

GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on March 3, 2019, (the "Effective Date") between the **North Dakota State University Foundation and Alumni Association**, a North Dakota nonprofit corporation (the "Foundation"), **North Dakota State University** (the "University"), an instrumentality of the state of North Dakota, and the **Charles Koch Foundation**, a Kansas nonprofit corporation (the "Donor"). This Agreement is for the establishment of The Institute for Global Innovation and Growth (the "Institute"), which is housed in the College of Business (the "College") 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 the University's Proposal.** The Parties enter into this Agreement based on the Foundation and 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 an individual selected by the University, according to its normal procedures, to be the director of the Institute (the "Institute Director"). Prior to the selection of the Institute Director, the University has selected Scott Beulier, according to its normal procedures, to be the interim director of the Institute (the "Interim Institute Director"). As stated in the Proposal and consistent with the University's vision, the mission of the Institute is to support rigorous scholarship, public engagement, and student programming focused on how global innovation, trade, and institutions advance human potential (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 an "Institute Director," a "Director Support Administrator," eight "Assistant Professors," four "Associate Professors," two "Distinguished Full Professors," "Faculty Support and Research Staff," the "Visiting Senior Scholar Program," the "Visiting Mercatus Program," "Graduate Fellowship Support," "Undergraduate Program Activities," "Institute Seminars & Workshops," a "Guest Speaker Series," and "Outreach." 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 Interim Institute Director (and following the Interim Institute Director's replacement, 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 Interim Institute Director (and following the Interim Institute Director's replacement, the Institute 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 Institute must be approved by the Interim Institute Director (and following the Interim Institute Director's replacement, the Institute Director), in accordance with the College 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 sufficient contiguous office space including shared conference and meeting spaces. The Donor's support under this Agreement is expressly contingent upon the University obtaining all necessary approvals for the creation and operation of the Institute within sixty (60) days of the execution of this Agreement.

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

a. Contributed Amount. Subject to the terms of this Agreement, the Donor will contribute 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)") in the amounts set forth in the chart immediately following the chart below. The budget allocation for each Institute Program Activity is set forth below. Contributions from third-party donors, who contribute to the IGIG-CKF Fund (defined in section 6.c. below), shall be used to provide funding for the Institute Program Activities in excess of the Donor's aggregate maximum Contributed Amount. Changes to the budget-category allocations may be made by mutual written agreements of the Parties (by way of clarification, an email agreement is sufficient for these purposes). The Donor's support under this Agreement is expressly contingent upon the third-party donors executing grant agreements to support the Institute Programs in accordance with the budgeted allocations for the Program Activities listed below (less the allocated amounts to be provided by the Donor) in the aggregate amount of at least \$20,000,000 on or before July 1, 2019.

Budgeted Institute Program Activity	Budget Allocation
Salary and fringe benefits for the Institute Director	Up to \$1,700,000
Salary and fringe benefits for the Director Support Administrator	Up to \$500,000
Salary and fringe benefits for the eight Assistant Professors	Up to \$6,500,000
Salary and fringe benefits for the four Associate Professors	Up to \$4,250,000
Salary and fringe benefits for the two Distinguished Full Professors	Up to \$2,650,000
Costs and expenses for Faculty Support & Research Staff	Up to \$3,000,000
Costs and expenses for the Visiting Senior Scholar Program	Up to \$1,500,000
Costs and expenses for the Visiting Mercatus Program	Up to \$1,500,000
Costs and expenses for the Graduate Fellowship Support	Up to \$4,800,000
Costs and expenses for the Undergraduate Program Activities	Up to \$1,500,000
Costs and expenses for the Institute Seminars & Workshops	Up to \$800,000
Costs and expenses for the Guest Speaker Series	Up to \$500,000
Costs and expenses for Outreach	Up to \$800,000
TOTAL	Up to \$30,000,000

Donor Support for Institute Programs	Contributed Amount
Salary and fringe benefits for the Institute Director	Up to \$1,500,000
Salary and fringe benefits for the Director Support Administrator	Up to \$400,000
Salary and fringe benefits for the eight Assistant Professors	Up to \$6,000,000
Salary and fringe benefits for the two Distinguished Full Professors	Up to \$2,100,000
Donor's Maximum Contributed Amount	Up to \$10,000,000

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 make a contribution 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.

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

Foundation Grant Request Date	Donor Response and Proposed Contribution Date	Contributed Amount
Submitted as the Proposal	Within sixty (60) days of the Parties signing this Agreement	Up to \$ 2,000,000
June 1, 2020	On or about August 1, 2020	Up to \$ 2,000,000
June 1, 2021	On or about August 1, 2021	Up to \$ 2,000,000
June 1, 2022	On or about August 1, 2022	Up to \$ 2,000,000
June 1, 2023	On or about August 1, 2023	Up to \$ 2,000,000
Total Maximum Aggregate Contributed Amount:		\$10,000,000

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 "IGIG-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. 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 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. Institute Programs. The Foundation and the University shall return to the Donor any Contributed Amount not spent for the Institute Programs.

8. General Terms.

a. Term. The term of this Agreement is from the Effective Date to the later of July 31, 2024, or until the Foundation and the University have spent all of the Contributed Amount, unless earlier terminated pursuant to this Agreement.

b. Termination.

- i. Termination by the Donor. The Donor has the right to terminate this Agreement by providing written notice to the other Parties if: (i) the Foundation or the University breaches any term of this Agreement and fails to cure such breach within sixty (60) days after receipt of written notice specifying the precise nature of such breach; (ii) the Donor reasonably determines that the Institute Programs are not advancing the Institute's Mission; or (iii) such action is necessary to comply with any law applicable to the Foundation, the University, or the Donor.
- ii. Termination by the University or Foundation. The Foundation or the University has the right to terminate this Agreement by providing written notice to the other Parties if (i) the Donor breaches any term of this Agreement and fails to cure such breach within sixty (60) days after receipt of written notice specifying the precise nature of such breach; or (ii) such action is necessary to comply with any law applicable to the Foundation, the University, or the Donor.
- iii. Timing and Consequences of Termination. Unless the Parties agree otherwise, the effective date of the termination shall be June 30th within the fiscal year (July 1 – June 30) in which notice of termination has been provided. Following termination, the Foundation and the University shall each return all Contributed Amounts not expended for the Institute unless the Parties agree in writing to use the unexpended Contributed Amounts for another purpose that supports the Foundation or University. The Donor shall have no obligation to contribute to the Foundation or the University for academic years beginning after the termination notice was given.

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/Public Records. 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. 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:

North Dakota State University Foundation
1241 University Drive North
PO Box 5144
Fargo, ND 58105-5144
Attn: John R. Glover, President

If to the University:

North Dakota State University
102 Old Main
Dept. 1000
PO Box 6050
Fargo, ND 58108-6050
Attn: Dr. Dean L. Bresciani, President

If to the Donor:


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

North Dakota State University
College of Business
Dept. 1000
PO Box 6050
Fargo, ND 58108-6050
Attn: Dr. Scott A. Beaulier, Dean

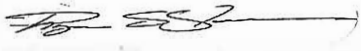
n. Counterparts. This Agreement may be executed in several counterparts, each of which constitutes an original and all of which, when taken together, constitute one agreement or direction. Copies of signatures (whether facsimile or other electronic transmission) to this Agreement are deemed to be originals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


**NORTH DAKOTA STATE
UNIVERSITY FOUNDATION**

By: 
Name: John R. Glover
Title: President/CEO
Date: 3.3.19

CHARLES KOCH FOUNDATION

By: 
Name: Ryan Stowers
Title: Executive Vice President
Date: 3/4/19

NORTH DAKOTA STATE UNIVERSITY

By: 
Name: Dean Bresciani
Title: President
Date: 3-3-19

ATTACHMENT A

North Dakota State University Foundation and North Dakota State University Proposal to Support The Institute for Global Innovation and Growth

Mission

The mission of the Institute is to support rigorous scholarship, public engagement, and student programming focused on how global innovation, trade, and institutions advance human potential.

Institute Programs

Institute Director

The University will select an individual for the Institute Director position by the fall 2019 semester. The individual holding the Institute Director position 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.

Director Support Administrator

The University will select an individual for the Director Support Administrator position by the fall 2019 semester. The individual holding the Director Support Administrator position will engage in administrative support for the Director related to the Institute's Mission. This work will include devoting a significant amount of time and resources to work related to the Institute.

Assistant Professors

The University will select eight individuals for the Assistant Professor positions by Spring 2022. The individuals holding the Assistant Professor position 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.

Associate Professors

The University will select four individuals for the Associate Professor positions by Spring 2022. The individuals holding the Associate Professor position 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.

Distinguished Full Professors

The University will select two individuals for the Distinguished Full Professor positions by Spring 2022. The individuals holding the Distinguished Full Professor position 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.

Faculty Support and Research Staff

The Institute will support the research, teaching, and professional engagement of the core faculty members from any University department interested in work related to the Institute's mission.

Visiting Senior Scholar Program

The Institute will support and host international academics, business executives, and government officials for a one-month residency program during the month of September. The Senior Scholars will present in workshops, visit classes, conduct research, and exchange with the NDSU College of Business community.