

GRANT AGREEMENT

This Grant Agreement (this “Agreement”) is made effective on May 15, 2020, (the “Effective Date”) between the **Virginia Tech Foundation, Inc.**, a Virginia nonprofit nonstock corporation (the “Foundation”), for the benefit of **Virginia Polytechnic Institute and State University** (“Virginia Tech” or the “University”), a state agency and educational institution of the Commonwealth of Virginia, and the **Charles Koch Foundation**, a Kansas nonprofit corporation (the “Donor”). This Agreement is for the benefit of the Center for Philosophy, Politics, and Economics (the “Center”), a center that the University is committed to create and that is an effort of the College of Liberal Arts and Human Sciences in collaboration with the College of Science. The Foundation, for the benefit of 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, as provided in the Faculty Handbook, 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 Proposal.** The Parties enter into this Agreement based on the proposal, which is hereby incorporated into and made part of this Agreement, and attached as Attachment A (the “Proposal”). The Proposal was developed by Dr. Michael Moehler, director of the Virginia Tech Program in Philosophy, Politics, and Economics. The Center will be housed administratively in Virginia Tech’s College of Liberal Arts and Human Sciences. As stated in the Proposal, the mission of the Center is research, teaching, and outreach. The Center will offer students educational opportunities to explore moral, ethical, and social questions through the complementary lenses of philosophy, political science, and economics (the “Center’s Mission”).
3. **The Center Programs.**
 - a. **Generally.** To support the Center’s Mission, efforts will be made 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 “PPE Tenure-Track Faculty and Directorship Support,” “Administrative Assistant,” “Research, Events, and Outreach,” and “Student Ambassadors.” Any funds received under this Agreement must be used by the Foundation and the University to support the Center Programs in accordance with the terms of this Agreement and University and Foundation policies and procedures. According to University policies and procedures, the director of the Center (the “Center Director”) will be responsible for directing the Center Programs, which include allocating and administering the Center’s budget, supervising Center staff and faculty, mentorship, and performing other duties to advance the Center’s Mission as deemed appropriate by the Center Director in cooperation with the leadership of the College of Liberal Arts and Human Sciences and the College of Science, and as detailed in the policies of Virginia Tech.
 - b. **Selection According to the University’s Normal Procedures.** The selection of the foregoing positions and fellowships by the University must 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 Center must be approved by the Center Director, Dean’s Office, Provost’s Office, and Board of Visitors, in accordance with the University’s normal procedures and subject to University funding availability.
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

endeavor to provide the Center with sufficient contiguous office space including shared conference and meeting spaces at the time such space becomes available.

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 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	Contributed Amount
Salary, Fringe Benefits, and Course Support for PPE Tenure-Track Faculty and Directorship Support	Up to \$1,149,948
Costs and expenses for the Administrative Assistant	Up to \$133,896
Costs and expenses for Research, Events, and Outreach	Up to \$108,000
Costs and expenses for Student Ambassadors	Up to \$10,000

b. Other Support. 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, subject to the mutual agreement in writing of such services.

c. Contingent Grant. The Donor's support under this Agreement is expressly contingent upon Mr. David H. Kellogg ("Mr. Kellogg") executing the agreement providing for a grant from Mr. Kellogg (the "Kellogg Grant Agreement") to support the Center Programs, a copy of which is attached to this Agreement as Attachment B. Therefore, the Donor shall not provide any of the Contributed Amount or be obligated to fulfill any other obligation until the Kellogg Grant Agreement is executed. The Donor's pledge to make contributions pursuant to this Agreement and Mr. Kellogg's pledge to make contributions pursuant to the Kellogg 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 Kellogg Grant Agreement and entitles the Mr. Kellogg to exercise any and all of its remedies provided in the Kellogg Grant Agreement, up to and including the right to terminate the Kellogg Grant Agreement.

6. Grant Process and Administration.

a. The Grant Request. The Center Director, through the Foundation, shall submit an annual written request according to the schedule below to the Donor for the Donor's consideration (the "Grant Request"). If the Donor approves the Grant Request, the Donor shall make a contribution in the amount listed in the below schedule to the Foundation, and the Foundation shall accept such Contributed Amount for the benefit of the University. If the Donor does not approve the Grant Request, the Donor is under no obligation to contribute any funds to the Foundation.

b. The Grant Request and Proposed Grant Award Schedule.

Grant Request Date	Donor Response and Proposed Contribution Date	Contributed Amount
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Submitted as the Proposal	Within sixty (60) days of the Parties signing this Agreement	Up to \$116,065
July 1, 2020	December 1, 2020	Up to \$222,329
July 1, 2021	September 1, 2021	Up to \$259,604
July 1, 2022	September 1, 2022	Up to \$261,102
July 1, 2023	September 1, 2023	Up to \$267,678
July 1, 2024	September 1, 2024	Up to \$275,066
Total Maximum Aggregate Contributed Amount:		\$1,401,844

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 “PPE-CKF Fund” (the “Fund”). The Fund must be used solely to support the Center Programs as stated in this Agreement. The Foundation shall make the Fund available for contributions from other donors. If another donor makes a contribution to the Fund, the Foundation shall 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 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 Contributed Amount must be used solely for the Center Programs, which is a charitable purpose described in section 170(c)(2)(B) of the Code. The Contributed Amount must not be used 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 shall notify the Donor if any Contributed Amount is not spent or encumbered for the Center Programs. Upon Donor’s written request, the Foundation shall return to the Donor any Contributed Amount not spent or encumbered for the Center Programs.

8. General Terms.

a. Term. The term of this Agreement is from the Effective Date to July 31, 2025, or until all of the Contributed Amount(s) have been spent for the Center Programs, whichever occurs earlier, unless terminated pursuant to other terms and conditions contained herein.

b. Termination.

i. Termination by the Donor. The Donor has the right to terminate this Agreement if: (1) the Foundation breaches any term of this Agreement; (2) the Center Programs are not advancing the Center’s Mission; or (3) such action is necessary to comply with any law applicable to the Parties. The Donor’s termination is effective upon the expiration of thirty business days from the date notice was provided by the Donor to the Foundation. If the Agreement is terminated, then the Foundation shall return all unencumbered Contributed Amounts to the Donor within fifteen days of the termination of this Agreement under this subparagraph. The Foundation and the University are not relying on the Donor’s proposed funding under this Agreement to incur any obligation or take any action or inaction.

ii. Termination by the Foundation. The Foundation has the right to terminate this Agreement if: (1) the Donor breaches any term of this Agreement; (2) the Center Programs are not advancing the Center's Mission; or (3) such action is necessary to comply with any law applicable to any of the Parties. Such termination is effective upon the expiration of thirty business days from the date the notice was provided by the Foundation to the Donor. If the Agreement is terminated, then the Foundation shall return all unexpended Contributed Amounts, including any unexpended Contributed Amounts given to the University, to the Donor within fifteen days of the termination of this Agreement under this subparagraph, and the Donor is under no obligation to provide any further Contributed Amounts to the Foundation.

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 Foundation and 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 the charitable and educational mission of Mr. David H. Kellogg. Therefore, Mr. Kellogg 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 shall not transfer or assign its interest 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:

Virginia Tech Foundation, Inc.
John E. Dooley, CEO and Secretary-Treasurer
902 Prices Fork Road, Suite 4000
Blacksburg, VA 24061
Cc: General Counsel's Office

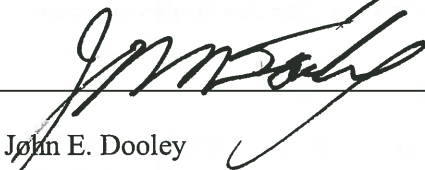
If to the Donor:

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

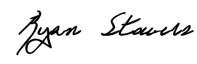
n. Counterparts. This Agreement may be executed in several counterparts, each of which constitutes an original and all of which, when taken together, constitute one agreement or direction. Copies of signatures (whether facsimile or other electronic transmission) to this Agreement are deemed to be originals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

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

VIRGINIA TECH FOUNDATION, INC.


By: 
Name: John E. Dooley
Title: CEO and Secretary-Treasurer
Date: May 25, 2020

CHARLES KOCH FOUNDATION


By: 
Name: Ryan Stowers
Title: Executive Director
Date: 6/2/2020

ACCEPTED BY:

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY

By: 
Name: Timothy D. Sands
Title: President
Date: May 20, 2020

VIRGINIA TECH COLLEGE OF LIBERAL ARTS AND HUMAN SCIENCES

By: 
Name: Laura Belmonte
Title: Dean
Date: May 18, 2020

ATTACHMENT A

Virginia Tech Foundation, Inc. Proposal to Support the Virginia Polytechnic Institute and State University Center for Philosophy, Politics, and Economics

Mission

The mission of the Center, which will be housed in the College of Liberal Arts and Human Sciences at the University, will be research, teaching, and outreach. Replacing the existing Virginia Tech Program in Philosophy, Politics, and Economics, the Center will offer students educational opportunities to explore moral, ethical, and social questions through the complementary lenses of philosophy, political science, and economics (“PPE”).

Center Programs

PPE Tenure-Track Faculty and Directorship Support

The funding will support the establishment of up to five PPE tenure-track faculty positions (including the Center Director) and additional support for the Directorship. PPE tenure-track faculty will be faculty members in the economics, philosophy, or political science departments. They will also be expected to work with the Center Director and spend a significant portion of their research, teaching, and service devoted to Center activities. The funding will allow the Center Director to focus on advancing the Center’s Mission.

Administrative Assistant

The funding will support a full-time administrative assistant who will assist with the day-to-day operations of the Center.

Research, Events, and Outreach

The Center will maintain a budget to assist the Center faculty with research expenses. The Center will host a speaker series, public lectures, and conferences in order to share the Center’s Mission on campus and with the public. The Center will invite guest speakers to present their most recent work to Virginia Tech students and faculty as well as to the general public.

Student Ambassadors

The Center will select undergraduate students to serve as ambassadors for the Center. The primary tasks of the Student Ambassadors will be to (i) promote the Center at Virginia Tech, (ii) work closely with the Center Director as well as the Center’s faculty and staff, and (iii) serve as a student contact for Center events and colloquia.