

GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on December 4, 2018, (the "Effective Date") between **The Board of Trustees of the Leland Stanford Junior University (d/b/a Stanford University)** (the "University"), a California nonprofit corporation, and the **Charles Koch Foundation**, a Kansas nonprofit corporation (the "Donor"). This Agreement is for the benefit of the Religious Liberty Clinic (the "Clinic"), which is housed in the Stanford Law School at 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 Clinic, and their faculty, students, and staff is critical to the success of the Clinic'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. James Sonne, who was selected by the University, according to its normal procedures, to be the director of the Clinic (the "Clinic Director"). As stated in the Proposal and consistent with the Clinic Director's vision, the mission of the Clinic is to offer participating students a full-time, first-chair experience representing a diverse group of clients in legal disputes arising from a wide range of beliefs, practices, and circumstances (the "Clinic's Mission").

3. **The Clinic Programs.**

a. **Generally.** To support the Clinic's Mission, the University desires to create the following positions and activities to affiliate with the Clinic, collectively referred to as the "Clinic Programs." The Clinic Programs are described more fully in the Proposal and include the "Clinic Personnel" and "Clinic Operations." The University shall each use any funds received under this Agreement to support the Clinic Programs in accordance with the terms of this Agreement. According to the University's normal procedures, the Clinic Director is responsible for directing the Clinic Programs, which includes allocating and administering the Clinic's budget, supervising Clinic staff, mentorship, and other duties to advance the Clinic's Mission as deemed appropriate by the Clinic Director.

b. **Selection According to the University's Normal Procedures.** The Parties mutually agree that the selection of the foregoing positions by the University will follow the University's normal procedures for selecting such positions and fellows for the applicable academic units. As a matter of academic freedom for academic units at the University, individuals who hold positions with or are affiliated with the Clinic must be approved by the Clinic Director, in accordance with Stanford Law School's and the University's normal procedures.

4. **The University's Support for the Clinic.** The University shall support the Clinic 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 Clinic have adequate space to achieve the Clinic's Mission. Therefore, The University shall provide the Clinic with sufficient contiguous office space including shared conference and meeting spaces.

5. **The Donor's Support for the Clinic Programs.**

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

Clinic Programs	Contributed Amount
Clinic Personnel	Up to \$1,979,359
Clinic Operations	Up to \$ 348,641

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 Clinic, or the University faculty, students, and staff.

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 and the University shall accept such Contributed Amount. 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
October 1, 2019	On or about December 1, 2019	Up to \$ 332,571
October 1, 2020	On or about December 1, 2020	Up to \$ 332,571
October 1, 2021	On or about December 1, 2021	Up to \$ 332,571
October 1, 2022	On or about December 1, 2022	Up to \$ 332,571
October 1, 2023	On or about December 1, 2023	Up to \$ 332,571
October 1, 2024	On or about December 1, 2024	Up to \$ 332,571
October 1, 2025	On or about December 1, 2025	Up to \$ 332,571
Total Maximum Aggregate Contributed Amount:		\$2,328,000

c. The Fund. The University shall place all of the Contributed Amount in an expendable segregated and restricted fund on its books and records called the “RLC-CKF Fund” (the “Fund”). The University shall solely use the Fund to support the Clinic Programs as stated in this Agreement. The terms of the Fund shall be: “The University shall use the Fund solely to support the Clinic Programs as stated in the agreement between Stanford University and Charles Koch Foundation, dated December 4, 2018. This means that the Fund may be used at the Religious Liberty Clinic to (a) pay the salary and related expenses of the director, a supervising attorney and an administrative assistant who will devote a significant amount of their time and resources to work related to the Clinic’s mission, and (b) travel, conferences, supplies and program development for the operation of the Clinic.” 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 Clinic 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 Clinic 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. Clinic Programs. The University shall return to the Donor any Contributed Amount not spent for the Clinic Programs.

8. General Terms.

a. Term. The term of this Agreement is from the Effective Date to the later of November 30, 2025, 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 Clinic Programs are not advancing the Clinic'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 does not confer any rights or remedies upon any third party other than the permitted assigns of the Parties.

k. No Assignment. 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.

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:
Stanford University

Attn: _____


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.

**THE BOARD OF TRUSTEES OF THE
LELAND STANFORD JUNIOR UNIVERSITY**

CHARLES KOCH FOUNDATION

By: 
Name: **B. Howard Pearson**
~~Interim Vice President for Development~~
Title: _____
Date: 12/19/18

By: 
Name: Ryan Stowers
Title: Executive Vice President
Date: December 7, 2018