MEMORANDUM OF UNDERSTANDING

Between the Hacker Lab, Inc. and the City of Rocklin

I.   **PURPOSE:**

This Memorandum of Understanding ("MOU") is hereby made and entered into effective July 1, 2019, between the CITY OF ROCKLIN ("ROCKLIN"), a municipal corporation, and Hacker Lab, Inc. ("HACKER"), a corporation registered to conduct business in the State of California, collectively referred to as the "Parties". The purpose of this agreement is to facilitate the operation of a makerspace and co-working space to support the Parties strategy to:

1. Branding – Co-develop and promote regional brand campaign to promote and inspire entrepreneurship and workforce development in alignment with ROCKLIN programs.
2. Pathway Development – Work with existing ROCKLIN workforce development programs to amplify awareness and enrollment in STEM and entrepreneurship.
3. Small Business Development – Provide programs and resources to boost entrepreneurship success of both freelance and small business startups and revenue growth.
4. Staff Development – Provide programs to build a workforce culture of innovation and entrepreneurship; to stretch your teams' thinking, generate new ideas, and cultivate new relationships.
5. Job Creation – Provide regional employers with highly skilled workers.
6. Citizen Success – Provide students' access to hands-on, project based learning experiences to prepare individuals for jobs and careers in the creative and innovation economy.
7. Equity – Provide opportunities for underserved and disproportionately impacted populations to have access to a state of the art fabrication lab and training at low to no cost.

II.   **GENERAL BACKGROUND - HACKER:**

Since 2014, HACKER has operated Maker Space, entrepreneurship and workforce development programs to provide the tools and resources for residents of the CITY OF ROCKLIN innovation ecosystem.

There are three primary objectives of Hacker Lab related to economic and workforce development: 1) Creation and growth of new startup and freelance businesses, 2) Job placement from exposure and skill development, 3) Enrollment in college programs from exposure and hands-on project based learning.

HACKER provides physical space, tools and equipment, training and knowledge sharing, and community environment from organic collaboration to take place.

HACKER's primary use-cases are as follows: 1) Rapid prototyping and manufacturing; 2) Training and workforce development, 3) entrepreneurship and business growth, 4) low income and at risk population

pathway discovery. HACKER endeavors to serve a wide range of demographics throughout the ROCKLIN region.

HACKER maintains a focus on inclusive economic development. HACKER's program is built on the foundation of strong community partnerships. HACKER works with organizations across the workforce pipeline to create value and resiliency.

Hacker Lab's business model consists of a combination of membership dues, private office sublets, classes and training, and corporate sponsorship/consulting contracts. Membership and class fees make up about 60% of our total budget, while HACKER relies on sponsorship partners to fill in the remaining funding gap. In 2019 HACKER's budgeted sponsorship goal is 200,000. Key funding partners that have been instrumental in Hacker Lab's growth include but not limited to: Sierra College, SMUD, Intel, City of Rocklin, Vision Service Plan, Consolidated Communications, Kaiser Permanente, Sacramento Economic Employment Agency, City of Sacramento, and City of Rancho Cordova.

III. **MUTUAL AGREEMENTS:**
   A. HACKER will provided ROCKLIN with the following services to support the objective of this MOU.
      1. **Promotion, Outreach and Pathway Development:** HACKER will lead the design and engagement of a multi-year marketing and promotion campaign in pursuance of the objective outlined in the MOU in support and alignment with existing ROCKLIN outreach programs. Key services HACKER agrees to provide ROCKLIN INCLUDE:
         a. "Tier 1 Mega Level" Sponsorship recognition.
            i. Website homepage logo recognition.
            ii. HackerLab.org – Approx. 8,000 unique visitors per month.
            iii. Large prominent signage at reception area of all facilities.
            iv. Info kiosk in reception area that has ROCKLIN program information and messaging as provided by ROCKLIN.
         b. Minimum of 2 custom stories written by Hacker Lab staff in collaboration with ROCKLIN that are featured in blogs, newsletter, social media and printed publication.
            i. Mailchimp – 12,000 contacts
            ii. Facebook – 12,000 followers
            iii. Instagram – 4,500 followers
            iv. Meetup.com – 4,800 members
         c. Logo recognition in all weekly newsletters
         d. Partner advocacy – Hacker Lab will represent and advocate policy and program development in an effort to advance the objectives of the MOU in relation to its work sitting on the following boards:
            i. Stem Equity Success Initiative (SESI), Sacramento Metro Chamber, Golden Sierra Workforce Development, Maker XD, Align Capital Region City of Sacramento, Mayors Tech Council, SacMade, Self Awareness & Recovery (SAR), Hispanic Chamber of Commerce, Inclusive Economic Development Committee (City of Sacramento).

2. **Incubator Space Management:** HACKER will lead operation and development of 15,000 sq. foot maker space, coworking space, and startup/workforce incubator located on 4415 Granite Drive, Rocklin.

3. **Entrepreneur Bootcamp:** HACKER will run a minimum of one 10 week entrepreneurship bootcamp that is FREE for Rocklin residents. Details of bootcamp are listed in Exhibit "A" attached hereto.

4. **Office Hour Mentor Program:** HACKER will develop and operate office hour mentorship program in conjunction with Small Business Development Center and ROCKLIN Business Resource Center that is FREE to ROCKLIN residents.

5. **Workforce Training:** HACKER will operate comprehensive workforce skills workshops, hosting over 40 classes and 5 monthly meetups per month to meet the objectives of the MOU.

6. **Economic Development Alignment:** HACKER will meet with Rocklin staff a minimum of one time per quarter in effort to align our activities with ROCKLIN economic development objectives.

B. HACKER will provide ROCKLIN with the following optional additional discounted services, membership and facility uses.

1. **Staff Development:**
   a. Membership. HACKER will provide memberships to ROCKLIN staff at a 50% discounted rate.
      i. If the Rocklin staff membership is pre-approved to be paid by ROCKLIN, HACKER will invoice ROCKLIN for the discounted membership on a monthly basis. If the membership is not approved to be paid by ROCKLIN, HACKER WILL bill the individual for the discounted membership payment.
   b. Half-day Innovation workshop: HACKER will provide ROCKLIN staff who are active members training credits at 50% discount rate. Think of training credits as "hacker bucks" that can be used to take any of our 40+ classes per month.
   c. Class Credits: HACKER will provide ROCKLIN staff who are active members training credits at 50% discount rate. Think of training credits as "hacker bucks" that can be used to take any of HACKER's 40+ classes per month.

2. **Facility Usage:**
   a. Training room usage – HACKER will provide training room usage to ROCKLIN at 50% discount of normal rate.
      i. Training rooms can be used to host classes, training sessions, or any other types of meetings.
      ii. Large special event usage - HACKER agrees to provide large event space usage to ROCKLIN at 50% discount of normal rate.
   b. Private office space – Hacker Lab will provide a 25% discount on private office and private desk space to ROCKLIN Staff.

C. PROGRAM SUPPORT PAYMENT:

1. ROCKLIN will issue total base payment in the amount of $33,333 per 12 month period, measured by fiscal year, July 1 to June 30, in accordance with the itemized services and rates listed below. For each Term year, HACKER shall invoice ROCKLIN for the annual lump sum payment of $33,333. Payment is due by ROCKLIN the later of thirty (30) business days upon receipt of HACKER invoice, or July 30 of each year.

In addition to annual program support, Hacker Lab will invoice monthly for items redeemed at special rates outlined in the ADD-ON PRODUCT rate sheet listed below. Monthly invoices will include an itemized report.

Category	Item (details above)	Unit	Amount
Economic Development Services	Program sponsorship and community outreach	1 Annual Payment	$33,333
	Entrepreneur Bootcamp		
	Office Hour Mentor Program		
	Workforce Training		
	Incubator Space Management		

OPTIONAL ADDITIONAL DISCOUNTED SERVICES, MEMBERSHIPS & FACILITY USES				
The items in rate sheet below are provided to ROCKLIN on a per-use basis to directly connect the fiscal support from the City to the success of individual participants. The items authorized by ROCKLIN will be invoiced at the end of each month based on the total usage of the below items. Invoices will be supplemented with detailed reports of total items used in each category. Rocklin staff members are responsible for payment to HACKER for discounted memberships, unless otherwise approved by ROCKLIN in advance.				
Category	Item	Unit	Standard Rate	Discount %/Rate
Facility Usage	Training room hour	1	$40.00	50%/$20.00
Facility Usage	Large Special event hour	1	$175.00	50%/$87.50
Staff Development	Half-Day Innovation workshop	1	$2,500.00	25%/$1,875.00
Staff Development	Discounted Membership for Rocklin Employees	1	$124.99	50%/$62.50
Staff Development	Class credit	1	1.00	50%/$.50

D. General Provisions

1. **Term.** The term of this Agreement is three years, commencing July 1, 2019 and ending June 30, 2022, unless earlier terminated by the Parties hereto.

2. **Independent Contractor.** HACKER is an independent contractor, not an employee or agent of ROCKLIN. HACKER shall have no power or authority by this Agreement to act on behalf of ROCKLIN in any capacity whatsoever as an agent, or to bind ROCKLIN in any respect or to any obligations whatsoever. Nothing in this Agreement shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by HACKER are employees, agents, contractors or subcontractors of HACKER and not of ROCKLIN. ROCKLIN shall not be obligated in any way to pay any wage claims or other claims made against HACKER by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this agreement.

3. **Indemnification.** HACKER shall defend, indemnify and hold ROCKLIN, its elected officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, negligence or willful misconduct of HACKER, its officials, officers, employees, agents, subcontractors and sub-consultants arising out of or in connection with the performance of this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses except such loss or damage which was caused by the sole negligence or willful misconduct of ROCKLIN.

4. **Insurance.** HACKER shall procure and maintain for the duration of this Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of its obligations under this Agreement.
     i. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
     ii. Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **$1,000,000** per accident for bodily injury and property damage.

iii. Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **$1,000,000** per accident for bodily injury or disease.

5. **Termination.** Either party may terminate this agreement with written notice to the other Party. If HACKER terminates this Agreement before the expiration of the term, HACKER shall refund ROCKLIN, on a pro-rata basis, for the portion of the annual contribution made by ROCKLIN.

6. **Amendment; Modification.** Amendments, changes or modifications in the terms of this Agreement may be made at any time by mutual written agreement between the parties hereto and shall be signed by the persons authorized to bind the parties hereto.

7. **Compliance with Law.** HACKER shall comply with all applicable laws and regulations of the federal, state and local government and shall be responsible for obtaining any required licenses, permits or certifications necessary to perform this Agreement.

8. **Power and Authority to Enter into Agreement.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with.

CITY OF ROCKLIN   HACKER LAB

By: _____   By: _____
    Steven Rudolph, City Manager   Eric Ullrich, President

Date: _____   Date: _____

APPROVED AS TO FORM:

By: _____
    Sheri Chapman, City Attorney

ATTEST:

By: _____
     Mona Forster, City Clerk

EXHIBIT "A" – DESCRIPTION OF PROGRAMS AND SERVICES OFFERED BY HACKER

1.   **Entrepreneurship Bootcamp**

To spark new businesses in the City of Rocklin, Hacker Lab will provide the following startup and entrepreneur development curriculum. Applicants accepted into the program receive mentorship and training curriculum specifically designed to support the "Lean Startup" methodology.

A detailed program syllabus can be found at http://startuphustle.io

During this program, participants will learn to navigate the initial stages of starting a company, from understanding customers, developing value propositions, rapidly prototyping and testing, and packaging a business concept into a 5-minute pitch deck.

By the end of this course, students will be able to:

- Rapidly test the validity of a business or product idea
- Conduct customer interviews and usability tests
- Intuitively understand the concepts and strategies of Lean Startup and Design Thinking
- Identify different business models in order to determine which one is more effective for a given product.
- Generate real world customer data using landing pages
- Create wireframes, MVPS, and basic prototypes in order to test assumptions
- Drive potential customers and partners to your product in the digital space using marketing and growth hacking strategy
- Clearly articulating the value of your business to customers, partners, investors and stakeholders

2.   **Maker Space Services.** Provides aspiring entrepreneurs and their team members with the physical tools to research, design, prototype, and commercialize their innovations.

   a.   Includes tools, and conference rooms, does not include all equipment usages such as woodshop and metal shop.

   b.   Equipment and prototyping areas actively maintained:
   1)   Metal shop
   2)   Sewing/Textiles
   3)   Woodshop
   4)   3D printers

      5)   Laser cutters
      6)   CNC machine tools
      7)   Photography studios
      8)   Electronics and robotics
      9)   Computer design studio
      10)   Plotters & print media

3.   Maker and Prototyping Curriculum

a.   General Maker Space
      1)   Intro to Laser Cutter
      2)   Intro to 3D Printing
      3)   Intro to Silk Screen Printing
      4)   Intro to Carbon Fiber 3D Printing (Markforge)
      5)   Vector Design with CorelDRAW
      6)   Open Office Hours w/John (Open John Hours)

b.   Wood fabrication
      1)   Intro to Woodshop 1
      2)   Intro to Woodshop 2
      3)   Intro to Wood Lathe
      4)   Intro to CNC ShopBot

c.   Jewelry Fabrication
      1)   Intro to Metalworking for Jewelry
      2)   Beginner Soldering for Jewelry
      3)   Intermediate Soldering for Jewelry
      4)   Stackable Rings and Cuffs
      5)   Stone Setting Project Class
      6)   Intro to Lapidary Workbench
      7)   Open Office Hours w/Giana - 3 hours

d.   Photography.
      1)   Intro to Studio Lighting (coming soon)

e.   Metal Fabrication
      1)   Intro to Metalshop 1
      2)   Intro to Metalshop 2
      3)   Intro to MIG Welding

4) Intro to TIG Welding

5) Intermediate TIG Welding

6) Intro to Oxy-Acetylene

7) Intro to CNC Plasma Cutter

8) Intro to Manual Mill

9) Intro to CNC Mill

10) Intro to Manual Lathe

11) Intro to CNC Lathe

12) Intro to CAM for CNC Mill

13) Intro to CAM for CNC Lathe

14) CAD Software

f. Electronics
1) Intro to Soldering for Electronics

2) Intro to Electronics (Circuits)

3) Intro to Electronics with the Arduino

4) Intro to Raspberry Pi

5) Intro to Node MCU

6) Intro to Circuit Playground Express

4. Misc. Training and Community Development Activities.

a. Member Mixers & Community Meetups
1) Electronics Technie Night

2) Member Mixers

3) Fusion Friday's

4) Gold Country Brewers Assoc.

5) Placer County Artist Showcase

6) New Member Orientation

7) Electronics and Micro-controller Coding Meetup

8) Free Intro to Circuit Playground Express