

GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on March 31, 2016 (the "Effective Date"), between **George Mason University Foundation, Inc.**, a Virginia nonprofit corporation (the "Foundation"), **George Mason University** (the "University"), an instrumentality of the Commonwealth of Virginia, and the **Charles Koch Foundation**, a Kansas nonprofit corporation (the "Donor"), for the benefit of the **George Mason University School of Law** (the "School"). The term of this Agreement shall begin on the Effective Date and shall continue for ten years (the "Term"), unless earlier terminated pursuant to the terms and conditions of this Agreement. 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 a diversity of ideas in higher education, the Donor's grant is intended to help promote a republic of science at the University and the School, 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 School, and their faculty, students, and staff is critical to the success of the School's research, scholarship, teaching, and service.

2. **The School.** The Donor desires to support the School to advance the School's and University's educational missions as follows:

a. **The School's Mission and Dean.** As stated in the Law School's grant proposal, which is hereby incorporated into and made part of this Agreement, and attached as Attachment A (the "Proposal"), the University has informed the Donor, and the Donor is relying on such representation, that the School's mission is to become a national leader in legal education by applying tools of economics and other social sciences to the study of legal doctrine, process, and institutions (the "School's Mission"). Dr. Henry N. Butler, who was selected by the University, is currently the dean of the School (the "Dean"). The Parties believe the Dean is a critical part of advancing the School's Mission; therefore, if the individual holding the Dean position changes, the University shall immediately notify the Donor.

b. **The Scholarships.** To support the School's Mission, the University desires to create a merit-based scholarship program to attract approximately 57 students per academic year through the School's 2020-21 academic year (the "Scholarships"), so that the School awards 285 Scholarships in aggregate. The School shall award the Scholarships based on criteria created by the School and approved by the Dean as more fully described in the Proposal. The University deems the funds from the Scholarships to be tuition received by the University.

3. **The University's Commitment to and Support for the School.**

a. **Generally.** The School shall provide funding during the Term for twelve new Faculty positions, additional Staff positions, and support for the Center for the Study of the Administrative State and the Center for Liberty & Law as more fully described in the Proposal (collectively referred to as the "School Support"). The University shall use its best efforts to ensure at all times that qualified individuals hold the Faculty positions and Staff positions and that the Faculty positions and Staff positions do not become vacant for any significant period of time and that if they become vacant, they are refilled. The School has the sole and absolute discretion to determine and carry out all selection, research, scholarship, teaching, and service at the School.

b. **Funding for the School Support.** The University shall use its normal funding for the School along with the funds raised for the Scholarships, including the Contributed Amount (as defined in Section 4 below), which the University deems to be tuition, to provide the School Support.

4. **The Donor's Support for the Scholarships.** Subject to the terms of this Agreement, the Donor agrees to contribute funds to the Foundation solely to support the Scholarships to advance the School's Mission (all or part

of such funds are referred to as the "Contributed Amount[s]"). The maximum aggregate Contributed Amount under this Agreement is \$10,000,000. Furthermore, if the University and the Donor mutually agree, the Donor may also contribute in-kind services to the University to help promote the work of the University, the School, or the University faculty, students, and staff.

5. Foundation Grant Request; Proposed Grant Award Process and Schedule.

a. **The Foundation Grant Request.** The Foundation shall submit an annual written proposal according to the schedule below to the Donor for the Donor's consideration (the "Foundation Grant Request") and an accounting of the expenditure of any Contributed Amount previously received. If the Donor approves the Foundation Grant Request, the Donor shall make a contribution up to the amount listed in the below schedule to the Foundation, and the Foundation agrees to accept such Contributed Amount on behalf of the University as stated in the below schedule. If the Donor, in its sole and absolute discretion, does not approve the Foundation Grant Request, the Donor is under no obligation to contribute any funds to the Foundation or the University.

b. **Foundation Grant Request and Proposed Grant Award Schedule**

Foundation Grant Request Date	Donor Response and Proposed Contribution Date	Contributed Amount
On or about May 1, 2016	On or about July 1, 2016	Up to \$ 500,000
March 1, 2017	On or about May 1, 2017	Up to \$1,500,000
March 1, 2018	On or about May 1, 2018	Up to \$3,000,000
March 1, 2019	On or about May 1, 2019	Up to \$3,000,000
March 1, 2020	On or about May 1, 2020	Up to \$2,000,000

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 "Charles Koch Foundation Fund for the George Mason University School of Law" (the "Fund"). The Fund shall be used solely to support the Scholarships as stated in this Agreement.

d. **Contingent Grant.** The Donor's support under this Agreement is expressly contingent upon the Foundation and the University collectively raising \$20,000,000 from other donors to provide funding for the Scholarships (the "Additional Donor Support"), which, pursuant to Section 3.b., the University deems to be tuition to provide the School Support. Therefore, the Donor shall not provide any of the Contributed Amount or be obligated to fulfill any other obligation until the Foundation and the University collectively receive the Additional Donor Support and provide the Donor with notice of receipt of the Additional Donor Support.

6. Contributed Amount Used Solely for Educational Purposes for the Scholarships.

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 agree to immediately notify the Donor if their respective tax statuses change.

b. **Educational Purpose.** The Contributed Amount will be expended solely for the Scholarships, which is an educational purpose described in section 170(c)(2)(B) of the Code. The Contributed Amount will not be used to influence legislation as described in section 170(c)(2)(B), 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. The Scholarships. The Foundation and the University shall use all Contributed Amounts solely to support the Scholarships as stated in this Agreement and shall return to the Donor any Contributed Amount not expended for the Scholarships.

7. General Provisions.

a. The Donor has the right in its sole and absolute discretion to terminate this Agreement or discontinue or withhold any Contributed Amount if: (i) the Foundation or the University has not fully complied with any provision set forth in this Agreement; (ii) the Foundation or the University are not providing the School Support as stated in the Proposal; or (iii) such action is necessary to comply with any law applicable to the Foundation, the University, or the Donor. Such termination shall be deemed effective upon the expiration of thirty (30) days from the date notice was provided by the Donor to the Foundation or the University. In the event of termination of the Agreement, the Foundation and the University each agree to return all unexpended Contributed Amounts to the Donor within fifteen (15) days of the Donor's request. The Foundation and the University each represent and warrant that they are not relying on the Donor's proposed funding under this Agreement to incur any obligation or take any action or inaction.

b. 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.

c. The Foundation and the University agree to keep confidential and not to disclose to any third party the existence of or contents of this Agreement without express written approval from the Donor, except as otherwise may be required by law, including but not limited to the Virginia Freedom of Information Act. If the Foundation is required to disclose the existence of or the content of this Agreement to any third party, the Foundation agrees to provide the Donor prompt written notice in advance of such disclosure. If a request is made of the University to disclose the existence of or the content of this Agreement, the University agrees to provide the Donor prompt written notice of such request.

d. 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 shall constitute the entire agreement between the Parties with respect to the matters contained in this Agreement.

e. In the event of a conflict between the provisions stated in the body of this Agreement and those stated in the Proposal, this Agreement shall control.

f. This Agreement shall not be modified or amended except by a writing duly executed by the Parties to this Agreement.

g. The provisions of this Agreement are deemed severable and should any part, term, or provision of this Agreement be construed by any court of competent jurisdiction to be illegal, invalid, or unenforceable, the legality, validity, and enforceability of the remaining parts, terms, and provisions will not be affected thereby.

h. No delay or failure on any Party's part to enforce any right or claim which it may have hereunder shall constitute a waiver of such right or claim. Any waiver by any Party of any term, provision, or condition of this Agreement, or of any subsequent default under this Agreement in any one or more instances shall not be deemed to be a further or continuing waiver of such term, provision, or condition or of any subsequent default hereunder.

i. This Agreement does not confer any rights or remedies upon any third party other than the Parties to this Agreement and their respective successors and permitted assigns.

j. This Agreement will be governed, interpreted and enforced in accordance with the laws of the Commonwealth of Virginia, without regard to conflict of law provisions. The Parties agree that any action or proceeding filed relating to this Agreement will 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 hereby expressly consents to the exclusive personal jurisdiction of such courts for any such action or proceeding.

k. The Foundation and the University may 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. All notices, approvals, or requests in connection with this Agreement shall be in writing and shall be deemed given when delivered personally by hand or one business day after the day sent by overnight courier (in each case with written confirmation of receipt or transmission, as the case may be) at the following address (or to such other address as a Party may have specified by notice to the other Party pursuant to this provision):

If to the Foundation:
George Mason University Foundation, Inc.
Office of the President, MSN 1A3
4400 University Drive
Fairfax, Virginia 22030

If to the University:
George Mason University
Office of the President, MS 3A1
4400 University Drive
Fairfax, Virginia 22030

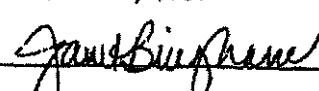
If to the Donor:
Charles Koch Foundation
1320 N. Courthouse Road, Suite 500
Arlington, VA 22201
Attn: Grant Administrator
Cc: General Counsel's Office

m. This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement or direction. Copies of signatures (whether facsimile or other electronic transmission) to this Agreement shall be 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.

**GEORGE MASON UNIVERSITY
FOUNDATION, INC.**


By: 

Name: Janet Bingham

Title: President

Date: 3-31-16

GEORGE MASON UNIVERSITY

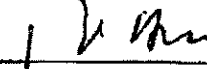
By: 

Name: Angel Cabrera

Title: President

Date: 3-31-16

CHARLES KOCH FOUNDATION

By: 

Name: Brian Hooks

Title: President

Date: 3/31/16



Office of the Dean

School of Law

Hazel Hall

3301 Fairfax Drive, MS 1G3, Arlington, Virginia 22201

Phone: 703-993-8085; Fax: 703-993-8088

Attachment A

George Mason University School of Law Grant Proposal
Submitted by Dean Henry N. Butler

Strategic Mission of the School

George Mason University School of Law's mission is to become a national leader in legal education by applying tools of economics and other social sciences to the study of legal doctrine, process, and institutions, such as the rule of law as it relates to Constitutional structure. To accomplish its goals, the Law School intends to:

- Attract high quality students, and educate them rigorously, with emphasis on legal research and writing as well as employment success.
- Maintain high faculty standards that reflect the high ambitions of the School's instructional program.
- Retain focus on the study of Law & Economics, which is a recognizable and recognized brand and which furnishes the faculty with a common culture and frame of reference in which to structure the School's priorities.
- Develop additional related areas of concentration and intellectual leadership such as intellectual property, legal history, constitutional studies, administrative law, and the relationship between law and liberty.

Scholarships

The School proposes to spend grant funds to increase the quantity and quality of the student body over the next 5 years.

School Support

Faculty Positions

The School will increase its faculty roster to approximately 45 professors by hiring twelve new faculty members in order to support growth of the student body:

- Three senior-level law professors;
- Three associate-level law professors; and
- Six assistant-level law professors.

Staff Positions

The School will employ at least one senior media professional to market the School to top prospective students and to make the research of the School's professors and students better known both inside and outside of academia.

Center Support

The School will advance the mission of two new academic centers in cooperation with the School's Law & Economics Center.

- Center for the Study of the Administrative State
- Center for Liberty & Law

Academic Freedom of the School

In accordance with academic freedom, the School, in compliance with all applicable University policies and procedures, has the sole and absolute discretion to determine and carry out all selection, research, scholarship, teaching, and service at the School. The School controls the search, recruitment, and selection process for the Faculty positions and Staff positions, and will independently select individuals for the Faculty positions and Staff positions in accordance with the University's policies, which include approval of the Dean, who is currently Dr. Henry N. Butler, approval of the Provost, and approval of the President, for all hiring.