

GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on April 5, 2019, (the "Effective Date") between **Santa Clara University**, a California nonprofit corporation (the "University") and the **Charles Koch Foundation**, a Kansas nonprofit corporation (the "Donor"). This Agreement is for the benefit of the **Ciocca Center for Innovation and Entrepreneurship** (the "Center"), which is an interdisciplinary Center welcoming students and faculty from all schools, colleges, and units of the University. The University and the Donor are sometimes referred to in this Agreement individually as a "Party" and collectively as the "Parties." The Parties agree as follows:

1. **Promoting Academic Freedom.** Consistent with the Donor's principles of supporting open inquiry and a diversity of ideas in higher education, the Donor's grant is intended to help promote a republic of science at the University where ideas can be exchanged freely and useful knowledge will benefit the well-being of individuals and society. Thus, the Parties agree that the academic freedom of the University, the Center, and their faculty, students, and staff is critical to the success of the Center's research, scholarship, teaching, and service.

2. **The University's Proposal.** The Parties enter into this Agreement based on the University's proposal, which is hereby incorporated into and made part of this Agreement and attached as Attachment A (the "Proposal"). The Proposal relies on the leadership of a faculty director (the "Center Faculty Director"), who has been appointed by the University, according to its normal procedures. As stated in the Proposal and consistent with the University's vision, the mission of the Center is to educate students on a Jesuit perspective and approach to entrepreneurial education and offer opportunities to students interested in studying the broad concepts of entrepreneurial and design thinking as an integral part of their education. The Center will deliver enhanced educational opportunities in entrepreneurship and support faculty research on topics of entrepreneurship and innovation, while increasing opportunities for faculty and students to collaborate with entrepreneurs, creating a community of innovators and entrepreneurs (the "Center's Mission").

3. **The Center Programs.**

a. **Generally.** To support the Center's Mission, the University desires to create the following positions and activities to affiliate with the Center, collectively referred to as the "Center Programs." The Center Programs are described more fully in the Proposal and include an "Executive Director," a "Program Director," "Faculty Director Support," an "Administrative Assistant," four "Tenured or Tenure-Track Professorships," four "Professors of Practice," a "Maker Lab Director," "Center Support", and "Research Support." The University shall use any funds received under this Agreement to support the Center Programs in accordance with the terms of this Agreement. According to the University's normal procedures, the Center Faculty Director is responsible for directing the Center Programs, which includes allocating and administering the Center's budget, supervising Center staff, mentorship, and other duties to advance the Center's Mission as deemed appropriate by the Center Faculty Director.

b. **Selection According to the University's Normal Procedures.** The Parties mutually agree that the selection of the foregoing positions and fellowships by the University will follow the University's normal procedures for selecting such positions and fellows for the applicable academic units.

c. **Center Positions and Affiliations.** As a matter of academic freedom for academic units at the University, individuals who hold positions with or are affiliated with the Center must be approved by the Center Faculty Director, in accordance with the University's normal procedures.

4. **The University's Support for the Center.** The University shall support the Center Programs to advance the University's mission. As part of this support, the University shall ensure that the faculty, students, and staff

working with the Center have adequate space to achieve the Center's Mission. Therefore, The University shall provide the Center with sufficient contiguous office space including shared conference and meeting spaces.

5. The Donor's Support for the Center Programs.

a. Contributed Amount. Subject to the terms of this Agreement, the Donor will contribute funds to the University solely to support the Center Programs to advance the Center's Mission (all or part of such funds are referred to as the "Contributed Amount(s)"). The maximum Contributed Amount for each Center Program is as follows:

Center Programs	Contributed Amount
Salary and fringe benefits for the Executive Director	Up to \$ 580,000
Salary and fringe benefits for the Program Director	Up to \$ 150,000
Cost and expenses for the Faculty Director Support	Up to \$ 100,000
Salary and fringe benefits for the Administrative Assistant	Up to \$ 150,000
Salary and fringe benefits for the four Tenured or Tenure-Track Professorships	Up to \$1,752,000
Salary and fringe benefits for the four Professors of Practice	Up to \$ 444,000
Salary and fringe benefits for the Maker Lab Director	Up to \$ 180,000
Costs and expenses for the Center Support	Up to \$ 484,000
Costs and expenses for Research Support	Up to \$ 160,000

b. Other Support. If the University and Donor mutually agree, the Donor may also contribute in-kind services to the University to help promote the work of the University, the Center, or the University faculty, students, and staff.

c. Contingent Grant. The Donor's support under this Agreement is expressly contingent upon the University Fund LLC ("the University Fund"), executing an agreement providing for a grant through its Art and Carlyse Ciocca Principled Entrepreneurship Fund (the "University Fund Grant Agreement") to support the Center Programs. Therefore, the Donor shall not provide any of the Contributed Amount or be obligated to fulfill any other obligation until the University Grant Agreement is executed and attached to this Agreement as Attachment B. The Donor's pledge to make contributions pursuant to this Agreement and the University Fund's pledge to make contributions pursuant to the University Fund Grant Agreement are each contingent upon each other. Therefore, any breach of this Agreement, if caused by the University, is a separate and independent breach on the part of the University, as applicable, under the University Fund Grant Agreement and entitles the University Fund to exercise any and all of its remedies provided in the University Fund Grant Agreement, up to and including the right to terminate the University Fund Grant Agreement.

6. Grant Process and Administration.

a. The University Grant Request. The University shall submit an annual written request according to the schedule below to the Donor for the Donor's consideration (the "University Grant Request"). If the Donor approves the University Grant Request, the Donor shall make a contribution up to the amount listed in the below schedule to the University. If the Donor does not approve the University Grant Request, the Donor is under no obligation to contribute any funds to the University.

b. The University Grant Request and Proposed Grant Award Schedule.

University Grant Request Date	Donor Response and Proposed Contribution Date	Contributed Amount
Submitted as the Proposal	Within sixty (60) days of the Parties signing this Agreement	Up to \$ 22,000
June 1, 2020	On or about August 1, 2020	Up to \$ 91,060
June 1, 2021	On or about August 1, 2021	Up to \$ 131,571
June 1, 2022	On or about August 1, 2022	Up to \$ 258,548
June 1, 2023	On or about August 1, 2023	Up to \$1,821,821
June 1, 2024	On or about August 1, 2024	Up to \$ 875,000
June 1, 2025	On or about August 1, 2025	Up to \$ 500,000
June 1, 2026	On or about August 1, 2026	Up to \$ 300,000
Total Maximum Aggregate Contributed Amount:		\$4,000,000

c. The Fund. The University shall place all of the Contributed Amount in a segregated and restricted fund on its books and records called the "CIE-CKF Fund" (the "Fund"). The University shall solely use the Fund to support the Center Programs as stated in this Agreement. The University shall make the Fund available for contributions from other donors. If another donor makes a contribution to the Fund, the University shall promptly notify the Donor of the amount donated and, if permitted by the other donor, the name of the other donor.

7. Contributed Amount Used Solely for Charitable Purposes for the Center Programs.

a. Tax Status. According to IRS records, the University is an organization described within the meaning of Internal Revenue Code (the "Code") sections 501(c)(3) and 509(a)(1). The University shall immediately notify the Donor if its tax status changes.

b. Charitable Purpose. The University shall use the Contributed Amount solely for the Center Programs, which is a charitable purpose described in section 170(c)(2)(B) of the Code. The University shall not use the Contributed Amount to influence legislation as described in section 4945(d)(1) of the Code, to influence the outcome of any election, for a political campaign or intervention, to carry on any voter registration drive, or any other purpose that would jeopardize the Donor's tax-exempt status or subject the Donor to penalties under Chapter 42 of the Code.

c. Center Programs. The University shall return to the Donor any Contributed Amount not spent for the Center Programs.

8. General Terms.

a. Term. The term of this Agreement is from the Effective Date to the later of July 31, 2027, or until the University has spent all of the Contributed Amount, unless earlier terminated pursuant to this Agreement.

b. Termination. The Donor has the right to terminate this Agreement if: (i) the University breaches any term of this Agreement; (ii) the Center Programs are not advancing the Center's Mission; or (iii) such action is necessary to comply with any law applicable to the University or the Donor. Such termination is effective upon the expiration of thirty days from the date notice was provided by the Donor to the University. If the Agreement is terminated, the University shall return all unspent Contributed Amounts to the Donor within fifteen days of the Donor's request. The University is not relying on the Donor's proposed funding under this Agreement to incur any obligation or take any action or inaction.

c. Publicity. The Parties shall give each other a reasonable opportunity to review any significant public announcement related to the Agreement. The Parties shall not use each other's logos without the applicable Party's express written consent.

d. Donor Notice. The University shall notify the Donor upon receiving records requests for this Agreement or related information.

e. Entire Agreement. The terms contained in this Agreement supersede all prior oral or written agreements and understandings between the Parties related to the matters contained in this Agreement and constitute the entire agreement between the Parties with respect to the matters contained in this Agreement.

f. Order of Precedence. If there is a conflict between the terms of this Agreement and the terms in the Proposal, this Agreement controls.

g. Amendments. No amendment to this Agreement will be effective unless it is in writing and signed by the Parties.

h. Severability. The terms of this Agreement are severable. If any court of competent jurisdiction construes any term of this Agreement to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining terms of this Agreement will not be affected.

i. No Waiver. No delay or failure by any Party to enforce any right or claim under this Agreement is a waiver of such right or claim. Any waiver by any Party of any term of this Agreement is not a further or continuing waiver of such term.

j. Third Party Rights. This Agreement relates to and is for the benefit of the charitable and educational mission of the University Fund. Therefore, the University Fund has rights under this Agreement as set forth in Section 5(c). Otherwise, this Agreement does not give any rights or remedies to any third party other than the permitted assigns of the Parties.

k. No Assignment. The University shall not transfer or assign its interests in the Agreement or any amount to be contributed pursuant to this Agreement without the express written consent of the Donor.

l. Notice. All notices in connection with this Agreement must be in writing and are effective when delivered personally by hand or one business day after the day sent by overnight courier at the address below, or to another address provided by a Party to the other Parties.

If to the University:
Michael E. Engh, S.J.
Office of the President
500 El Camino Real
Santa Clara, CA 95053

If to the Donor:
Charles Koch Foundation
1320 N. Courthouse Road, Suite 500
Arlington, VA 22201
Attn: Grant Administrator
Cc: General Counsel's Office

m. Counterparts. This Agreement may be executed in several counterparts, each of which constitutes an original and all of which, when taken together, constitute one agreement or direction. Copies of signatures (whether facsimile or other electronic transmission) to this Agreement are deemed to be originals and may be relied upon to the same extent as the originals.

The Parties have hereby executed this Agreement as dated below, but agree that this Agreement is effective as of the Effective Date.

SANTA CLARA UNIVERSITY

By: Michael E. Engh

Name: Michael E. Engh, S.J.

Title: President

Date: 17 May 2019

CHARLES KOCH FOUNDATION

By: [Signature]

Name: Ryan Stowers

Title: Executive Vice President

Date: 5/29/19

ATTACHMENT A

Santa Clara University Proposal to Support the Ciocca Center for Innovation and Entrepreneurship

Mission

The mission of the Center, which is an interdisciplinary Center welcoming students and faculty from all schools, colleges, and units of the University, is to educate students on a Jesuit perspective and approach to entrepreneurial education and offer opportunities to students interested in studying the broad concepts of entrepreneurial and design thinking as an integral part of their education. The Center will deliver enhanced educational opportunities in entrepreneurship and support faculty research on topics of entrepreneurship and innovation, while increasing opportunities for faculty and students to collaborate with entrepreneurs, creating a community of innovators and entrepreneurs.

Jesuit Perspective

The Jesuit perspective and approach to entrepreneurial education is best summed up by the following quote:

Successful businesses identify and seek to address genuine human needs at a superior level of excellence, using a great deal of innovation, creativity and initiative. They produce what has been produced before but often ... they invent entirely new ways of meeting human need. And they incrementally improve their products and services, which, where they are genuinely good, improve the quality of people's lives.

- Jesuit Higher Education in Business

Center Programs

Executive Director

The University will hire an Executive Director who will oversee the operational and managerial components of the Center. This individual will promote the Center's Mission through their day-to-day management of the Center's programs. This individual will be hired as soon as is practicable.

Program Director

The University will hire a Program Director, who will be responsible for running Center activities and events. This individual will be hired as soon as is practicable.

Faculty Director Support

The University will hire or appoint a Faculty Director to oversee the academic and research components of the Center. This individual will be a member of the faculty at the University and will dedicate a significant portion of their time to building out the scholarship and programs related to the Center's Mission.

Administrative Assistant

The University will hire an administrative assistant who will support the faculty and staff of the Center. Responsibilities could include managing schedules, travel, program coordination, finances, and office operations. This individual will be hired as soon as is practicable.

Tenured or Tenure-Track Professorships

The University will select four individuals for the Tenured or Tenure-Track Professorships. These individuals will be affiliated with the Center and will devote a significant amount of their time and resources to research, teaching, student mentorship, and public outreach related to the Center's Mission. The first tenured or tenure-track professor will begin providing their services by fall 2020, the second by fall 2021, the third by fall 2022, and the fourth by fall 2023.

Professors of Practice

The University will hire four Professors of Practice to help develop courses, mentor students, and engage in research and programs related to the Center's Mission. These individuals will be affiliated with the Center and will devote a significant amount of their time and resources to work related to the Center's Mission. The first Professor of Practice will be hired by fall 2020, the second by fall 2021, the third by fall 2022, and the fourth by fall 2023.

Maker Lab Director

The University will hire a Director for the University's Maker Lab. This individual will be affiliated with the Center and ensure the successful operation of the Maker Lab and its use to support and promote the Center's Mission.

Center Support

The Center will develop and run programs and events across the University to support the Center's Mission. This could include speaker series, symposium, reading groups, student competitions, support for faculty educational development in the form of workshops and conferences, and support for faculty to revise or develop new courses related to the Center's Mission.

Research Support

The Center will support faculty research that advances the Center's Mission. Faculty selected to receive research support will be affiliated with the Center.