

GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on August 1st, 2017 (the "Effective Date"), between the **Wichita State University Foundation** a Kansas nonprofit corporation (the "Foundation"), **Wichita State University** (the "University"), an instrumentality of the state of Kansas, and the **Charles Koch Foundation**, a Kansas nonprofit corporation (the "Donor"). This Agreement is for the benefit of the Institute for the Study of Economic Growth (the "Institute"), which will be imminently created and housed in the W. Frank Barton School of Business (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 Institute, and their faculty, students, and staff is critical to the success of the Institute's research, scholarship, teaching, and service.

2. **The Foundation and University's Proposal.** The Parties enter into this Agreement based on the Foundation and 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 an individual selected by the University, according to its normal procedures, to be the Director of the Institute (the "Institute Director"). As stated in the Proposal and consistent with the Institute Director's vision, the mission of the Institute is to be a world-class research center for the exploration of market and enterprise systems that have the greatest impact on the economic prosperity of society. The Institute seeks to advance the teaching, research, and application of innovation and entrepreneurial activities in a free enterprise economy to enhance societal prosperity through economic growth (the "Institute's Mission").

3. **The Institute Programs.**
 - a. **Generally.** To support the Institute's Mission, the University desires to create the following positions and activities to affiliate with the Institute, collectively referred to as the "Institute Programs." The Institute Programs are described more fully in the Proposal and include the "Institute Director" position; two "Tenure-track Faculty;" a "Lecturer;" five "Graduate Student Assistantships;" three "Institute Research Fellowships;" an "Administrative Assistant;" an "Event Planner;" "Research Support;" and "Institute Support." The Foundation and the University shall each use any funds received under this Agreement to support the Institute Programs in accordance with the terms of this Agreement. According to the University's normal procedures, the Institute Director is responsible for directing the Institute Programs, which includes allocating and administering the Institute's budget, supervising Institute staff, mentorship, and other duties to advance the Institute's Mission as deemed appropriate by the Institute Director.

 - 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 Institute must be approved by the Institute Director and the Dean of the School, in accordance with the School's and University's normal procedures.

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

spaces within the newly constructed building that will house the School on the University's Wichita, Kansas, university campus when the building is completed. The University shall ensure that the Institute's office space is for the Institute's exclusive use. Until the new building's construction is completed, the University shall provide the Institute sufficient office space that is contiguous or in close proximity, including shared conference and meeting spaces within the School's existing building (Clinton Hall) on the University's Wichita, Kansas, university campus.

5. The Donor's Support for the Institute Programs.

a. Contributed Amount. Subject to the terms of this Agreement, and contingent upon the University's approval and establishment of the Institute, the Donor will cause to be contributed funds to the Foundation solely to support the Institute Programs to advance the Institute's Mission (all or part of such funds are referred to as the "Contributed Amount(s)"). The maximum Contributed Amount for each Institute Program is as follows:

Institute Programs	Amount
Salary and fringe benefits for the Institute Director	Up to \$1,000,000
Salary and fringe benefits for two Tenure-Track Faculty	Up to \$1,120,000
Salary and fringe benefits for the Lecturer	Up to \$ 440,000
Costs and expenses for five Graduate Student Assistantships	Up to \$ 40,000
Costs and expenses for three Institute Research Fellowships	Up to \$ 99,000
Salary and fringe benefits for the Administrative Assistant	Up to \$ 180,000
Salary and fringe benefits for the Event Planner	Up to \$ 60,000
Costs and expenses for Research Support	Up to \$ 425,000
Costs and expenses for Institute Support	Up to \$ 281,150

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

6. Grant Process and Administration.

a. The Foundation Grant Request. The Foundation shall submit an annual written request according to the schedule below to the Donor for the Donor's consideration (the "Foundation Grant Request"). If the Donor approves the Foundation Grant Request, the Donor shall cause to be contributed up to the amount listed in the below schedule to the Foundation, and the Foundation shall accept such Contributed Amount on behalf of the University. If the Donor does not approve the Foundation Grant Request, the Donor is under no obligation to contribute any funds to the Foundation or the University unless the Parties otherwise mutually agree in writing.

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

Foundation Grant Request Date	Donor Response and Proposed Contribution Date	Contributed Amount
Submitted as Attachment A	On or about August 1, 2018	Up to \$ 288,750
June 1, 2019	On or about August 1, 2019	Up to \$ 633,150
June 1, 2020	On or about August 1, 2020	Up to \$ 938,700
June 1, 2021	On or about August 1, 2021	Up to \$1,120,350
June 1, 2022	On or about August 1, 2022	Up to \$ 664,200
Total Maximum Aggregate Contributed Amount:		\$3,645,150

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 ISEG-CKF Fund" (the "Fund"). The Foundation and the University shall solely use the Fund to support the Institute Programs as stated in this Agreement. The Foundation shall make the Fund available for contributions from other donors. Contributions from other donors does not decrease the amounts to be contributed by the Donor unless mutually agreed to in writing by the Parties. If another donor makes a contribution to the 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.

7. Contributed Amount Used Solely for Charitable Purposes for the Institute 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 Institute 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 for purposes described in sections 4945(d)(1) or (d)(2) of the Code, 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. Institute Programs. The Foundation and the University shall return to the Donor any Contributed Amount not spent for the Institute Programs unless the Parties otherwise mutually agree in writing.

8. General Terms.

a. Term. The term of this Agreement is from the Effective Date to the later of June 30, 2023, 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, Foundation and University have the right to terminate this Agreement if: (i) the Foundation, University or Donor breach any term of this Agreement; (ii) the Institute Programs are not advancing the Institute's Mission; (iii) such action is necessary to comply with any law applicable to the Foundation, the University, or the Donor or (iv) the contributions by the Donor cease. Such termination is effective upon the expiration of thirty days from the date notice was provided by the Donor to the Foundation or the University. If the Agreement is terminated, the Foundation and the University shall return all unspent Contributed Amounts to the Donor within fifteen days of the Donor's request unless the Parties otherwise mutually agree in writing. 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.

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 University is subject to public record requests under the Kansas open records law. Therefore, this Agreement, its attachments and related information may be made available if requested and required under Kansas open records law. The Agreement may also be released under other applicable law. Otherwise, the University and the Foundation agree not to disclose to any third party this Agreement or related information without express written approval from the Donor. Before the Foundation or the University disclose this Agreement, its attachments or related information, the Foundation and the University agree to provide the Donor with at least 3 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. 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. 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.

k. 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:

Wichita State University Foundation
1856 Fairmount St
Wichita, KS 67260-0002
Attn: Elizabeth H. King, Ph.D.

If to the University:

Wichita State University
Office of the President
1845 Fairmount, Box 1
Wichita, KS 67260
Attn: John W. Bardo, President
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

l. 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.

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

WICHITA STATE UNIVERSITY FOUNDATION

WICHITA STATE UNIVERSITY

By: Elizabeth H. King

Name: Elizabeth H. King

Title: President & CEO

Date: August 15, 2017

By: John W. Bardo

Name: John W. Bardo

Title: President

Date: August 15, 2017

CHARLES KOCH FOUNDATION

By: Brian Hooks

Name: Brian Hooks

Title: President

Date: August 17, 2017

ATTACHMENT A

Wichita State University Foundation and Wichita State University Proposal to Support the Institute for the Study of Economic Growth

Overview

Institute's Mission

The Institute's Mission is to advance the teaching, research, and application of innovation and entrepreneurial activities in a free enterprise economy to enhance societal prosperity through economic growth.

Institute's Vision

To be a world-class research center for the exploration of market and enterprise systems that have the greatest impact on the economic prosperity of society through economic growth.

Creation of the Institute

The University will establish the Institute subject to the University's normal policies and procedures by September 30, 2017.

Institute Programs

Institute Director

The University will select a tenure-track or tenure status professor to be the Institute Director. The Institute Director will be given an appointment in the Department of Economics. The Institute's budget, research agenda, graduate assistants, Institute fellows, and programs will be under the direction of the Institute Director, in accordance with applicable University procedures. This individual will begin providing services to the University by the fall 2018 semester.

Tenure-Track Faculty

The University will select two individuals as Assistant or Associate tenure-track faculty. The first will start providing services to the University by the fall 2019 semester, and the second by the fall 2020 semester. The individuals holding the Tenure-track faculty positions will engage in research, teaching, and community outreach related to the Institute's Mission. This work will include devoting a significant amount of time and resources to work related to the Institute. All faculty will be affiliated with Institute and be given appointments in the Department of Economics, Finance, or Entrepreneurship.

Lecturer

The University will select a Lecturer to teach foundational courses in the School that contribute to the Institute's Mission. This individual will engage with faculty and students affiliated with the Institute and contribute to research products. The Lecturer will be affiliated with the Institute and will begin providing services to the University by the fall 2019 semester.

Graduate Student Assistantships

The Institute will host five graduate assistants to engage in research and teaching that advances the Institute's Mission. The first graduate assistantship will be offered for the academic year running from the fall 2019 semester through the spring 2020 semester. Two graduate assistantships will be offered for the academic years running from the fall 2020 semester through the spring 2022 semester. Individuals selected for the graduate assistantships may hold the graduate assistantship for consecutive years.

Institute Research Fellowships

The Institute will provide three fellowships for students to conduct original research on themes related to the Institute's Mission, and develop their own professional and academic profiles under the mentorship of Institute faculty. The first research fellowship will be offered for the academic year running from fall 2020 through spring 2021, and two research fellowships will be offered for the academic year running from fall 2021 through spring 2022. Individuals selected for research fellowships may hold the research fellowship for consecutive years.

Event Planner

The University will hire a part time event planner to assist in coordinating and marketing events, and supporting outreach events to the University and community. The University will hire this individual by the fall 2020 semester.

Administrative Assistant

The University will hire an administrative assistant to support the Institute's activities. Responsibilities include overseeing day-to-day operations, handling calendars and expenses, managing emails and listservs, purchase and track supplies, and provide logistical support for all faculty, staff, students, and visitors associated with the Institutes. The University will hire the administrative assistant as soon as practicable.

Research Support

The Institute's annual budget will include support for research, which involves conference travel and supplies for faculty, and research support for faculty to advance the Institute's Mission.

Institute Support

The University will provide the Institute with office space, furniture that will remain the property of the University in the event the Institute ceases to exist, and information technology for its operational needs. The Institute will host speaker series and programmatic events to engage faculty and students in the exchange of ideas related to the Institute's Mission. Additionally, the budget will cover other necessary expenses for the operation of the Institute.