

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session With

B. Finance, Audit and Facilities Committee

Intercollegiate Athletic Department – Approval of Product Supply and Appearance & Consultation Agreements with NIKE

RECOMMENDED ACTION:

It is the recommendation of the Finance, Audit and Facilities Committee that the Board of Regents approve the Product Supply and Appearance & Consultation Agreements with NIKE. The agreements will commence on July 1, 2009.

BACKGROUND:

The Intercollegiate Athletic Department has negotiated two new ten (10) year agreements with NIKE that will continue their partnership through the year 2019. The agreements have a total value of nearly \$35 million, and contain additional incentives that could raise the value to almost \$39 million. NIKE has contracted to provide the department with an average of \$2.6 million in product every year as well as an average of \$725,000 in cash per year. In addition, NIKE will be making a cash contribution of \$500,000 to the department when the agreements have been executed. In return, NIKE will be the exclusive provider of footwear, apparel, and equipment for each of the University of Washington's 23 intercollegiate athletic programs.

REVIEW PROCESS:

The agreements were negotiated with NIKE by the Intercollegiate Athletic Department under the leadership of then Acting Athletic Director Scott Woodward and Assistant Attorney General Karin Nyrop. The final agreements were prepared by the Office of the Attorney General and have been reviewed by the Intercollegiate Athletic Department and the Office of Trademarks and Licensing. The President has received an overview of the terms of the agreements.

Attachments

1. Product Supply Agreement
2. Appearance & Consultation Agreement

**THE UNIVERSITY OF WASHINGTON
PRODUCT SUPPLY AGREEMENT**

THIS IS AN AGREEMENT effective July 1, 2009 and entered into as of the signature date set forth below by and between The University of Washington, on behalf of its Department of Athletics, having its principal administrative office, for the purpose of this Agreement, at Graves Building, Box 34070, Seattle, Washington 98195-4070 (hereinafter "UNIVERSITY"), and NIKE USA, Inc., an Oregon corporation having its principal offices at One Bowerman Drive, Beaverton, Oregon 97005-6453 (hereinafter "NIKE").

W I T N E S S E T H

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith), desires to obtain sponsors to support its Department of Athletics, and owns all right, title and interest in and to the names, nicknames, mascots, trademarks, service marks, logographics and/or symbols, and any other recognized reference to UNIVERSITY or its "Intercollegiate Athletic Programs" (as defined below);

WHEREAS, NIKE is a sports and fitness company engaged in the manufacture, distribution and sale of athletic and athleisure footwear, apparel and related accessories, and desires to support UNIVERSITY and its intercollegiate athletic programs as described below; and

WHEREAS, UNIVERSITY desires to acknowledge NIKE's support of the Department of Athletics as described below;

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions set forth herein, it is agreed as follows:

1. DEFINITIONS.

As used in this Agreement, the terms set forth below shall be defined as follows:

- (a) "BCS Bowl" shall mean, as of the date of execution hereof, any of the following bowl games: Orange Bowl, Sugar Bowl, Fiesta Bowl, and Rose Bowl; and the "National Championship" game. In the event of a material change in the college football bowl structure, the parties shall meet in good faith and devise appropriate language to address the new system.
- (b) "Coach" shall mean an individual employed by UNIVERSITY during the term of this Agreement to act as a head coach of an Intercollegiate Athletic Program.
- (c) "Conference" shall mean the intercollegiate athletic conference of which UNIVERSITY is a member for the particular Team or Program at issue herein.
- (d) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the term of this Agreement.
- (e) "Game" shall mean game, match, meet, test or such other competition reference as is appropriate to each individual sport.
- (f) "Intercollegiate Athletic Program(s)" or "Program(s)" shall mean the following organized team intercollegiate sports sponsored by UNIVERSITY: football, men's basketball, women's basketball, men's soccer, women's soccer, baseball, cheerleading/rally squad, men's crew, women's crew, men's golf, women's golf,

gymnastics, softball, men's swimming, women's swimming, men's tennis, women's tennis, men's outdoor track & field, women's outdoor track & field, men's indoor track & field, women's indoor track & field, men's cross country, women's cross country, volleyball, and such other replacement or additional intercollegiate athletic programs as may be established at that campus from time-to-time during the term of this Agreement.

- (g) "Intercollegiate Athletic Program Activities" shall mean all games, practices, exhibitions, scrimmages, team appearances, team photo sessions, UNIVERSITY-sponsored sports camps, and other Team-organized activities (including but not limited to photo shoots and interviews) during which Team members, Coaches, and Staff wear and/or use Products.
- (h) "Material Acknowledgment Loss" shall mean the removal from Authentic Competition Apparel or footwear of camera-visible manufacturer identification (i.e., the NIKE name or the Swoosh Design) from its current placement location, or the adoption by a national television broadcaster of "virtual signage" applied to Football or Men's Basketball game broadcasts which either deletes or obscures manufacturer identification on such Products or replaces it with that of a third-party. For purposes of this Agreement, "virtual signage" shall mean use of L-VIS technology or electronic/computer imaging technology that alters, substitutes or replaces NIKE's stadium/arena signage (including NIKE logo identification that appears on uniforms) with other commercial identification that is seen by home television viewers.
- (i) "NCAA" shall mean the National Collegiate Athletic Association or the governing body with jurisdiction over intercollegiate competition in any specific sport.
- (j) "NIKE" shall mean NIKE USA, Inc., its parent NIKE, Inc., and their licensees, distributors, subsidiaries, and any successor company(ies).
- (k) "NIKE Products" shall mean all Products in connection with which, or upon which, the NIKE name, the Swoosh Design, the NIKE AIR Design, the Jumpman Design or any other trademarks or brands (e.g., Jordan, Converse, Umbro) now or hereafter owned and/or controlled by NIKE (collectively, "NIKE Marks") appear.
- (l) "Products" shall mean:
 - (1) all athletic and athletically inspired or derived footwear that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective Intercollegiate Athletic Program Activities;
 - (2) authentic competition apparel consisting of uniforms, sideline or courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, wool and fitted caps, baseball/softball caps and/or visors, windsuits, rainsuits, sideline or courtside pants, shorts and shirts, and similar apparel, and practicewear (collectively, "Authentic Competition Apparel") that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective Intercollegiate Athletic Program Activities;
 - (3) all other apparel articles of an athletic or athleisure nature including but not limited to tank-tops, T-shirts, sweatsuits, separates and other body coverings,

and accessories of an athletic or athleisure nature, including but not limited to headwear, headbands, wristbands, bags, travel bags, socks, hand-towels (not including Gatorade or other sport drink towels in the Teams' bench areas), receiver's and linemen's gloves, batting gloves, that members of any Team, Coaches and/or Staff wear or use or may be reasonably expected to wear or use while participating in their respective Intercollegiate Athletic Program Activities; and

- (4) sports equipment including, but not limited to, inflatable balls (specifically including without limitation footballs, basketballs and volleyballs); baseball bats and other baseball equipment (including fielding gloves, and batting helmets); softball equipment (including bats, fielding gloves, batting helmets, and catchers' equipment); non-prescription protective eyewear, eyewear with performance attributes and sunglasses; sports timing devices (including wristwatches, race timers, stopwatches, etc. and devices used for competition or training that are also used in combination with timing devices such as heart-rate monitors or calorimeters; swim accessories, including but not limited to caps, nose clips, ear plugs and water bottles; swim training aids (e.g., kickboards, buoys paddles and fins); golf clubs (but subject to Paragraph 7(a)(iv) below), golf balls and golf bags; and such other equipment as NIKE may add to its product lines at any time during the term of this Agreement and subject to the provisions of Paragraph 13 below, provided that such Products shall meet UNIVERSITY's good faith requirements for quality.
- (m) "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers, and any on-field/courtside staff that UNIVERSITY outfits (e.g., ballpersons), employed by UNIVERSITY during the term of this Agreement to provide services to Intercollegiate Athletic Programs.
- (n) "Team" shall mean that group of athletes attending the UNIVERSITY's Seattle campus during the term of this Agreement and comprising the roster of each Intercollegiate Athletic Program.
- (o) "Tier I Bowl" shall mean any of the following non-BCS Bowl games traditionally played on New Year's Day and such additional or replacement New Year's Day bowl games as may be established: the Citrus; Cotton; Gator; or Outback Bowl.
- (p) "UNIVERSITY Marks" shall mean "The University of Washington", "UW", "U of W", "Huskies", and any other recognized reference to the UNIVERSITY; all trademarks registered, filed or obtained by or for the UNIVERSITY in relation to such names; and all logos, marks and/or symbols associated with the UNIVERSITY.
- (q) "UNIVERSITY Web Site[s]" shall mean the official Internet World Wide Web site of the UNIVERSITY's athletic department, presently named <gohuskies.cstv.com>, and/or any other "official" web site designated as such by the UNIVERSITY's athletic department. It is understood that <www.washington.edu> is not included in this definition.

2. TERM.

This Agreement shall remain in full force and effect for a period of ten (10) Contract Years, from July 1, 2009 through June 30, 2019, unless sooner terminated in accordance with the terms and conditions hereof (the "Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

3. PRE-EXISTING COMMITMENT.

NIKE acknowledges that, subject to the exclusive wear and use obligations as set forth in Paragraph 7 below, UNIVERSITY, as a Conference member, is and may continue to be subject to an agreement between the Conference and a third-party apparel manufacturer which requires the UNIVERSITY to use its best efforts to distribute "Pac-10 Champion" logoed hats and t-shirts after the athletic contest which has determined that a UNIVERSITY team has won a Pac-10 Championship.

4. ACKNOWLEDGMENT.

UNIVERSITY hereby grants to NIKE, and NIKE hereby accepts, (i) the designation as "the official supplier of the athletic footwear and authentic apparel products of [insert name of sports team]" and "the official athletic footwear and authentic apparel sponsor of [insert name of sports team]", and/or such similar designations as shall be agreed upon by both parties (collectively, the "Designations"), and (ii) the right to utilize (subject to the approval provisions of Paragraph 10 below and worldwide retail rights which have been granted by UNIVERSITY other than for Authentic Competition Apparel and certain other Products) the UNIVERSITY Marks (on a nonexclusive basis except as otherwise agreed by the parties in writing, herein or elsewhere) and/or Designations (on an exclusive basis) worldwide, in any media (now known or hereafter created) including, but not limited to, the Internet, the worldwide web, CD-ROM and other interactive and multi-media technologies, and programming, in connection with the manufacture, marketing and sale of NIKE Products and the marketing of the NIKE brand. By way of examples illustrating the contemplated uses of the Designations, during the football season and/or in football-related media NIKE would use the designation "The official supplier of the athletic footwear and authentic apparel products of Husky Football", and during the basketball season and/or in basketball-related media NIKE would use the designation "The official supplier of the athletic footwear and authentic apparel products of Husky Basketball", etc.

Such rights shall specifically include, but shall not be limited to, the exclusive right to supply Products for each Team and to use the Designations and, in connection therewith, the non-exclusive right to use game photographs, videotape and/or film footage of any and all Intercollegiate Athletic Programs subject to applicable NCAA rules and regulations with respect to the depiction of eligible athletes. (At NIKE's request, UNIVERSITY shall permit NIKE to utilize, consistent with this Paragraph 4, UNIVERSITY game photographs and footage, owned and/or controlled by UNIVERSITY, without a royalty, other than reasonable expenses to obtain such materials which may be through a third-party designated by UNIVERSITY.)

5. PRODUCT SUPPLY CONSIDERATION.

- (a) In consideration of the other provisions of this Product Supply Agreement, NIKE shall supply to UNIVERSITY NIKE Product for the use of the Intercollegiate Athletic

Programs. NIKE's product supply obligations (calculated on the basis of suggested retail price) as follows:

Contract Year 1 (i.e., 2009-10)	\$2,400,000
Contract Year 2 (i.e., 2010-11)	\$2,400,000
Contract Year 3 (i.e., 2011-12)	\$2,500,000
Contract Year 4 (i.e., 2012-13)	\$2,500,000
Contract Year 5 (i.e., 2013-14)	\$2,600,000
Contract Year 6 (i.e., 2014-15)	\$2,600,000
Contract Year 7 (i.e., 2015-16)	\$2,700,000
Contract Year 8 (i.e., 2016-17)	\$2,700,000
Contract Year 9 (i.e., 2017-18)	\$2,800,000
Contract Year 10 (i.e., 2018-19)	\$2,800,000

The exact styles, sizes and delivery dates and, where appropriate, quantities of such NIKE Products shall be mutually determined by NIKE and UNIVERSITY (and subject to subparagraphs (i) and (ii) below) for each Contract Year. All Product to be supplied by NIKE hereunder shall be delivered F.O.B. to UNIVERSITY. Only properly submitted orders from UNIVERSITY's Director of Athletics or any authorized representative of UNIVERSITY's Director of Athletics shall be filled by NIKE. All Authentic Competition Apparel supplied by NIKE to UNIVERSITY shall comply with NCAA performance specifications (e.g., size of numbers) and labeling requirements as they currently exist. Notwithstanding the above-stated annual product commitments, (1) UNIVERSITY shall be permitted a maximum carry-over of Two Hundred Thousand Dollars (\$200,000) of unordered annual allotment of merchandise from Contract Year 1 to Contract Year 2, and (2) for each subsequent Contract Year, UNIVERSITY shall be permitted a maximum carry-over of One Hundred Thousand Dollars (\$100,000) of unordered annual allotment of merchandise from one Contract Year to the next; provided that for each Contract Year UNIVERSITY desires to carry-over from the previous year's allotment, it shall so notify NIKE in writing of such desire (and the intended amount of carry-over) by no later than April 1st of the then-current Contract Year, and provided further that if the carry-over amount is not used in the Contract Year into which it has been carried, such carry-over amount shall be forfeited. (By way of example, if UNIVERSITY desires to carry-over \$100,000 of its allotment from Contract Year 2 into Contract Year 3, it must so notify NIKE of such desire by April 1, 2011, and if such carried over amount is not used by the conclusion of Contract Year 3 it shall be forfeited.)

NIKE agrees to replace any defective or otherwise non-conforming Products at no expense to UNIVERSITY.

UNIVERSITY acknowledges that:

- (i) Annual product allotments shall be delivered to UNIVERSITY generally one (1) month prior to the start of the regular season practices for each Intercollegiate Athletic Program and that annual allotments must typically be ordered 9-12 months in advance of each season to ensure timely delivery.
- (ii) Certain Products requested by UNIVERSITY for its use as required under this Agreement may, at the time of such request, not be commercially available and that NIKE's inability to provide such requested Product on such occasions shall

not be deemed a violation or breach of this Agreement. In that event, until NIKE is able to supply them, UNIVERSITY may obtain such Products from a non-NIKE supplier, provided that any such item must be (aa) either provided by a supplier principally known in the industry for supply such item (e.g., Danskin with regard to gymnasts' leotards, or Prince or Wilson with regard to tennis racquets), or (bb) blank (i.e., containing no camera-visible brand or indicia of origin), and in either event no promotional benefit of any kind shall accrue to the source of such items.

- (b) During each Contract Year, Coaches, Staff, and select employees of the Athletic Department (in UNIVERSITY's discretion), shall be entitled to order NIKE Product for their personal use, up to an aggregate maximum amount (in terms of retail value) of One Hundred Ten Thousand Dollars (\$110,000). All NIKE Product hereunder must be ordered through the "NIKE by Mail" program, subject to procedures established by NIKE for such purpose. No carry-over of unorderd annual allotments of NIKE by Mail merchandise from one Contract Year to another shall be allowed.
- (c) UNIVERSITY acknowledges that the Product supplied pursuant to this Agreement shall not be considered to be purchased goods for any purposes under the Uniform Commercial Code.

6. NIKE SPONSOR BENEFITS.

- (a) In return for NIKE's sponsorship of UNIVERSITY, each Contract Year, UNIVERSITY shall provide NIKE with the following benefits at no additional cost to NIKE except as otherwise indicated:
 - (1) NIKE shall receive tickets to home games (and neutral site games as indicated below) for each Intercollegiate Athletic Program in accordance with the following:

PROGRAM	No. TICKETS
Football	10 tickets
Bowl games	10 + others if available*
Basketball (M)	10
Basketball Tournament (M)	8 + others if available*
Basketball (W)	10
Basketball Tournament (W)	8
All Other Programs	4
*Such other available tickets to be made available to NIKE for purchase at face-value.	

In addition to the foregoing, each Contract Year, NIKE shall receive: (i) forty (40) tickets (in addition to the above indicated 10 tickets, for a total of 50 tickets) to one mutually agreed upon game; and (ii) twenty (20) tickets (in addition to the above indicated 10 tickets, for a total of 30 tickets) to one mutually agreed upon men's basketball game, and twenty (20) tickets (in

addition to the above indicated 10 tickets, for a total of 30 tickets) to one mutually agreed upon women's basketball game (collectively, "NIKE Game-day"). "Basketball Tournament" as used herein means every basketball tournament in which UNIVERSITY's basketball Programs participate. The UNIVERSITY shall use its best efforts to ensure that all tickets provided under the foregoing provisions shall be for best available seats. UNIVERSITY shall use best efforts to fulfill NIKE's requests for such additional quantities of tickets as it may reasonably request, such tickets to be best available.

- (2) A full color bleed page of UNIVERSITY content in all game day programs shall be dedicated to acknowledging NIKE's sponsorship of the Intercollegiate Athletic Programs. Such content shall be subject to the approval of NIKE and shall be an acknowledgement as that term is defined in Internal Revenue Code Section 513(i) and related regulations.
- (3) Three (3) parking passes at all football and basketball games.
- (4) A hospitality event for football and basketball NIKE Game-day ticket holders (which may include, for example, a welcome reception and/or tour of facilities) which shall be pre-arranged with UNIVERSITY and subject to its prior facility commitments. Any catering costs shall be at NIKE's expense.
- (5) Subject to applicable NCAA regulations or other applicable UNIVERSITY agreements, the opportunity to stage events and/or contests which are mutually agreed-upon before the appropriate season begins around designated home games/competitions, which events or contests may occur pre-game, during half-time or post-game. Such events and/or contests shall not contain comparative or qualitative descriptions of NIKE's products, price information or other indications of savings or value about NIKE's products, any message that otherwise endorses NIKE's products or induces one to purchase or use NIKE's products, or any message that causes NIKE's payments to not be treated as "qualified sponsorship payments" as that term is defined in Internal Revenue Code Section 513(i) and related regulations. The parties recognize that UNIVERSITY is more familiar with such regulations than NIKE and it shall be UNIVERSITY's responsibility to exercise its right of approval to prevent this outcome. In this connection, the parties agree that all determinations regarding compliance with Internal Revenue Code Section 513(i) shall be made in the sole good-faith discretion of UNIVERSITY.
- (6) Reasonable access to Intercollegiate Athletic Program Activities, where appropriate, and consistent with NCAA regulations, for the purpose of shooting game-action photographs, film or videotape footage and/or conducting and taping post-game interviews. NIKE's usage of such photographs, footage, interviews, or film shall be subject to the advance approval of UNIVERSITY.
- (7) NIKE shall be permitted, upon its reasonable request and subject to NIKE's payment of rental charges at the educational institution rate, to use mutually agreed upon UNIVERSITY facilities in connection with community based programs and events held by NIKE (such as its NIKE GO program). UNIVERSITY shall not provide program services or staff services for such programs and events; however, normal UNIVERSITY facility services (e.g. janitorial) and physical plant services (e.g., HVAC) shall be provided.

- (8) In addition to the above, UNIVERSITY shall afford NIKE advance notice and the opportunity to consider participation in any and all additional sponsorship opportunities, in any media, made available by UNIVERSITY during the Term.
 - (9) At home varsity volleyball games, upon request and at NIKE's own expense, NIKE shall have the right to have its name and/or logo appear on the net tape along with the words "Washington Volleyball," if not prohibited by applicable NCAA or Conference rules.
- (b) In addition to the foregoing, UNIVERSITY shall provide NIKE with program-specific in-stadium/arena signage opportunities, if available, at the applicable UNIVERSITY sponsor rate, on a basis no less favorable than similarly situated UNIVERSITY sponsors.
 - (c)
 - (1) UNIVERSITY shall, and without limiting any other rights granted hereunder, make its best efforts to ensure that NIKE has the right to purchase or otherwise obtain advertising and/or other benefits on the UNIVERSITY Web Site[s] on a basis no less favorable than that offered to any third-party for substantially similar benefits on the UNIVERSITY Web Site[s].
 - (2) In accordance with applicable law, NIKE shall have the right to request, and UNIVERSITY shall provide to NIKE, information about UNIVERSITY and its Intercollegiate Athletic Programs. Such information may include, but shall not necessarily be limited to, textual, photographic, or video materials which are copyrighted, owned or otherwise controlled by UNIVERSITY. Such information shall be provided on a timely basis and without a royalty, other than reasonable search and edit expenses, if applicable, to obtain such materials which may be through a third-party designated by UNIVERSITY. NIKE has the right to publish such information, and/or other editorial content which may be created by or for NIKE, relating to the UNIVERSITY and/or its Intercollegiate Athletic Programs, on NIKE's World Wide Web site(s), subject to applicable NCAA regulations. Nothing in this Agreement shall be deemed to confer upon NIKE any right to operate an "official" UNIVERSITY website.

7. USE OF NIKE PRODUCTS.

- (a) Throughout the Term, UNIVERSITY shall make NIKE Products available on an exclusive basis to each Intercollegiate Athletic Program, to be worn and/or used by Team members, Coaches and Staff during practices, games, exhibitions, clinics and UNIVERSITY-sponsored sports camps and other official, formal Team-organized activities (including but not limited to photo sessions and interviews) during which Team members, Coaches and Staff wear and/or use Products. UNIVERSITY shall require all Coaches and Team and Staff members to wear and/or use exclusively NIKE Products during such activities, except as otherwise expressly provided herein. Notwithstanding the foregoing, (i) NIKE acknowledges that in one or more cases a Team may be prohibited by Conference or NCAA rules from using NIKE-supplied balls during certain tournaments and away and neutral site competitions; and (ii) in the event (x) a Team member experiences medical issues relating to shoe fit or comfort in wearing NIKE footwear; *and* (y) UNIVERSITY provides notice thereof to NIKE, and UNIVERSITY and the affected Team member work diligently with NIKE to address the issue; *and* (z) even after sustained and diligent good faith efforts by UNIVERSITY and the Team member to work with NIKE, the Team member is unable

to wear NIKE footwear due to a bona-fide medical condition as evidenced by a certification by the Team's physician; then such Team member shall be permitted to wear non-NIKE footwear provided all visible manufacturer's identification is taped over or otherwise covered so as to completely obscure such manufacturer's identification. NIKE further acknowledges that (iii) any Coach's wearing of non-athletic footwear and apparel in connection with his or her official coaching duties, as appropriate, shall not constitute a breach of this Paragraph; and (iv) notwithstanding NIKE's exclusive rights, members of the golf program shall have the right to use golf clubs and golf balls of their choice (but not any other golf equipment or products) from any manufacturer, and with such manufacturer's logo camera-visible, so long as no promotional benefit of any kind shall accrue to either the source of such item(s) or to UNIVERSITY (for avoidance of doubt, the parties agree that UNIVERSITY may source such product on a complimentary basis but cannot in exchange for such complimentary supply of product provide the supplier with any advertising or promotional rights), and such use shall not constitute a breach of this Paragraph 7 or this Agreement. If NIKE is unable to provide Products which UNIVERSITY believes are necessary for a Team(s) and its Coaches and Staff, UNIVERSITY shall be permitted to wear non-NIKE products. In the event any Team member requires eyewear with corrective lenses during games, practices, exhibitions, clinics, camps, and other Team activities, UNIVERSITY shall make first best-faith efforts to outfit such Team member with NIKE eyewear suitable to support the required prescription, but if such efforts fail, such Team member may wear non-NIKE eyewear, provided that such non-NIKE eyewear is not from a brand associated with footwear.

- (b) UNIVERSITY shall ensure that no Team member, Coach or Staff member shall:
 - (1) Alter or permit the alteration of any NIKE Product worn or used by them (except as permitted under Paragraph 7(a) above); or
 - (2) Wear any non-NIKE Products which have been altered to resemble NIKE Products.
- (c) UNIVERSITY shall ensure that during all Intercollegiate Athletic Program Activities no Team member, Coach or Staff member shall wear and/or use any athletic footwear, or other Products, manufactured by companies other than NIKE except as permitted under Paragraphs 5(a)(1) and 7(a) above.
- (d) UNIVERSITY acknowledges that "spatting" or otherwise taping, so as to cover any portion of the NIKE logo, the NIKE athletic shoes worn by members of the Teams during Intercollegiate Athletic Program Activities, except as permitted in Paragraph 7(a) above, is inconsistent with the purpose of this Agreement and the benefits to be derived from it by NIKE and is a material breach of this Agreement, and shall subject UNIVERSITY to possible reductions as provided in Paragraph 8(f) below.
- (e) UNIVERSITY shall not permit the trade name, trademark, name, logo or any other identification of any person, company or business entity other than NIKE, or UNIVERSITY, to appear on NIKE Products worn or used by Coaches, Staff or Team members except for the name or logo of a bowl sponsor (but subject to Paragraph 24(a) below) if required for bowl participation, or a reasonable size commemorative identification to pay tribute to a significant particular UNIVERSITY team or notable

UNIVERSITY or other figure (e.g., an anniversary patch or a mourning device) and provided such addition does not displace or cover any NIKE identification.

8. CASH CONSIDERATION.

- (a) In addition to the Base Compensation to be paid UNIVERSITY as set forth below, NIKE shall make a one-time contribution to the University Athletic Department of Five Hundred Thousand Dollars (\$500,000) upon commencement of the Term (i.e., July 1, 2009).
- (b) Each Contract Year, NIKE shall pay UNIVERSITY Base Compensation in the amounts provided below in two (2) equal semi-annual installments to be made on July 1 and January 1 of each Contract Year (and subject to subparagraph (b) below), to be used at UNIVERSITY's discretion. These amounts are subject to reduction as provided herein.

Contract Year 1 (i.e., 2009-10)	\$400,000
Contract Year 2 (i.e., 2010-11)	\$450,000
Contract Year 3 (i.e., 2011-12)	\$500,000
Contract Year 4 (i.e., 2012-13)	\$550,000
Contract Year 5 (i.e., 2013-14)	\$600,000
Contract Year 6 (i.e., 2014-15)	\$650,000
Contract Year 7 (i.e., 2015-16)	\$700,000
Contract Year 8 (i.e., 2016-17)	\$750,000
Contract Year 9 (i.e., 2017-18)	\$800,000
Contract Year 10 (i.e., 2018-19)	\$850,000

- (c) In the addition to the Base Compensation set forth above, NIKE shall pay UNIVERSITY cash bonuses as set forth on Schedule A for each of the indicated performance bonus(es) achieved by the indicated Team for any Contract Year, such bonus(es) to be paid within thirty (30) days of NIKE's receipt of written notification from UNIVERSITY that such bonus(es) has been earned.
- (d) UNIVERSITY acknowledges that two of the principal inducements for NIKE's entrance into this Agreement are (i) the wide-spread national television and other media exposure that the Football and Men's Basketball Programs annually receive, and (ii) the accompanying acknowledgment of NIKE sponsorship through the placement of the NIKE logo, as it currently appears (in terms of size, location placement, color prominence and/or numerosity), on Authentic Competition Apparel and that such continued acknowledgment is of the essence of this Agreement. Accordingly, if in any Contract Year there is a Material Acknowledgment Loss or either the Football or Men's Basketball Program is banned from television appearances, in lieu of NIKE's exercise of its termination right under Paragraph 15 below, then for such Contract Year NIKE shall have the right to reduce UNIVERSITY's scheduled Base Compensation in accordance with the following:

PROGRAM	TV APPEARANCE BAN % REDUCTION
Football	50%
Basketball (M)	20%
Basketball (W)	10%

- (e) If NIKE's logo placement rights are diminished in any manner other than as the result of a Material Acknowledgment Loss, NIKE shall have the right to a reasonable equitable reduction in scheduled Base Compensation to be paid UNIVERSITY going forward taking into account the nature and extent of the diminution of such logo rights, the amount of such reduction to be negotiated by the parties in good faith. If the parties cannot agree upon the amount of a reasonable equitable adjustment, the parties shall submit the matter to non-binding arbitration in accordance with the provisions of Paragraph 18(b) below.
- (f) UNIVERSITY further acknowledges that (i) a third principal inducement for NIKE's entrance into this Agreement is the exposure that the NIKE brand receives through the prominent visibility of the NIKE Swoosh Design logo (or other NIKE logo) that appear on the side (and other locations) of the football shoes worn by members of the football team, (ii) such continued brand exposure is of the essence of this Agreement, and (iii) the "polishing-out", "spatting" or taping of football shoes in any manner so as to cover or obscure any externally visible portion of any shoe is inconsistent with the purpose of this Agreement and the expected benefits to be derived from it by NIKE and is a material breach of this Agreement (other than as specifically permitted under Paragraph 7[a] above). Accordingly, if members of the football team shall polish-out, spat, or otherwise tape their NIKE footwear, in lieu of NIKE's exercise of its termination right under Paragraph 15 below, NIKE in its sole discretion shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation (for the Contract Year in which such polishing-out, spatting or taping occurs) as follows:
 - (1) For each and any game in which five (5) or more players' shoes appear on-field (in game action) polished-out, spat, or taped for any reason (including as permitted under Paragraph 7[a] above) [e.g., if both of a player's shoes are spat then that counts as two such appearances], NIKE shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation by one percent (1%) per shoe (in excess of five shoes) that has been so polished out, spat, or taped, up to a maximum of five percent (5%) per game.
 - (2) For each player that shall appear on-field (in game action) with polished-out, spat, or taped footwear in any season for any reason (other than as specifically permitted under Paragraph 7[a] above) after NIKE has provided UNIVERSITY with written notice of such occurrence by such player, NIKE shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation by two percent (2%) for the next occurrence following such notice, and an additional two percent (2%) for each occurrence by such player thereafter.
- (g) Notwithstanding the foregoing, in the event any UNIVERSITY football player sustains a foot or ankle injury during a game, and UNIVERSITY's football trainer determines in the good faith exercise of the trainer's professional judgment that the player can continue to play in the game only if the player's ankle and shoe are taped, then that player's injured foot shall not count as a taped foot for the duration of the game in which the injury was incurred.

9. STUDENT INTERNSHIP.

In addition to the product support and cash compensation set forth above, NIKE shall fund a paid internship at NIKE's World Headquarters as part of NIKE's "Adrenaline" internship

program for two (2) UNIVERSITY students during each summer this Agreement is in effect. UNIVERSITY shall advertise the availability of the internship and shall pass along to NIKE the information provided by applicants responding to the advertising, but shall have no other influence upon the selection. Selection of the UNIVERSITY intern shall be made in NIKE's sole discretion and in keeping with NIKE's determination of the required qualifications.

10. APPROVALS OF TRADEMARK USE.

- (a) In the event NIKE desires to use the UNIVERSITY's acknowledgment of its sponsorship in any consumer message, NIKE shall first submit a sample or the concept of the proposed message to UNIVERSITY for approval, which approval shall not be unreasonably withheld. Without limiting other examples of the possible reasonable withholding of approval, UNIVERSITY's disapproval of NIKE's concept shall be deemed reasonable if such concept includes a qualitative description of a NIKE Product, price information about a NIKE Product, or any message that otherwise endorses a NIKE Product as such term is interpreted in Section 513(i) of the Internal Revenue Code and related regulations. The parties recognize that UNIVERSITY is more familiar with such regulations than NIKE and it shall be UNIVERSITY's responsibility to exercise its right of approval to manage this potential issue.

UNIVERSITY shall use its best efforts to advise NIKE of its approval or disapproval of the sample or concept within five (5) business days of its receipt thereof. UNIVERSITY's approval, or disapproval, shall be in writing. (If a submission is disapproved, UNIVERSITY's written notice thereof shall set forth in reasonable detail the basis for such disapproval.) Once a submitted sample or concept is approved, NIKE shall not depart therefrom without re-submission of the item and obtaining UNIVERSITY's further approval.

- (b) In the event UNIVERSITY desires to use the NIKE Marks in any advertising or promotion, UNIVERSITY shall first submit a sample or the concept of the proposed advertisement or promotion to NIKE for approval, which approval shall not be unreasonably withheld.

11. TRADEMARK OWNERSHIP.

- (a) NIKE recognizes the value of the UNIVERSITY Marks and acknowledges that the goodwill attached thereto belongs to UNIVERSITY and that nothing in this Agreement serves to assign, convey or transfer to NIKE any rights, title or interest in or to the UNIVERSITY Marks.
- (b) UNIVERSITY recognizes the value of the NIKE Marks and acknowledges that the goodwill attached thereto belongs to NIKE and that nothing in this Agreement serves to assign, convey or transfer to UNIVERSITY any rights, title or interest in or to the NIKE Marks.

12. NIKE RIGHT OF FIRST DEALING & REFUSAL.

- (a) Prior to February 1, 2018 (the "Negotiating Date"), UNIVERSITY shall not engage in discussions or negotiations (nor shall UNIVERSITY permit its agents, attorneys or representatives to do so) with any third-party regarding equipment supply for UNIVERSITY with respect to any Products, or sponsorship of any UNIVERSITY Intercollegiate Athletic Program (or similar supply or promotional arrangement) with

respect to any Products ("Product Supply/Sponsorship Rights") after the Term. It is understood that UNIVERSITY may become aware of third-party items which may be of some utility to the Intercollegiate Athletic Programs and nothing in this subparagraph 12(c) shall prohibit or bar UNIVERSITY from adopting, or discussing or negotiating the adoption of, such items, provided that such items are not Products, and otherwise subject to the provisions hereof.

- (b) During the Term and for a period of one hundred eighty (180) days thereafter, NIKE shall have the right of first refusal for Product Supply/Sponsorship Rights as defined herein, as follows. If UNIVERSITY receives any bona fide third-party offer at any time on or after the Negotiating Date with respect to any Product Supply/Sponsorship Rights, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third-party offer. NIKE shall have fifteen (15) business days from the date of its receipt of such third-party offer to notify UNIVERSITY in writing if it will enter into a new contract with UNIVERSITY on terms no less favorable to UNIVERSITY than the material, measurable and matchable terms of such third-party offer. If NIKE so notifies UNIVERSITY within such 15-day period, UNIVERSITY shall enter into a contract with NIKE on the terms of NIKE's offer. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third-party offer within such 15-day period, UNIVERSITY may thereafter consummate an agreement with such third-party on the terms of the offer made to UNIVERSITY. Prior to the Negotiating Date, UNIVERSITY shall not solicit, consider or present to NIKE, and NIKE shall not be obligated to respond to, any third-party offer for any Product Supply/Sponsorship Rights.

13. RIGHTS FOR NEW PRODUCTS.

From time-to-time during the term of this Agreement, NIKE may add to its Products line one or more items of sports equipment. If at any time during the Term NIKE shall have a bona fide intention to expand its Products line by adding any such item(s), then NIKE shall give UNIVERSITY six (6) months' advance written notice of the particular item(s) then in development by NIKE. Once such item is commercially available and of sufficient good quality to meet UNIVERSITY's subjective reasonable requirements, then such item(s) shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(m) above and "NIKE Products" as defined in Paragraph 1(k) above and covered in all pertinent respects by the terms hereof and UNIVERSITY shall no longer be permitted to source such Products from a manufacturer other than NIKE. Thereafter, UNIVERSITY shall make such new Product item(s) available to Team members, Coaches and/or Staff members, NIKE shall supply UNIVERSITY, free of charge, with sufficient quantities for such purpose to be mutually agreed upon by the parties, including quantities equal to or greater than the quantities of any comparable item(s) which UNIVERSITY, Team members, Coaches and/or Staff members are then receiving from a third-party, and UNIVERSITY shall thereupon distribute, as is appropriate, such new item(s) to Team members, Coaches and/or Staff members for use pursuant to the terms of this Agreement.

14. RIGHT OF TERMINATION BY UNIVERSITY.

UNIVERSITY shall have the right to terminate this Agreement immediately upon written notice to NIKE if:

- (a) NIKE is adjudicated insolvent or declares bankruptcy;

- (b) NIKE fails to make payment to UNIVERSITY of any sum due pursuant to this Agreement within thirty (30) days following NIKE's receipt of written notice from UNIVERSITY that such payment is past due;
- (c) NIKE disparages the quality or performance of the Athletic Program or its Teams, coaches or staff; or
- (d) NIKE breaches any other material provision of this Agreement, which breach NIKE fails to cure within thirty (30) days of NIKE's receipt of written notice from UNIVERSITY specifying the breach.

15. RIGHT OF TERMINATION BY NIKE.

- (a) NIKE shall have the right to terminate this Agreement immediately upon written notice to UNIVERSITY if:
 - (1) The Football or Men's Basketball Program is placed on NCAA probation which results in a television or post-season appearance ban for longer than a single playing season, or UNIVERSITY ceases for any reason to field a Division I team in either sport;
 - (2) Members of any Team fail to wear or use NIKE Products during practices, games, exhibitions, clinics, UNIVERSITY-sponsored sports camps or other official, formal Team-organized occasions during which Team members wear or use Products (including but not limited to photo sessions and interviews), or wear NIKE Products altered, spatted or taped, in violation of the provisions of Paragraph 7 above; provided, however, that NIKE shall have first provided written notice to UNIVERSITY of any such violation and such violation shall then recur during the same Contract Year;
 - (3) Any Coach, Staff or Team member fails to perform any material obligations provided for in this Agreement which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach;
 - (4) UNIVERSITY, the NCAA, the Conference or any assignee thereof (including any licensing agent or broadcast partner of the foregoing) enacts, adopts or accedes to any regulation, restriction, prohibition or practice that results in a Material Acknowledgment Loss;
 - (5) Athletic Department administration, Coaches or Staff disparages the quality or performance of NIKE Products or the brand;
 - (6) UNIVERSITY breaches any warranty or other material term of this Agreement, which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach; or
 - (7) In the event any third-party which is engaged in the manufacture, branding or marketing of Products becomes a "sponsor" in violation of the terms of Paragraph 24(a) below with the understanding that termination under this Paragraph 15(a)(7) will not be effective until the end of the then-current Contract Year and provided UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of such occurrence.

- (b) In the event of termination under this Paragraph 15 or Paragraph 14, UNIVERSITY shall not be entitled to any further compensation under this Agreement, except any unpaid Base Cash Compensation and Performance Bonuses earned prior to the effective date of termination, pro-rated (in the case of Base Cash Compensation) over the entire Contract Year and calculated to the effective date of termination. Alternatively, NIKE shall have the right to receive from UNIVERSITY reimbursement for Base Cash Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled if the Base Cash Compensation were pro-rated over the entire Contract Year, calculated to the effective date of termination. Any such payment shall be due within thirty (30) days of the date of termination.

16. NIKE POST-TERMINATION RIGHTS.

Upon expiration or termination of this Agreement for any reason, NIKE shall have the right to:

- (a) Run any non-cancelable media involving the UNIVERSITY Marks and exhaust all materials which were produced prior to the effective date of expiration or termination; and
- (b) Use, in perpetuity, Game Photos or Game Footage for NIKE in-house exhibition for historical, educational or commemorative purposes but not for sale or other promotional or commercial purposes.

17. INDEMNIFICATION.

NIKE shall defend, indemnify and hold harmless UNIVERSITY, its Board of Trustees, directors, officers, employees and agents (collectively, "UNIVERSITY Parties") from and against all suits, actions, claims, judgments, damages, losses or other liabilities, and all costs and expenses, including reasonable attorney fees, ("Claims") incurred by any UNIVERSITY Parties in connection therewith, arising out of or relating to NIKE's: (i) breach of any material term of this Agreement; or (ii) acts or omissions of NIKE, or those of its employees and/or agents; provided NIKE is given prompt written notice of and shall have the option to undertake and conduct the defense of any such Claim (subject to the Washington Attorney General's statutory authority to appoint legal counsel with respect to UNIVERSITY and approve settlements with respect to UNIVERSITY). In any instance to which the foregoing indemnities pertain, UNIVERSITY Parties shall cooperate fully with and assist NIKE in all respects in connection with any such defense, and no UNIVERSITY Party shall enter into a settlement of such Claim or admit liability or fault on the part of NIKE without NIKE's prior written approval. With respect to Internal Revenue Code Section 513(i) and related regulations, it shall be UNIVERSITY's responsibility to exercise its rights of approval over messages for and about NIKE to ensure that NIKE's payments hereunder are treated as "qualified sponsorship payments." Provided that NIKE complies with all of the approval requirements herein for sponsorship recognition and other messaging, NIKE shall not bear any responsibility for any finding by the Internal Revenue Service which results in the payment of more tax by UNIVERSITY.

18. REMEDIES.

- (a) UNIVERSITY and NIKE agree that, in the event that either party breaches any material term or condition of this Agreement, in addition to any and all other remedies available to the non-breaching party at law or in equity, the non-breaching party shall be entitled to seek injunctive relief from such further violation of this

Agreement, pending litigation as well as on final determination of such litigation, without prejudice to any other right of such other party.

- (b) Any dispute between the parties relating solely to the amount of a reduction to which NIKE shall be entitled pursuant to Paragraph 8(e) above shall be subject to non-binding arbitration under the Dispute Resolution Rules of the American Arbitration Association (the "AAA") then in effect. Such arbitration proceeding shall take place in Seattle before a single mutually agreed arbitrator who shall be a lawyer who is an active member of a state bar and provided such lawyer cannot be a member of either the Washington State Bar or Oregon State Bar. If UNIVERSITY and NIKE cannot agree upon the choice of the arbitrator within ten (10) days of the date the matter is submitted for arbitration, the parties shall request, and accept, assignment of an arbitrator by the AAA. Any arbitration proceeding and decision shall be private and confidential, to the extent permitted under Washington law.

19. NOTICES.

All notices, statements and payments provided for herein shall be in writing and deemed given if sent postage prepaid via registered or certified mail, or by express courier service, to the parties at the addresses given below, or such other addresses as either party may designate to the other. Any written notice shall be deemed to have been given at the time it is sent addressed to the parties as set forth below. It is UNIVERSITY's obligation to notify NIKE of any address change.

NIKE USA, Inc. One Bowerman Drive Beaverton, OR 97005-6453 Attn: Director of Sports Marketing	The University of Washington Dept. of Athletics Graves Building P.O. Box 354070 Seattle, WA 98195-4070 Attn: Athletic Director
cc: Legal Dept., Contracts Specialist (on any notice of breach) Fax: 503-646-6926	cc: Attn: Office of Legal Affairs University of Washington 4333 Brooklyn Ave. NE Seattle, WA 98195 Fax: 206-543-0779
	(on any notice of breach arising out of any breach of Paragraph 8[d]) cc: Director of Athletics Graves Building P.O. Box 354070 Seattle, WA 98195-4070

20. RELATIONSHIP OF PARTIES.

The performance of services for NIKE by UNIVERSITY is in the capacity of independent contractors. Accordingly, nothing contained in this Agreement shall be construed as establishing an employer/employee, partnership or joint venture relationship between UNIVERSITY and NIKE.

21. ASSIGNMENT/DELEGATION/PASS THROUGH.

- (a) This Agreement and the rights and obligations of UNIVERSITY hereunder are personal to UNIVERSITY and shall not be assigned or delegated by UNIVERSITY. Any assignment by UNIVERSITY shall be invalid and of no force or effect and upon any such unauthorized assignment, NIKE may, at its option, immediately terminate this Agreement upon written notice to UNIVERSITY.
- (b) The rights granted to NIKE by UNIVERSITY hereunder are personal to NIKE and shall not be assigned, delegated or passed-through outside of NIKE and its retail accounts without UNIVERSITY's prior approval, which approval shall not be unreasonably withheld.

22. WAIVER.

The failure at any time of UNIVERSITY or NIKE to demand strict performance by the other of any of the terms, covenants or conditions set forth herein shall not be construed as a continuing waiver or relinquishment thereof, and either party may, at any time, demand strict and complete performance by the other party of such terms, covenants and conditions.

23. SEVERABILITY.

Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the validity of the remainder of this Agreement or any other provision and the illegal, invalid or unenforceable provision shall be deemed by the parties as replaced by such substitute provision as shall be drafted by NIKE and approved by UNIVERSITY, in such form and substance as shall be legally valid, and as shall accomplish as near as possible the purpose and intent of the invalidated provision.

24. ADDITIONAL WARRANTIES.

- (a) UNIVERSITY represents and warrants that neither UNIVERSITY nor any Coach nor Staff member is party to any oral or written agreement, contract or understanding which would prevent, limit or hinder the performance of any obligations hereunder of UNIVERSITY, Coaches or Staff. UNIVERSITY further represents and warrants that during the term hereof UNIVERSITY will not (except as provided under Paragraph 5(a) and 7(a) above), without the prior written consent of NIKE:
 - (1) In connection with any Intercollegiate Athletic Program, enter into any endorsement, product supply, promotional, consulting or similar agreement (including the sale of signage or other media) with any person or entity who manufactures or distributes Products other than NIKE. NIKE further agrees that it shall not be a breach of this Agreement for UNIVERSITY to own and operate retail outlets, including without limitation "The Official Team Shop," which may receive signage and promotional benefits in UNIVERSITY's discretion so long as such outlet(s) continue to sell a reasonable selection of NIKE Products;
 - (2) Allow any Coach or Staff member of any Intercollegiate Athletic Program to, in violation of this Agreement, wear and/or use Products sold by any person or entity who manufactures or distributes Products other than NIKE or enter into any endorsement, product supply, promotional, consulting or similar agreement

with any person or entity who manufactures or distributes Products other than NIKE;

- (3) At any camp or clinic conducted by UNIVERSITY, UNIVERSITY shall not sponsor or endorse Products manufactured or sold by any third party;
 - (4) Sell to any person or entity Products purchased or provided hereunder by NIKE or any third-party, provided that it shall not be a violation of this Agreement for UNIVERSITY, on an occasional basis, to offer to sell to the public its used Products, or Products which in good faith it no longer contemplates using for the purposes of this Agreement;
 - (5) Permit the trade name, trademark, name, logo or any other identification of any manufacturer of Products other than NIKE, to appear on signage at home practices, games, exhibitions, clinics, UNIVERSITY-sponsored sports camps, and other official or UNIVERSITY sanctioned Intercollegiate Athletic Program Activities which are controlled by UNIVERSITY; or
 - (6) Approve use by any third-party of any game photographs or footage in which NIKE Marks that appear on Products worn and/or used by a Team member, Coach or Staff have been airbrushed, digitally altered or otherwise obscured.
- (b) UNIVERSITY represents and warrants that it has the full legal right and authority to enter into and fully perform this Agreement in accordance with its terms and to grant to NIKE all the rights granted herein.
- (c) NIKE represents and warrants that all NIKE subcontracted factories used in connection with the manufacture of NIKE Products shall be subject to NIKE internal, and independent external, systematic monitoring for the compliance with the NIKE Code of Conduct, or the Fair Labor Association Workplace Code of Conduct.

25. CONFIDENTIALITY.

UNIVERSITY shall not (nor shall it permit or cause its employees, agents or representatives to) disclose the financial terms of this Agreement, the marketing plans of NIKE, or other confidential material or information disclosed to UNIVERSITY (including information disclosed during audit), to any third-party, except to its trustees or as may be mutually agreed or required by law.

26. CAPTIONS.

Paragraph captions and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of the Agreement or any provision hereof.

27. CONTRACT CONSTRUCTION.

Notwithstanding any provision contained heretofore in this Agreement, the provisions of this Agreement shall be construed in a manner consistent with the intentions of UNIVERSITY and NIKE that all amounts received under this Agreement are qualified sponsorship payments as that term is defined in Section 513(i) of the Internal Revenue Code and related regulations. Consistent with that intent, nothing produced by NIKE under this Agreement shall contain: qualitative or comparative language; price information or other indication of savings or value associated with a product or service; a call to action; an endorsement or an inducement to buy, sell, rent or lease NIKE Products or services.

28. ENTIRE CONTRACT.

As of the effective date hereof, this Agreement shall constitute the entire understanding between UNIVERSITY and NIKE with regard to the specific subject matter hereof and may not be altered or modified except by a written agreement, signed by both parties. Any previous agreements between UNIVERSITY and NIKE with regard to the specific subject matter hereof shall have no further force or effect after June 30, 2009.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the latest date written below.

THE UNIVERSITY OF WASHINGTON

NIKE USA, Inc.

By: _____
Scott Woodward
Acting Athletic Director

By: _____
Tommy Kain
Director, Sports Marketing

By: _____
V'ella Warren
Senior Vice President Finance and Facilities

By: _____
Peter H. Koehler, Jr.
Regional Counsel

Dated: _____

Dated: _____

SCHEDULE A
Performance Bonuses*

BASEBALL	
Pac-10 Champions	\$ 2,500
Super Regional Appearance	\$ 2,500
College World Series	\$ 5,000
National Champions	\$15,000
BASKETBALL (men's)	
Pac-10 Champions	\$10,000
Final Four Appearance	\$25,000
National Champions	\$25,000
BASKETBALL (women's)	
Pac-10 Champions	\$ 5,000
Final Four Appearance	\$10,000
National Champions	\$15,000
CROSS COUNTRY (men's)	
Pac-10 Champions	\$ 2,500
National Champions	\$ 5,000
CROSS COUNTRY (women's)	
Pac-10 Champions	\$ 2,500
National Champions	\$ 5,000
CREW (men's)	
National Champions	\$ 5,000
CREW (women's)	
National Champions	\$ 5,000
FOOTBALL	
Pac-10 Champions	\$ 5,000
Non-BCS Bowl Appearance	\$ 5,000
BCS Bowl Appearance	\$25,000
BCS/National Champions	\$25,000
GOLF (men's & women's) – see Schedule A-1	
SOCCER (men's)	
Pac-10 Champions	\$ 2,500
Final Four Appearance	\$ 2,500
National Champions	\$ 2,500
SOCCER (women's)	
Pac-10 Champions	\$ 2,500
Final Four Appearance	\$ 2,500
National Champions	\$ 2,500

SOFTBALL	
Pac-10 Champions	\$ 2,500
College World Series	\$ 2,500
National Champions	\$ 2,500
INDOOR AND OUTDOOR TRACK & FIELD (men's)	
Pac-10 Champions	\$ 2,500
National Champions	\$ 5,000
INDOOR AND OUTDOOR TRACK & FIELD (women's)	
Pac-10 Champions	\$ 2,500
National Champions	\$ 5,000
GYMNASTICS	
Pac-10 Champions	\$ 1,250
National Champions	\$ 2,500
SWIMMING (men's) see Schedule A-2	
SWIMMING (women's) see Schedule A-2	
VOLLEYBALL	
Pac-10 Champions	\$ 2,500
Final Four Appearance	\$ 2,500
National Champions	\$ 2,500

* Where multiple bonuses may be earned within a sports category, such bonuses are cumulative.

**SCHEDULE A-1
(Men's Golf Program Performance Bonuses)**

TEAM BONUSES	
Wins Conference Championship	\$ 5,000
NCAA Regional Qualifier	\$ 1,000
NCAA Regional Champion	\$ 5,000 or
NCAA Finals Qualifier	\$ 2,000
NCAA Champions	(a) \$25,000 (if additional requirement 1 or 2 below is met) (b) \$50,000 (if additional requirement 3 below is met);OR (c) \$75,000 (if additional requirement 4 below is met)
NCAA 2nd Place	\$10,000
NCAA 4th through 5th Place	\$ 5,000
NCAA 6th through 10th Place	\$ 1,000
NCAA National Coach of the Year	\$ 5,000
INDIVIDUAL FINISHES*	
NCAA Champion	\$ 5,000
US Amateur Champion	\$10,000
USGA Public Links Champion	\$ 5,000
<i>*Athlete must have a NIKE driver and either a set of NIKE irons and /or a NIKE Golf Ball to qualify for bonus.</i>	
COACH*	
Qualifies for and participates in Masters, US OPEN, British Open, or PGA Championship	\$ 5,000
<i>*Must use NIKE golf ball, driver, and 11 other NIKE clubs, footwear, apparel, glove, and headwear to qualify for bonus.</i>	
ADDITIONAL REQUIREMENTS	
In order to receive 100% of the bonuses listed in this Schedule, the team must meet one of the following requirements.	
<ol style="list-style-type: none"> 1. At the conference, regional, and NCAA Finals, 2 of the 5 players must use a NIKE driver, set of (8) NIKE Irons, and use a NIKE golf ball. or 2. Have a total of 11 points on team based on the following values; <ul style="list-style-type: none"> • Driver – 1 pt • Ball – 2 pts • Set of irons (8) – 1pt • Fairway wood – ½ pt • Utility club – ½ pt • Wedge – ½ pt • Putter – ½ pt 3. 3 of 5 players at NCAA Finals use NIKE driver, ball and set of irons (8) 4. 5 of 5 players at NCAA Finals use NIKE driver, ball and set of irons (8) 	
IF A TEAM DOES NOT MEET THE MINIMUM REQUIREMENTS, THE BONUSES WILL BE REDUCED BY 10% FOR EACH POINT UNDER THE REQUIREMENT. THIS IS NOT TO EXCEED 50%.	

IF AN INDIVIDUAL DOES NOT MEET THE MINIMUM REQUIREMENTS, THE BONUSES WILL BE REDUCED BY 50%. IF THE INDIVIDUAL DOES NOT HAVE ANY OF THE REQUIRED PRODUCTS IN PLAY, NO BONUS WILL BE PAID.

**SCHEDULE A-1
(Women's Golf Program Performance Bonuses)**

TEAM BONUSES*	
Wins Conference Championship	\$ 1,000
NCAA Regional Champion	\$ 2,500
NCAA Champions	\$ 5,000
Team bonuses predicated on having at least 2 players on Team using a NIKE driver, NIKE ball and set of NIKE irons	
INDIVIDUAL FINISHES**	
NCAA Champion	\$ 5,000
USGA Amateur Champion	\$ 5,000
<i>**Athlete must have a NIKE driver and either a set of NIKE irons and /or a NIKE golf ball to qualify for bonus.</i>	

**SCHEDULE A-2
(Men's & Women's Swim Program Performance Bonuses)**

If during the Term, UNIVERSITY (or as applicable, a swimmer competes in the relevant event wearing exclusively NIKE product) achieves a performance achievement listed below, then NIKE shall pay UNIVERSITY the respective bonus amount indicated. Any bonus(es) earned hereunder this shall be paid within thirty (30) days of NIKE's receipt from UNIVERSITY of written confirmation that such payment has been earned (e.g., official published results, press release, etc.).

ACHIEVEMENT	BONUS AMOUNT
HEAD COACH BONUSES	
USA Olympic Head Coach	\$10,000
USA Olympic Coach	\$ 5,000
USA World Championship Coach (lc)	\$ 2,000
USA World Championship Coach (sc)	\$ 1,000
USA Pan Pac Coach	\$ 1,000
USA Pan Am Coach	\$ 500
NCAA Champion	\$20,000
NCAA 2 nd Place	\$10,000
NCAA 3 rd Place	\$ 7,500
NCAA 4 th – 6 th Place	\$ 5,000
NCAA 7 th – 10 th Place	\$ 2,500
NCAA 11 th – 15 th Place	\$ 1,000
NCAA 16 th – 20 th Place	\$ 500
INDIVIDUAL ATHLETE BONUSES	
USA Olympic Team - Individual Event (final)	\$ 5,000
USA Olympic Team - Individual Event	\$ 2,000
USA Olympic Team - Relay Event Only (final)	\$ 2,500
USA Olympic Team - Relay Event	\$ 1,000
USA World Championship Team (lc) - Individual Event (final)	\$ 2,000
USA World Championship Team (lc) - Individual Event	\$ 750
USA World Championship Team (lc) - Relay Event Only (final)	\$ 1,000
USA World Championship Team (lc) - Relay Event Only	\$ 500
USA Pan Pac Team - Individual Event (final)	\$ 1,000
USA Pan Am Team	\$ 750
USA World Championship Team (sc) - Individual Event (final)	\$ 750
USA World Championship Team (sc) - Individual Event	\$ 500
USA World Championship Team (sc) - Relay Event Only (final)	\$ 500
USA World Championship Team (sc) - Relay Event Only	\$ 250
Individual National Champion	\$ 1,000

*Bonus paid for individual/relay events will be the greater of the two, not combination of both.

THE UNIVERSITY OF WASHINGTON
APPEARANCE & CONSULTATION AGREEMENT

THIS IS AN AGREEMENT effective on July 1, 2009 by and between The University of Washington, on behalf of its Department of Athletics, having its principal administrative office, for the purpose of this Agreement, at Graves Building, Box 354070, Seattle, Washington 98195-4070 (hereinafter "UNIVERSITY"), and NIKE USA, Inc., an Oregon corporation having its principal offices at One Bowerman Drive, Beaverton, Oregon 97005-6453 (hereinafter "NIKE").

W I T N E S S E T H

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith);

WHEREAS, NIKE is a sports and fitness company engaged in the manufacture, distribution and sale of athletic and athleisure footwear, apparel and related accessories, and desires to support UNIVERSITY and its intercollegiate athletic programs as described below; and

WHEREAS, UNIVERSITY desires to acknowledge NIKE's support of the Department of Athletics as described below;

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions set forth herein, it is agreed as follows:

1. DEFINITIONS.

As used in this Agreement, the terms set forth below shall be defined as follows:

- (a) "BCS Bowl" shall mean, as of the date of execution hereof, any of the following bowl games: Orange Bowl, Sugar Bowl, Fiesta Bowl, and Rose Bowl; and the "National Championship" game. In the event of a material change in the college football bowl structure, the parties shall meet in good faith and devise appropriate language to address the new system.
- (b) "Coach" shall mean an individual employed by UNIVERSITY during the term of this Agreement to act as a head coach of an Intercollegiate Athletic Program.
- (c) "Coach Attributes" shall mean the name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likeness and image or facsimile image, and any other means of identification used by such Coach.
- (d) "Conference" shall mean the intercollegiate athletic conference of which UNIVERSITY is a member for the particular Team or Program at issue herein.
- (e) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the term of this Agreement.
- (f) "Game" shall mean game, match, meet, test or such other competition reference as is appropriate to each individual sport.
- (g) "Intercollegiate Athletic Program(s)" or "Program(s)" shall mean the following organized team intercollegiate sports sponsored by UNIVERSITY: football, men's basketball, women's basketball, men's soccer, women's soccer, baseball, cheerleading/rally squad, men's crew, women's crew, men's golf, women's golf,

gymnastics, softball, men's swimming, women's swimming, men's tennis, women's tennis, men's outdoor track & field, women's outdoor track & field, men's indoor track & field, women's indoor track & field, men's cross country, women's cross country, volleyball, and such other replacement or additional intercollegiate athletic programs as may be established at that campus from time-to-time during the term of this Agreement.

- (h) "Intercollegiate Athletic Program Activities" shall mean all games, practices, exhibitions, scrimmages, team appearances, team photo sessions, UNIVERSITY-sponsored sports camps, and other Team-organized activities (including but not limited to photo shoots and interviews) during which Team members, Coaches, and Staff wear and/or use Products.
- (i) "Material Acknowledgment Loss" shall mean the removal from Authentic Competition Apparel or footwear of camera-visible manufacturer identification (i.e., the NIKE name or the Swoosh Design) from its current placement location, or the adoption by a national television broadcaster of "virtual signage" applied to Football or Men's Basketball game broadcasts which either deletes or obscures manufacturer identification on such Products or replaces it with that of a third party. For purposes of this Agreement, "virtual signage" shall mean use of L-VIS technology or electronic/computer imaging technology that alters, substitutes or replaces NIKE's stadium/arena signage (including NIKE logo identification that appears on uniforms) with other commercial identification that is seen by home television viewers.
- (j) "NCAA" shall mean the National Collegiate Athletic Association or the governing body with jurisdiction over intercollegiate competition in any specific sport.
- (k) "NIKE" shall mean NIKE USA, Inc., its parent NIKE, Inc., and their licensees, distributors, subsidiaries, and any successor company(ies).
- (l) "NIKE Products" shall mean all Products in connection with which, or upon which, the NIKE name, the Swoosh Design, the NIKE AIR Design, the Jumpman Design or any other trademarks or brands (e.g., Jordan, Converse, Umbro) now or hereafter owned and/or controlled by NIKE (collectively, "NIKE Marks") appear.
- (m) "Products" shall mean:
 - (1) all athletic and athletically inspired or derived footwear that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective Intercollegiate Athletic Program Activities;
 - (2) authentic competition apparel consisting of uniforms, sideline or courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, wool and fitted caps, baseball/softball caps and/or visors, windsuits, rainsuits, sideline or courtside pants, shorts and shirts, and similar apparel, and activewear (collectively, "Authentic Competition Apparel") that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective Intercollegiate Athletic Program Activities;
 - (3) all other apparel articles of an athletic or athleisure nature including but not limited to tank-tops, T-shirts, sweatsuits, separates and other body coverings, and accessories of an athletic or athleisure nature, including but

not limited to headwear, headbands, wristbands, bags, travel bags, socks, hand-towels (not including Gatorade or other sport drink towels in the Teams' bench areas), receiver's and linemen's gloves, batting gloves, that members of any Team, Coaches and/or Staff wear or use or may be reasonably expected to wear or use while participating in their respective Intercollegiate Athletic Program Activities; and

- (4) sports equipment including, but not limited to, inflatable balls (specifically including without limitation footballs, basketballs and volleyballs); baseball bats and other baseball equipment (including fielding gloves, and batting helmets); softball equipment (including bats, fielding gloves, batting helmets, and catchers' equipment); non-prescription protective eyewear, eyewear with performance attributes and sunglasses; sports timing devices (including wristwatches, race timers, stopwatches, etc. and devices used for competition or training that are also used in combination with timing devices such as heart-rate monitors or calorimeters; swim accessories, including but not limited to caps, nose clips, ear plugs and water bottles, swim training aids (e.g., kickboards, buoys paddles and fins); golf clubs (but subject to Paragraph 7(a)(iv) of the Product Supply Agreement between the parties), golf balls and golf bags; and such other equipment as NIKE may add to its product lines at any time during the term of this Agreement and subject to the provisions of Paragraph 13 of the Product Supply Agreement, provided that such Products shall meet UNIVERSITY's good faith requirements for quality.
- (n) "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers and any on-field/courtside staff that UNIVERSITY outfits (e.g., ballpersons) employed by UNIVERSITY during the term of this Agreement to provide services to Intercollegiate Athletic Programs.
- (o) "Team" shall mean that group of athletes attending the UNIVERSITY's Seattle campus during the term of this Agreement and comprising the roster of each Intercollegiate Athletic Program.
- (p) "Tier I Bowl" shall mean any of the following non-BCS Bowl games traditionally played on New Year's Day and such additional or replacement New Year's Day bowl games as may be established: the Citrus; Cotton; Gator; or Outback Bowl.
- (q) "UNIVERSITY Marks" shall mean "The University of Washington", "UW", "U of W", "Huskies", and any other recognized reference to the UNIVERSITY; all trademarks registered, filed or obtained by or for the UNIVERSITY in relation to such names; and all logos, marks and/or symbols associated with the UNIVERSITY.
- (r) "UNIVERSITY Web Site[s]" shall mean the official Internet World Wide Web site of the UNIVERSITY's athletic department, presently named <gohuskies.cstv.com>, and/or any other "official" web site designated as such by the UNIVERSITY's athletic department. It is understood that <www.washington.edu> is not included in this definition.

2. TERM.

This Agreement shall remain in full force and effect for a period of ten (10) Contract Years, from July 1, 2009 through June 30, 2019, unless sooner terminated in accordance with the terms and conditions hereof (the "Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

3. APPEARANCES, USE OF COACH ATTRIBUTES.

- (a) In an effort to promote sports participation and the values associated with such participation and to promote UNIVERSITY's athletic programs in particular, each Contract Year, upon reasonable prior notice and subject to any coaching commitment, if so requested by NIKE, UNIVERSITY shall make the Coach of each Intercollegiate Athletic Program available for a minimum of one (1) personal appearance on behalf of NIKE, except that the Coach of the football team and men's and women's basketball teams shall each be made available for up to four (4) appearances, and the Coaches of the men's and women's soccer programs shall each be made available for up to four (4) appearances. No single appearance shall exceed twenty-four (24) hours in duration, including travel time, unless otherwise agreed upon in advance. Such appearances may include, but are not limited to, speaking engagements, appearances at sports clinics, celebrity events and other public appearances. No such appearance shall require any Coach to participate in messaging in any media which contains, in the UNIVERSITY's discretion, comparative or qualitative descriptions of NIKE's products, price information or other indications of savings or value about NIKE's products, any message that otherwise endorses NIKE's products or induces one to purchase or use NIKE's products, or any message that causes NIKE's payments to not be treated as "qualified sponsorship payments" as that term is defined in Internal Revenue Code Section 513(i) and related regulations. The parties recognize that UNIVERSITY is more familiar with such regulations than NIKE and it shall be UNIVERSITY's responsibility to exercise its right of approval to prevent this outcome. In this connection, the parties agree that all determinations regarding compliance with Internal Revenue Code Section 513(i) shall be made in the sole good-faith discretion of UNIVERSITY. UNIVERSITY shall receive no additional compensation for such appearances, it being understood that the consideration for such appearances is encompassed by the Compensation paid to UNIVERSITY pursuant to Paragraph 5 below.
- (b) Once during the Term, upon reasonable prior notice and subject to any other playing commitments, and if permitted under applicable NCAA and/or Conference rules or regulations, UNIVERSITY shall make its teams (e.g., men's and women's basketball, soccer), as requested by NIKE, available to participate in NIKE-sponsored tournaments.
- (c) In the event that NIKE determines, in its sole discretion, that it would be beneficial to have UNIVERSITY attend a NIKE training session, workshop, or other similar sponsor/client development opportunity, NIKE may, in NIKE's discretion, invite UNIVERSITY to attend such opportunity, and in such event, NIKE would be obligated to pay all costs, including but not limited to all travel expenses, of attendance by the number of UNIVERSITY staff members invited by NIKE, such staff members to be selected by UNIVERSITY's Athletic Director.
- (d) NIKE shall pay all reasonable and necessary travel and related expenses of each Coach, or the basketball team if applicable, in connection with any appearance hereunder.
- (e) In addition to the foregoing, subject to UNIVERSITY's prior approval in accordance with its approval rights under the parties' Product Supply Agreement with regard to NIKE's use of UNIVERSITY Marks, and consistent with subparagraph (a) above,

NIKE shall be permitted to use Coach Attributes in connection with acknowledgments of NIKE's sponsorship of UNIVERSITY's Intercollegiate Athletic Programs.

4. DESIGN CONSULTATION.

- (a) NIKE shall continue its efforts to produce high quality Products through consultation with coaches and staff of successful athletic programs such as UNIVERSITY and whose full cooperation is important to NIKE, as such individuals have knowledge that can be useful in the research, development and production of NIKE Products. UNIVERSITY shall assist in such process in an effort to ensure Team members' safety and to provide the best available equipment to Teams and to enhance the competitiveness of Teams. Upon request by NIKE, UNIVERSITY shall use its best efforts to provide NIKE with written or oral feedback from Coaches and Staff designated by NIKE concerning the NIKE Products supplied to each through NIKE's product development and testing program. Such reports shall address the fit, wear characteristics, materials and construction techniques of such Products.
- (b) In an effort to ensure Team members' safety, comfort and competitiveness, UNIVERSITY shall require its coaches, as requested by NIKE, to test such specific models and/or styles of NIKE Products as NIKE may designate from time-to-time. Teams shall wear any NIKE model and/or style as they and their coaches may reasonably choose (consistent with NIKE's requests whenever possible).

5. CASH COMPENSATION.

Each Contract Year NIKE shall pay UNIVERSITY Cash Compensation in the amount of One Hundred Thousand Dollars (\$100,000) as follows: Seventy-Five Thousand Dollars (\$75,000) for appearances; and Twenty-Five Thousand Dollars (\$25,000) for design and marketing consultation paid in two (2) equal semi-annual installments to be made on July 1 and January 1 of each Contract Year.

6. NIKE RIGHT OF FIRST DEALING & REFUSAL.

- (a) Prior to February 1, 2018 (the "Negotiating Date"), UNIVERSITY shall not engage in discussions or negotiations (nor shall UNIVERSITY permit its agents, attorneys or representatives to do so) with any third-party regarding equipment supply for UNIVERSITY with respect to any Products, or sponsorship of any UNIVERSITY Intercollegiate Athletic Program (or similar supply or promotional arrangement) with respect to any Products ("Product Supply/Sponsorship Rights") after the Term. It is understood that UNIVERSITY may become aware of third-party items which may be of some utility to the Intercollegiate Athletic Programs and nothing in this subparagraph 6(c) shall prohibit or bar UNIVERSITY from adopting, or discussing or negotiating the adoption of, such items, provided that such items are not Products, and otherwise subject to the provisions hereof.
- (b) During the Term and for a period of one hundred eighty (180) days thereafter, NIKE shall have the right of first refusal for Appearance and Consultation Rights as defined herein, as follows. If UNIVERSITY receives any bona fide third-party offer at any time on or after the Negotiating Date with respect to any Appearance and Consultation Rights, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third-party offer. NIKE shall have fifteen (15) business days from the date of its receipt of such third-party offer to notify UNIVERSITY in

writing if it will enter into a new contract with UNIVERSITY on terms no less favorable to UNIVERSITY than the material, measurable and matchable terms of such third-party offer. If NIKE so notifies UNIVERSITY within such 15-day period, UNIVERSITY shall enter into a contract with NIKE on the terms of NIKE's offer. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third-party offer within such 15-day period, UNIVERSITY may thereafter consummate an agreement with such third party on the terms of the offer made to UNIVERSITY. Prior to the Negotiating Date, UNIVERSITY shall not solicit, consider or present to NIKE, and NIKE shall not be obligated to respond to, any third-party offer for any Appearance and Consultation Rights.

7. RIGHT OF TERMINATION BY UNIVERSITY.

UNIVERSITY shall have the right to terminate this Agreement immediately upon written notice to NIKE if:

- (a) NIKE is adjudicated insolvent or declares bankruptcy;
- (b) NIKE fails to make payment to UNIVERSITY of any sum due pursuant to this Agreement within thirty (30) days following NIKE's receipt of written notice from UNIVERSITY that such payment is past due;
- (c) NIKE disparages the quality or performance of the Athletic Program or its Teams, coaches or staff; or
- (d) NIKE breaches any other material provision of this Agreement, which breach NIKE fails to cure within thirty (30) days of NIKE's receipt of written notice from UNIVERSITY specifying the breach.

8. RIGHT OF TERMINATION BY NIKE.

- (a) NIKE shall have the right to terminate this Agreement immediately upon written notice to UNIVERSITY if:
 - (1) Any Coach or Staff member fails to perform any material obligation provided for in this Agreement which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach;
 - (2) Athletic Department administration, Coaches or Staff disparages the quality or performance of NIKE Products or the brand; or
 - (3) UNIVERSITY breaches any warranty or other material term of this Agreement, which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach.
 - (4) In the event of the termination (for any reason) of any other agreement between the parties, if any such agreements shall exist at the time.
- (b) In the event of termination under this Paragraph or Paragraph 7, UNIVERSITY shall not be entitled to any further compensation under this Agreement, except any unpaid Cash Compensation, pro-rated over the entire Contract Year and calculated to the effective date of termination. Alternatively, NIKE shall have the right to receive from UNIVERSITY reimbursement for Cash Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled if the Cash Compensation were pro-rated over the entire Contract Year, calculated to the

effective date of termination. Any such payment shall be due within thirty (30) days of the date of termination.

9. INDEMNIFICATION.

NIKE shall defend, indemnify and hold harmless UNIVERSITY, its Board of Trustees, directors, officers, employees and agents (collectively, "UNIVERSITY Parties") from and against all suits, actions, claims, judgments, damages, losses or other liabilities, and all costs and expenses, including reasonable attorney fees, ("Claims") incurred by any UNIVERSITY Parties in connection therewith, arising out of or relating to NIKE's: (i) breach of any material term of this Agreement; or (ii) acts or omissions of NIKE, or those of its employees and/or agents; provided NIKE is given prompt written notice of and shall have the option to undertake and conduct the defense of any such Claim (subject to the Washington Attorney General's statutory authority to appoint legal counsel with respect to UNIVERSITY and approve settlements with respect to UNIVERSITY). In any instance to which the foregoing indemnities pertain, UNIVERSITY Parties shall cooperate fully with and assist NIKE in all respects in connection with any such defense, and no UNIVERSITY Party shall enter into a settlement of such Claim or admit liability or fault on the part of NIKE without NIKE's prior written approval. With respect to Internal Revenue Code Section 513(i) and related regulations, it shall be UNIVERSITY's responsibility to exercise its rights of approval over messages for and about NIKE to ensure that NIKE's payments hereunder are treated as "qualified sponsorship payments." Provided that NIKE complies with all of the approval requirements herein for sponsorship recognition and other messaging, NIKE shall not bear any responsibility for any finding by the Internal Revenue Service which results in the payment of more tax by UNIVERSITY.

10. REMEDIES.

UNIVERSITY and NIKE agree that, in the event that either party breaches any material term or condition of this Agreement, in addition to any and all other remedies available to the non-breaching party at law or in equity, the non-breaching party shall be entitled to seek injunctive relief from such further violation of this Agreement, pending litigation as well as on final determination of such litigation, without prejudice to any other right of such other party.

11. NOTICES.

All notices, statements and payments provided for herein shall be in writing and deemed given if sent postage prepaid via registered or certified mail, or by express courier service or facsimile with confirmed delivery, to the parties at the addresses given below, or such other addresses as either party may designate to the other. Any written notice shall be deemed to have been given at the time it is sent addressed to the parties as set forth below. It is UNIVERSITY's obligation to notify NIKE of any address change.

NIKE USA, Inc. One Bowerman Drive Beaverton, OR 97005-6453 Attn: Director of Sports Marketing	The University of Washington Dept. of Athletics Graves Building P.O. Box 354070 Seattle, WA 98195-4070 Attn: Athletic Director
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cc: Legal Dept., Contracts Specialist (on any notice of breach) Fax: 503-646-6926	cc: Attn: Office of Legal Affairs University of Washington 4333 Brooklyn Ave. NE Seattle, WA 98195 Fax: 206-543-0779
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12. RELATIONSHIP OF PARTIES.

The performance of services for NIKE by UNIVERSITY is in the capacity of independent contractors. Accordingly, nothing contained in this Agreement shall be construed as establishing an employer/employee, partnership or joint venture relationship between UNIVERSITY and NIKE.

13. ASSIGNMENT/DELEGATION/PASS THROUGH.

- (a) This Agreement and the rights and obligations of UNIVERSITY hereunder are personal to UNIVERSITY and shall not be assigned or delegated by UNIVERSITY. Any assignment by UNIVERSITY shall be invalid and of no force or effect and upon any such unauthorized assignment, NIKE may, at its option, immediately terminate this Agreement upon written notice to UNIVERSITY.
- (b) The rights granted to NIKE by UNIVERSITY hereunder are personal to NIKE and shall not be assigned, delegated or passed-through outside of NIKE and its retail accounts without UNIVERSITY's prior approval, which approval shall not be unreasonably withheld.

14. WAIVER.

The failure at any time of UNIVERSITY or NIKE to demand strict performance by the other of any of the terms, covenants or conditions set forth herein shall not be construed as a continuing waiver or relinquishment thereof, and either party may, at any time, demand strict and complete performance by the other party of such terms, covenants and conditions.

15. SEVERABILITY.

Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the validity of the remainder of this Agreement or any other provision and the illegal, invalid or unenforceable provision shall be deemed by the parties as replaced by such substitute provision as shall be drafted by NIKE, and approved by UNIVERSITY, in such form and substance as shall be legally valid, and as shall accomplish as near as possible the purpose and intent of the invalidated provision.

16. ADDITIONAL WARRANTIES.

UNIVERSITY represents and warrants that:

- (a) Neither UNIVERSITY nor any Coach nor Staff member is party to any oral or written agreement, contract or understanding which would prevent, limit or hinder the performance of any obligations hereunder of UNIVERSITY, Coaches or Staff. UNIVERSITY further represents and warrants that during the term hereof UNIVERSITY will not, without the prior written consent of NIKE:

- (1) Allow any Coach or Staff member to wear and/or use athletic footwear or other Products sold by any manufacturer or seller other than NIKE during Intercollegiate Athletic Program Activities. NIKE acknowledges that any Coach's wearing of non-athletic footwear and apparel in connection with his or her official coaching duties, as appropriate, shall not constitute a breach of this agreement;
 - (2) Sponsor, enter into, or allow any Coach or Staff member to enter into, any sponsorship, product supply or similar agreement for athletic footwear or other Products with any manufacturer or seller other than NIKE; or
 - (3) Knowingly take any action inconsistent with acknowledging NIKE's sponsorship, or allow any Coach or Staff member to take any such action.
- (b) It has the full legal right and authority to enter into and fully perform this Agreement in accordance with its terms and to grant to NIKE all the rights granted herein.

17. CONFIDENTIALITY.

UNIVERSITY shall not (nor shall it permit or cause its employees, agents or representatives to) disclose the financial terms of this Agreement, the marketing plans of NIKE, or other confidential material or information disclosed to UNIVERSITY (including information disclosed during audit), to any third party, except to its trustees or as may be mutually agreed or required by law.

18. CAPTIONS.

Paragraph captions and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of the Agreement or any provision hereof.

19. CONTRACT CONSTRUCTION.

Notwithstanding any provision contained heretofore in this Agreement, the provisions of this Agreement shall be construed in a manner consistent with the intentions of UNIVERSITY and NIKE that all amounts received under this Agreement be payments for appearances designed to acknowledge NIKE's sponsorship of UNIVERSITY's Intercollegiate Athletic Programs and to compensate UNIVERSITY for its consultation related to Product performance. Consistent with that intent, nothing produced by NIKE under this Agreement shall contain: qualitative or comparative language; price information or other indication of savings or value associated with a product or service; a call to action; an endorsement or an inducement to buy, sell, rent or lease NIKE Products or services.

20. ENTIRE CONTRACT.

As of the effective date hereof, this Agreement shall constitute the entire understanding between UNIVERSITY and NIKE with regard to the specific subject matter hereof and may not be altered or modified except by a written agreement, signed by both parties. Any previous agreements between UNIVERSITY and NIKE with regard to the specific subject matter and Term hereof shall have no further force or effect after June 30, 2009.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be

executed as of the latest date written below.

THE UNIVERSITY OF WASHINGTON

NIKE USA, Inc.

By: _____
Scott Woodward
Acting Athletic Director

By: _____
Tommy Kain
Director of Sports Marketing

By: _____
V'Elia Warren
Senior Vice President Finance and Facilities

By: _____
Peter H. Koehler, Jr.
Regional Counsel

Dated: _____

Dated: _____