business Plan:

1. Operating Budget & Fundraising Plan

The Foundry's Consortium fiscal year starts annually on July 1st. The Consortium will develop and approve operating budgets for Fiscal Years 2022 and 2023, based on expected office rent income, Community Use program income, and other sources. The operating budgets may identify including identifying the resources required to ramp up operations ahead of building occupancy, and anticipating anticipate gaps that may arise in the first year of operations. The budget may draw from the latest Foundry Financial Model developed for the CRA by Columbia Group Realty. The Fiscal Year 2022 budget should be accompanied by a fundraising plan demonstrating how and when resources will be secured prior to the collection of rental income, as necessary. The CRA may provide feedback on will review and approve the annual budget, including the. The office rental income line, for this budget must be approved by the CRA.

2. Property Management Plan

The Foundry Consortium will develop a plan for property management of the entire foundry building and property, which may include in house staff and/or contracted property management services. If the property management plan anticipates utilizing contracted services, the Consortium will propose a process by which it intends to conduct a selection process.

The Property Management function must be in place in order for Property Management staff and/or consultants to gain understanding of the Foundry's internal systems at least three months prior to the building receiving its Certificate of Occupancy.

3. Maker Space Operating Plan

The Foundry Consortium will develop a financial model and staffing and operating plan to ensure the maker spaces and computer lab are properly overseen for safety and sustainability, allow for wide public use, allow for reservations by organized programs, and generate adequate income as per the Foundry Consortium's annual operating budget expectations. One of the small multi-purpose rooms is slated to be a computer lab and should also have an operating plan.

4. Café Operator Plan

The Foundry Consortium will develop a plan for ensuring operation of the first floor café during the Foundry's open hours.

5. General and Technical Operations Plan

The Foundry Consortium will develop a written operations plan, including:

- Timeline for opening in full to the public, including dates for kick off events
- Intended hours of operation
- Policy for internal controls, including around financial management and security/
building access

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- Building policies for office and community space users, to be finalized with the CRA
- Software selected for core functions, including at a minimum financial management, room reservations and scheduling, and any property management software not covered by possible external property management contracts.

It is understood that these plans may change over time as staff implement operations.

6. Community Use Reservation Process

The Foundry Consortium will develop and ~~start-prepare~~ to implement a transparent ~~process system~~ that will allow individuals and groups to reserve Community Use spaces in the Foundry. The process must align with the Preliminary Use Guidelines (Exhibit C) to ensure that data required to fulfill the reporting requirements in the Preliminary Performance Metrics document (Exhibit D) is collected and tracked.

7. Artists in Residence Program Definition and Selection Process

The Foundry Consortium will develop a program outlining the parameters of the Artist in Residence Program. The program will provide ~~Demarcated two designated a Artists~~ in Residence spaces ~~to artists for no fee~~, in exchange for Foundry related services provided by the artists. The Consortium will develop and implement a transparent process to select two Artists in Residence to serve for a specific, ~~limited~~ term.

E. TIMELINE. The following is a timeline of the milestones of the Pre-Opening Period. The Parties acknowledge that this timeline assumes a construction completion/Certificate of Occupancy date of May 31, 2022 and shall be subject to modification and adjustment as necessary.

Event	Estimated Completion	Responsibility
Quarterly Pre Opening Payments Start	July 2021	CRA
Pre-Opening Work Seat Available	August 1, 2021	CRA
Executive Director Starts Full Time	August 2, 2021	FC
Start Marketing Office Spaces	September, 2021	CRA
First Draft of Sublease Provided by CRA	September October 2021	CRA
Final Sublease Signed	January 2022	CRA-FC
Property Management Plan	November 2021	FC
Maker Space Operating Plan	December 2021	FC
Operating Budget and Fundraising Plan	January 2022	FC
Community Use Reservation Process is Public	January 2022	FC
Artists in Residence Plan (Selection & Program)	January 2022	FC
Property Management Function Engaged	February 2022	FC
Final Sublease Signed	February 2022	FC
Café Operating Plan	February 2022 2	FC
General and Technical Operations Plan	March 2022	FC
Artists in Residence Selected	May 2022	FC
Foundry Building Has Certificate of Occupancy	May 31, 2022	City
Consortium Staff Move into Foundry	Early June 2022	FC

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Leases Signed for all Office Spaces
Office Tenants Move into Foundry
Foundry Building Opens to Public

April 30, 2022
Early June 2022
September 2022

CRA
CRA
FC

F. NOTICES. Any and all notices or other communications to be given pursuant to this Memorandum shall be provided electronically to the Parties using the email addresses included below:

If to Foundry Consortium:	Stephanie Couch Lemelson-MIT Program 222 Third Street, Suite 0300 Cambridge, MA 02142 scouch@mit.edu	Diana Navarette-Rackaukas Foundry Consortium 255 Main Street, 8 th Floor Cambridge, MA 02142 [email]
If to the CRA:	Thomas Evans 255 Main Street, 8 th Floor Cambridge, MA 02142 tevans@cambridgeredevelopment.org	

G. DURATION. This Memorandum is at-will and may be modified by mutual consent of authorized officials from the Consortium and the CRA. This Memorandum shall become effective upon signature by the Consortium and the CRA and shall remain in effect until the Foundry Sublease is signed by the CRA and Foundry Consortium. It is anticipated that some obligations outlined in this Memorandum will be represented in a section of the Sublease Agreement describing a Pre-Sublease Term.

IN WITNESS HEREOF, the undersigned have executed this amended Memorandum of Understanding as of the date set forth above.

CRA:

The Cambridge Redevelopment Authority

By: _____

Thomas Evans
Executive Director

FOUNDRY CONSORTIUM:

By: _____

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Stephanie Couch
Chair

Diana Navarrete-Rackaukas
Executive Director

~~Exhibit A: Foundry Demonstration Plan~~

~~Exhibit B: City of Cambridge CRA Master Lease and Cooperation Agreement~~

Exhibit ~~CA~~: Preliminary Use Guidelines

Exhibit ~~DB~~: Preliminary Performance Metrics