

GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on March 31, 2017 (the "Effective Date") between **Texas A&M Foundation**, a Texas nonprofit corporation (the "Foundation"), **Texas A&M University** (the "University"), an instrumentality of the state of Texas, and the **Charles Koch Foundation**, a Kansas nonprofit corporation (the "Donor"), for the benefit of the Mays Innovation Research Center (the "Center"). The Foundation, 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 reflects the vision of and relies on the leadership of Dr. Korok Ray, who was selected by the University, according to its normal procedures, to be the director of the Center (the "Center Director"). As stated in the Proposal and consistent with the Center Director's vision, the mission of the Center is to contribute to the breadth of human knowledge and understand the sources of innovation and individual well-being, to produce knowledge that can inform the development of public and private policies intended to improve the well-being of individuals and societies (the "Center's Mission").
3. **Establishing the Mays Innovation Research Center.** The Parties acknowledge that the Center has not been established as of the time of the execution of this Agreement. The University shall use its best efforts to seek approval to establish the Center in accordance with University and Texas A&M University System ("System") policy. Therefore, the University shall seek approval of the Center by the System Board of Regents as soon as practicable.
4. **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 the following positions and support: the "Center Director Stipend;" three "Tenure-track Professorships;" fifteen "Ph.D. Student Fellowships;" a "Managing Director;" "Research Support;" and "Program Support." The Foundation and the University shall each use all 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 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 Director.
 - b. **Selection According to the University's Normal Policies and Procedures.** The selection processes used for the foregoing positions and fellowships must adhere to the University's established policies and procedures. As a matter of academic freedom, the University has the sole right to conduct its selection processes and select individuals for the foregoing positions and fellowships. The individuals who hold positions with or are affiliated with the Center must be approved by the Center Director, in accordance with the standard University policies and procedures.

5. **The University's Support for the Center.** The University shall support the Center Programs to advance the Center'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.

6. **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 Foundation 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	Amount
Costs and expenses for the Center Director Stipend	Up to \$ 116,000
Salary and fringe benefits for three Tenure-Track Professorships	Up to \$1,282,800
Costs and expenses for fifteen Ph.D. Student Fellowships	Up to \$ 244,000
Salary and fringe benefits for the Managing Director	Up to \$ 232,000
Costs and expenses for Research Support	Up to \$ 586,200
Costs and expenses for Program Support	Up to \$ 139,000

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's faculty, students, and staff.

c. **Contingent Grant.** The Donor's support under this Agreement is expressly contingent upon the Mays Family Foundation executing an agreement providing for a grant (the "Mays 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 Mays Grant Agreement is executed and attached to this Agreement as Attachment B. The Donor's pledge to make contributions pursuant to this Agreement and Mays Family Foundation's pledge to make contributions pursuant to the Mays Grant Agreement are each contingent upon each other. Therefore, any breach of this Agreement, if caused by the Foundation or the University, is a separate and independent breach on the part of the Foundation or the University, as applicable, under the Mays Grant Agreement and entitles Mays Family Foundation to exercise any and all of its remedies provided in the Mays Grant Agreement, up to and including the right to terminate the Mays Grant Agreement.

7. **Grant Payments and Administration.**

a. **Request for Grant Payments.** The Foundation shall submit periodic requests to the Donor for grant payments according to the schedule below ("Grant Request(s)"). The Grant Requests will be submitted by the Foundation and include information from the University as described more fully in this Section 7(a). The first and all subsequent grant payments are contingent upon the University gaining approval of the Center by the System Board of Regents consistent with System policies for the establishment of centers and institutes. For the second and all subsequent payments, the Foundation will provide Grant Requests to the Donor which include: (i) the University's review of the Center's activities over the previous year; (ii) the University's financial accounting of the Contributed Amount; and (iii) a request for the next scheduled grant payment. If the Donor does not provide any Contributed Amount in response to a Grant Request, it shall notify the Foundation and the University as stated in Section 9(b).

b. Schedule of Payments

Grant Request Grant Payment Date	Donor Response and Proposed Contribution Date	Contributed Amount
Submitted as Attachment A	Within sixty days (60) days of the Center's approval by the Texas A&M University Board of Regents	Up to \$ 86,000
June 1, 2018	On or about August 1, 2018	Up to \$ 121,400
June 1, 2019	On or about August 1, 2019	Up to \$ 520,160
June 1, 2020	On or about August 1, 2020	Up to \$ 520,160
June 1, 2021	On or about August 1, 2021	Up to \$ 520,160
June 1, 2022	On or about August 1, 2022	Up to \$ 433,360
June 1, 2023	On or about August 1, 2023	Up to \$ 398,760
Total Maximum Aggregate Contributed Amount:		\$2,600,000

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

d. Changes in the Center Programs. Consistent with the Foundation's and University's normal practice of communicating with donors, the Parties believe that transparent communication regarding the Center Programs is mutually beneficial. If communications between the Parties cause the Parties to wish to amend this Agreement, amendments must be made as stated in Section 9(g).

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

a. Tax Status. According to IRS records, the Foundation is an organization described within the meaning of Internal Revenue Code (the "Code") sections 501(c)(3) and 509(a)(1). The University has furnished the Donor with records showing that it is an organization described in Code section 170(c)(1) or 511(a)(2)(B). The Foundation and the University shall immediately notify the Donor if their respective tax statuses change.

b. Charitable Purpose. The Foundation and 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 Foundation and 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 Foundation and the University shall return to the Donor any Contributed Amount not spent for the Center Programs.

9. General Terms.

a. Term. The term of this Agreement is from the Effective Date to the later of July 31, 2024, or until the Foundation and the University have spent all of the Contributed Amount, unless earlier terminated pursuant to this Agreement.

b. Termination. The Donor has the right to terminate this Agreement or decline to provide any Contributed Amount in response to a Grant Request if: (i) the Foundation or 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 Foundation, the University, or the Donor. The Donor's decision not to provide any Contributed Amount in response to a Grant Request or to terminate this Agreement is effective upon the expiration of thirty business days from the date notice was provided by the Donor to the Foundation or the University. During the pendency of the thirty business days, the Donor shall provide the Foundation and the University with the opportunity to cure or otherwise address the circumstances underlying the Donor's decision. If the Agreement is terminated, the Foundation and the University shall return all uncommitted Contributed Amounts to the Donor within fifteen days of the Donor's request, and the Donor is under no obligation to provide any further Contributed Amounts to the Foundation or the University.

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 Privacy. The Foundation and the University shall keep confidential and not disclose to any third party the existence of or contents of this Agreement, unless: (i) the Parties have expressly agreed in writing to disclose such information pursuant to Section 9(c); or (ii) the Foundation or the University is required by law to disclose the existence of or the content of this Agreement to a third party and the Foundation and the University provide the Donor with at least ten days' advance written notice of such disclosure.

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. This Agreement may be amended solely by a written amendment duly executed 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 Mays Family Foundation. Therefore, Mays Family Foundation has rights under this Agreement. Otherwise, this Agreement does not give any rights or remedies to any third party other than the permitted assigns of the Parties.

k. Governing Law; Venue. This Agreement is governed, interpreted and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to conflict of law provisions. Any action or proceeding filed relating to this Agreement must be commenced and maintained exclusively in the state courts located in Arlington County, Virginia or the federal courts located in the Eastern District of Virginia. Each of the Parties consent to the exclusive personal jurisdiction of such courts for any such action or proceeding.

l. No Assignment. The Foundation and the University shall not transfer or assign their respective interests in the Agreement or any amount to be contributed pursuant to this Agreement without the express written consent of the Donor.

m. 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 Foundation:
Tyson Voelkel, President
Texas A&M Foundation
401 George Bush Drive
College Station, TX 77840

If to the University:
Michael K. Young, President
1246 TAMU
Texas A&M University
College Station, TX 77843

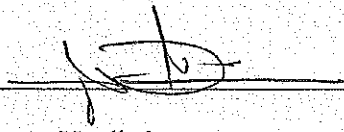
If to the Donor:
Charles Koch Foundation
1320 N. Courthouse Road, Suite 500
Arlington, VA 22201
Attn: Grant Administrator
Cc: General Counsel's Office

n. 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.

[Signature Page Follows]

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

TEXAS A&M FOUNDATION

By:  _____

Name: Tyson Voelkel

Title: President

Date: MARCH 28, 2017

TEXAS A&M UNIVERSITY


By:  _____

Name: Michael K. Young

Title: President

Date: 03/28/17

CHARLES KOCH FOUNDATION

By:  _____

Name: Brian Hooks

Title: President

Date: APRIL 2, 2017

ATTACHMENT A

Texas A&M University Proposal to Support the Mays Innovation Research Center

Center Mission

To contribute to the breadth of human knowledge and understand the sources of innovation and individual well-being, to produce knowledge that can inform the development of public and private policies intended to improve the well-being of individuals and societies.

Center Programs

Overview

The Center will establish an interdisciplinary Center to engage in research of how innovation can increase human well-being and the structures necessary for innovation to occur. The University plans for the Center to be approved by the System Board of Regents pursuant to System Policy 11.02 and subsequently created by September 1, 2017.

To advance the Center's Mission, the Center will be authorized to disburse money in the Fund to independent contractors and subawardees to support the Center Programs.

Center Director Stipend

The Center Director Stipend for Dr. Korok Ray will allow him to devote a significant amount of his time and resources to work related to the Center.

Tenure-Track Professorships

The University will hire three full time faculty affiliated with the Center to produce academic research; teach specific courses on innovation or, when practicable, discipline-specific courses that include the concepts of innovation; and mentor graduate students. The individuals will be expert, full-time scholars, with tenure track positions and devote a significant part of their activities to teaching, research, and programs that align with the Center's Mission. These faculty will engage academically with departments and units across the campus, particularly with the College of Engineering, College of Liberal Arts, and College of Architecture. The first of these individuals selected will be a tenure-track professor and will provide services to the University by the fall 2018 semester. The second and third individuals selected will be tenure-track professors and will begin providing services to the University by the fall 2019 semester. The selection process for the positions described herein shall be in accordance with the standard policies and procedures of the University and the relevant academic unit.

Ph.D. Student Fellowships

The Center will provide fifteen annual Ph.D. Student Fellowships over the duration of the Agreement. The fellows are expected to engage with the Center faculty and produce research related to the Center's Mission. The first three fellowships are expected to be offered for the 2018-2019 academic year, and three fellowships per year offered for the academic years running from fall 2019 through spring 2023. Individuals selected for the fellowships may hold the fellowship for consecutive years. The selection process for the positions described herein shall be in accordance with the standard policies and procedures of the University and the relevant academic unit.

Managing Director

The Managing Director will help develop the Center's intellectual path and vision, and oversee the logistics of the Center. Responsibilities include, but are not limited to, supervising day-to-day operations, managing the budget, purchasing operational supplies, ensuring compliance with relevant internal and external policies, and preparing annual reports on the Center's activities. The University will hire the managing director as soon as is practicable.

The selection process for the position described herein shall be in accordance with the standard policies and procedures of the University and the relevant academic unit.

Research Support

The Center will produce quality academic research on how innovation can increase human well-being and the institutional structures necessary for innovation to occur. The Center will drive related products to public audiences to inform the academic and national conversations on technology and innovation. Research Support will include conference travel and supplies for faculty and Ph.D. Student Fellowships, and research grants for faculty and students to advance the Center's mission.

Program Support

The Center will host speaker series to bring in faculty and scholars from various institutions to participate in the diverse exchange of ideas related to the Center's Mission. The Center activities may include workshops, panels, and speakers.

ATTACHMENT B

MAYS FAMILY FOUNDATION GRANT AGREEMENT