

## GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on August 23, 2018, (the "Effective Date") between the **Texas A&M University 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"). This Agreement is for the benefit of the Center for Grand Strategy (the "Center"), which is housed in the Bush School of Government and Public Service (the "School") at the University. 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 the University and will rely on the leadership of Dr. John Schuessler and Dr. Jasen Castillo, who were selected by the University, according to its normal procedures, to be the Academic Directors of the Center (the "Center Academic Director") in accordance with the procedures set forth in the Proposal. As stated in the Proposal and consistent with the University's vision, the mission of the Center is to be an intellectual hub for the critical re-examination of the current U.S. grand strategy of primacy and foster, develop, and disseminate new, innovative, theoretically and empirically based alternative U.S. grand strategic options that directly promote the security of the United States (the "Center's Mission").
3. **Establishment of the Center.** The Center, which functions as an operational unit within the School, was approved by the Texas A&M University System Board of Regents on August 23, 2017.
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 a "Center Academic Director," three "Tenured or Tenure-Track Professorships," a "Professor of Practice," two "Postdoctoral Fellowships," two "PhD Fellowships," two "Graduate Research Fellowships," an "Administrative Assistant," "Research Support," and "Center Support." The Foundation and the University shall each 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 Academic 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 Academic 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. 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 Academic Director, in accordance with the School and University's normal procedures.
5. **The University's Support for the Center.** The University and the School shall support the Center Programs to advance the University's mission. As part of this support, the School and 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 School and 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:

<b>Center Programs</b>	<b>Contributed Amount</b>
Cost and expenses for the Center Academic Director Stipends	Up to \$ 330,600
Salary and fringe benefits for the three Tenured or Tenure-track Professorships	Up to \$1,210,900
Salary and fringe benefits for the Professor of Practice	Up to \$ 560,000
Costs and expenses for the two Postdoctoral Fellowships	Up to \$ 193,000
Costs and expenses for the two PhD Fellowships	Up to \$ 100,600
Costs and expenses for the two Graduate Research Fellowships	Up to \$ 60,000
Cost and expenses for the Administrative Assistant	Up to \$ 200,000
Cost and expenses for Research Support	Up to \$ 297,500
Cost and expenses for Center Support	Up to \$ 547,400

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 Mr. Robert L. Albritton executing an agreement providing for a grant (the "Albritton 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 Albritton Agreement is executed and attached to this Agreement as Attachment B. The Donor's pledge to make contributions pursuant to this Agreement and Mr. Albritton's pledge to make contributions pursuant to the Albritton 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 Albritton Agreement and entitles Mr. Albritton to exercise any and all of the remedies provided in the Albritton Agreement, up to and including the right to terminate the Albritton Agreement.

**7. Grant Process 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 following the first grant payment, 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 provided in Section 9.b.

b. Schedule of Payments

<b>Grant Request Grant Payment Date</b>	<b>Donor Response and Proposed Contribution Date</b>	<b>Contributed Amount</b>
Submitted as Attachment A	Within sixty (60) days of the Parties signing this Agreement	Up to \$ 180,000
June 1, 2019 (report only)		None
June 1, 2020	On or about August 1, 2020	Up to \$ 346,900
June 1, 2021	On or about August 1, 2021	Up to \$1,222,900
June 1, 2022	On or about August 1, 2022	Up to \$1,019,500
June 1, 2023	On or about August 1, 2023	Up to \$ 449,300
June 1, 2024	On or about August 1, 2024	Up to \$ 281,400
<b>Total Maximum Aggregate Contributed Amount:</b>		<b>\$3,500,000</b>

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 "CGS-CKF Fund" (the "Fund"). The Foundation and the University shall solely use the Fund to support the Center's Mission and the Center Programs as stated in this Agreement. The Foundation shall create a parallel "CGS" Fund(s) to accommodate additional contributions for the Center Programs from other donors. If another donor makes a contribution to a parallel "CGS" 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.

**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, 2025, 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 Notice. The Foundation and the University shall notify the Donor prior to making this Agreement publicly available or upon receiving a records request 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 Albritton Agreement. Therefore, Robert L. Albritton has rights under this Agreement. Otherwise, this Agreement does not confer any rights or remedies upon 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.

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 UNIVERSITY FOUNDATION**

By: 

Name: Tyson Voelkel

Title: President

Date: August 20, 2018

**CHARLES KOCH FOUNDATION**

By: 

Name: Brian Hooks

Title: President

Date: 8/23/18

**TEXAS A&M UNIVERSITY**

By: 

Name: Michael K. Young

Title: President

Date: 20 August 2018

## ATTACHMENT A

### Texas A&M University Proposal to Support the Center for Grand Strategy

#### Center Mission

To be an intellectual hub for the critical re-examination of the current U.S. grand strategy of primacy and foster, develop, and disseminate new, innovative, theoretically and empirically based alternative U.S. grand strategic options that directly promote the security of the United States.

#### Center Programs

##### **Overview**

The Center has been established by the University as an interdisciplinary Center to engage in new thinking about U.S. grand strategy, create and disseminate research that takes a fresh look at America's grand strategic choices; and foster dialogue between scholars and practitioners.

To advance the Center's Mission, the Center will be authorized to disburse money to independent contractors and sub-awardees to support the Center Programs.

##### **Center Academic Director**

The Center Academic Director Stipend will allow the Center Academic Director to devote a significant amount of their time and resources to the work of the Center. The University, according to its normal procedures, has chosen Dr. John Schuessler and Dr. Jasen Castillo to alternate service as the Center Academic Director. Dr. John Schuessler will serve as the initial Center Academic Director through the end of the 2018-2019 academic year. Dr. Jasen Castillo will immediately serve as the Center Academic Director following Dr. John Schuessler's initial term as the Center Academic Director at the end of the 2018-2019 academic year. Dr. John Schuessler and Dr. Jasen Castillo will continue to alternate in this manner as the Center Academic Director. When not serving as the Center Academic Director, Dr. John Schuessler and Dr. Jasen Castillo will remain an affiliated Center faculty member and devote a portion of their time and resources to the work of the Center.

##### **Tenured or Tenure-Track Professorships**

The University will select three individuals for the Tenured or Tenure-track Professorships. The individuals holding the Professorships will be tenured or tenure-track professors, will be affiliated with the Center, and will devote a significant amount of their time and resources to work related the Center's Mission, including its research, teaching, and community outreach. Two of the individuals will be hired into the Department of International Affairs at the Bush School of Government & Public Policy. The first individual will begin providing services to the University by the fall 2019 semester and the second will begin providing services to the University by the fall 2020 semester. The third tenured or tenure-track professor will be a Historian with the requisite academic credentials to be affiliated with the Center. The University reserves the right to determine the academic college and department within which the Historian will reside. The individual selected will begin providing services to the University by the fall 2020 semester.

##### **Professor of Practice**

The University will hire a Professor of Practice into the Bush School of Government & Public Policy. The individual holding the Professor of Practice position will be affiliated with the Center and devote a significant amount of their time and resources to work related to the Center's Mission, including its research, teaching, and community outreach. The Professor of Practice will also assist the Center Academic Director with the administration and management of the Center and the dissemination of Center research to foreign policy professionals and experts. The individual selected for the Professor of Practice position will begin providing services to the University by the Fall 2019 semester.

**Post-Doctoral Fellowships**

The Center will provide a minimum of two Post-Doctoral Fellowships to support newly-credentialed Ph.D.'s working to develop a portfolio of research on some novel aspect of grand strategy. A Post-Doctoral Fellowship will be offered for the 2019-2020 and 2020-2021 academic years. And a second Post-Doctoral Fellowship will be offered for the 2021-2022 and 2022-2023 academic years. Individuals selected for a Post-Doctoral Fellowship will be affiliated with the Center and may hold the Post-Doctoral Fellowship for consecutive years.

**Ph.D. Fellowships**

The Center will provide a minimum of two Ph.D. Fellowships to support doctoral students engaged in the study of some novel aspect of grand strategy. A Ph.D. Fellowship will be offered for the 2019-2020 and 2020-2021 academic years. And a second Ph.D. Fellowship will be offered for the 2021-2022 and 2022-2023 academic years. Individuals selected for a Ph.D. Fellowship will be affiliated with the Center and may hold the Ph.D. Fellowship for consecutive years.

**Graduate Research Fellowships**

The Center will provide a minimum of two annual Graduate Research Fellowships for Texas A&M University students to work with Center faculty on original research related to the Center's Mission. A Graduate Research Fellowship will be offered for the 2018-2019 and 2019-2020 academic years. And a second Graduate Research Fellowship will be offered for the 2020-2021 and 2021-2022 academic years. Individuals selected for a Graduate Research Fellowship will be affiliated with the Center and may hold the Graduate Research Fellowship for consecutive years.

**Administrative Assistant**

The University will hire an administrative assistant to support the Center's activities. Responsibilities may include overseeing day-to-day operations, handling calendar and expenses, purchasing supplies, and providing logistical support for all faculty, staff, students, and visitors associated with the Center. The University will hire the administrative assistant when necessary.

**Research Support**

The Center will pursue quality academic research that advances the Center's Mission. The Center's annual budget will include support for conference travel and supplies for faculty, graduate, and undergraduate students affiliated with the Center.

**Center Support**

The Center will host research workshops, conferences, and speakers to improve and disseminate its research and contribute to broader academic literature and discussions.