

GRANT AGREEMENT

This grant agreement (this "Agreement") is made effective on September 26, 2018, (the "Effective Date") between the **Indiana University Foundation**, an Indiana nonprofit corporation (the "Foundation"), **Indiana University Bloomington** (the "University"), an instrumentality of the state of Indiana, and the **Charles Koch Foundation**, a Kansas nonprofit corporation (the "Donor"). This Agreement is for the benefit of the Johnson Center for Entrepreneurship & Innovation (the "Center"), which is housed in the Kelley School 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 Center, and their faculty, students, and staff is critical to the success of the Center'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 and relies on the leadership of Dr. Donald F. Kuratko, who was selected by the University, according to its normal procedures, to be the director of the Center (the "Center Director"). As stated in the Proposal and consistent with the Center Director's vision, the mission of the Center is to create the Institute for Entrepreneurship and Competitive Enterprise dedicated to understanding the inception, design, and implementation of entrepreneurship and enterprise (the "Center's Mission").

3. **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 the "Center Director Stipend," a "Tenure-track Professorship," a "Clinical Associate Professorship," a "Director of Programs," a "Program Manager," the "Administrative Support Position," three "Graduate Fellowships," "Faculty and Student Research Fellowships," and "Program Activities." 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 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 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 Director, in accordance with the College and University's normal procedures.

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 provide the Center with sufficient contiguous office space including shared conference and meeting spaces.

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 Contributed Amounts are estimated to be allocated toward the Center Programs approximately as follows:

Center Programs	Contributed Amount
Costs and expenses for the Center Director Stipend	\$691,102
Salary and fringe benefits for the Tenure-track Professorship	\$1,415,308
Salary and fringe benefits for the Clinical Associate Professorship	\$1,152,821
Salary and fringe benefits for the Director of Programs	\$602,774
Salary and fringe benefits for the Program Manager	\$414,408
Salary and fringe benefits for the Administrative Support Position	\$254,580
Costs and expenses for the three Graduate Fellowships	\$330,000
Costs and expenses for Faculty and Student Research Fellowships	\$650,000
Costs and expenses for Program Activities	\$389,007

The Donor recognizes that the allocation of the Contributed Amounts described above among the Center Programs are estimates and that such Contributed Amounts may be re-allocated among the Center Programs at the discretion of Center Director.

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.

6. Grant Process and Administration.

a. The Foundation Grant Request. The Center Director, with Foundation oversight, 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 \$ 958,454
June 1, 2019	On or about August 1, 2019	Up to \$ 1,171,903
June 1, 2020	On or about August 1, 2020	Up to \$ 1,203,434
June 1, 2021	On or about August 1, 2021	Up to \$ 1,266,119
June 1, 2022	On or about August 1, 2022	Up to \$ 1,300,090
Total Maximum Aggregate Contributed Amount:		\$5,900,000

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 "JCEI-CKF Fund" (the "Fund"). The Foundation and the University shall solely use the Fund 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 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 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.

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. The Donor has the right to terminate this Agreement 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. 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. 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 Notice. The Foundation and the University shall notify the Donor prior to making this Agreement publicly available or 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:

Indiana University Foundation
Showalter House
1500 N. State Road 46 Bypass
Bloomington, IN 47408
Attn: President and CEO

If to the University:

Indiana University Bloomington
CG 2050
1309 E. 10 Street
Bloomington, IN 47405
Attn: Donald F. Kuratko


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.

INDIANA UNIVERSITY FOUNDATION

By: 

Name: Daniel C. Smith

Title: PRESIDENT & CEO

Date: to 9-27-2018

INDIANA UNIVERSITY BLOOMINGTON

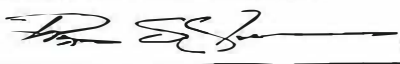
By: 

Name: IDALENE KESNER

Title: DEAN, KELLEY SCHOOL

Date: 9/26/18

CHARLES KOCH FOUNDATION

By: 

Name: Ryan Stowers

Title: Executive Vice President

Date: 10/4/18

ATTACHMENT A

Indiana University Foundation and Indiana University Bloomington Proposal to Support the Johnson Center for Entrepreneurship & Innovation

Mission

The mission of the Center, which is housed in the Kelley School of Business at the University is as follows: to create the Institute for Entrepreneurship and Competitive Enterprise dedicated to understanding the inception, design, and implementation of entrepreneurship and enterprise (the "Center's Mission").

Center Programs

Center Director Stipend

The Center Director Stipend will allow the Center Director to devote a significant amount of time and resources to work related to the Center.

Tenured-Track Professorship

The University will select an individual for the Tenure-track Professorship by the fall 2019 semester. The individual holding the Tenure-track Professorship will engage in research, teaching, and community outreach related to the Center's Mission. This work will include devoting a significant amount of time and resources to work related to the Center.

Clinical Associate Professorship

The University will select an individual for the Clinical Associate Professorship by the fall 2019 semester. The individual holding the Clinical Associate Professorship will engage in teaching and community outreach related to the Center's Mission. This work will include devoting a significant amount of time and resources to work related to the Center.

Director of Programs

The University will select a Director of Programs by the spring 2019 semester. The Director of Programs will engage in programmatic support and community outreach related to the Center's Mission. This work will include devoting a significant amount of time and resources to work related to the Center.

Program Manager

The University will select a Program Manager by the spring 2019 semester. The Program Manager will engage in programmatic support and community outreach related to the Center's Mission. This work will include devoting a significant amount of time and resources to work related to the Center.

Administrative Support Position

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

Graduate Fellowships

The University will select a graduate fellow for the 2019-20 academic year, two graduate fellows in the 2020-21 and 2021-22 academic years, and three graduate fellows in the 2022-23 and 2023-24 academic years to help advance the Center's Mission. The graduate fellows will engage in research and teaching that advance the Center's Mission. The tenure of the individuals holding each Graduate Fellowship will be five years.

Faculty and Student Research Fellowships

The Center will provide research fellowships for Indiana University faculty members, graduate students, and undergraduate students in support of innovative research that advances the Center's research priorities, as well as contribute to the academic and national conversation as it relates to the Center's Mission.

Program Activities

The Center will host research workshops, conferences, and lectures that improve and disseminate the Center's research, as well as contribute to the academic and national conversation as it relates to the Center's Mission.

Center Support

The University will provide the Center with office space, furniture, information technology, and administrative support for its operational needs.