

## UNIVERSITY OF ILLINOIS ALL-SPORTS AGREEMENT

THIS IS AN AGREEMENT made and entered into by and between The Board of Trustees of the University of Illinois ("UNIVERSITY"), a body corporate and politic of the State of Illinois whose mailing address is c/o Director of Athletics, The Bielfeldt Athletic Administration Building, 1700 S. 4th Street, Champaign, Illinois 61820, and NIKE USA, Inc. ("NIKE"), an Oregon corporation, having its principal place of business at One Bowerman Drive, Beaverton, Oregon 97005.

### WITNESSETH

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith) 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 the University of Illinois or its intercollegiate athletic programs; and

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 certain of its intercollegiate athletic programs 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) "NIKE Group" shall mean NIKE USA, Inc., NIKE Retail Services, Inc. (d/b/a/ NikeTown), their parent company NIKE, Inc., their licensees, distributors, subsidiaries and any successor company.
- (b) "UNIVERSITY Marks" shall mean the identification University of Illinois, the nickname "Fighting Illini", and all other names, nicknames, mascots, identifications, trademarks, service marks, logographics and/or symbols, and any other recognized reference to UNIVERSITY or its athletics programs.
- (c) "Covered Program(s)" shall mean the following varsity intercollegiate athletic programs which are fielded by UNIVERSITY and have full-time coaches and scholarship athletes: football; basketball (men's & women's); baseball; track & field/cross country (men's & women's); tennis (men's & women's); golf (men's & women's); gymnastics (men's & women's); women's volleyball; women's swimming; wrestling; softball; women's soccer; and cheerleading, and such other replacement or additional varsity intercollegiate athletic programs as may be established from time-to-time during the term.
- (d) "Flagship Program(s)" shall mean the following Covered Programs: football; and men's basketball.
- (e) "Team" shall mean that group of athletes attending the Urbana-Champaign campus of UNIVERSITY during the term of this Agreement and comprising the roster of each Covered Program.
- (f) "Coach" shall mean an individual employed during the term of this Agreement to act as a head coach of a Covered Program.

- (g) "Coach Properties" shall mean the Coach's name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likeness and image or facsimile image, and any other means of endorsement used by such Coach.
- (h) "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers and any on-field/courtside staff (e.g., ballpersons, basketball stat crews, etc.) employed by UNIVERSITY during the term of this Agreement to provide services to any Covered Program.
- (i) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through July 30 during the term of this Agreement.
- (j) "NCAA" shall mean the National Collegiate Athletic Association.
- (k) "Conference" shall mean the intercollegiate athletic conference of which a Covered Program is a member (e.g., the Big Ten).
- (l) "Products" shall mean:
  - (1) all athletic and athletically inspired or derived footwear (specifically including skates) that members of any of Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective sport;
  - (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, windsuits, rainsuits, sideline or courtside pants, shorts and shirts, and similar apparel, practicewear, thermal wear and performance undergarments (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 sport;
  - (3) all other apparel articles of an athletic or athleisure nature including but not limited to polo shirts, golf shirts, 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, socks, hand-towels, receiver's and linemen's gloves, baseball gloves (subject to Paragraph 3(b) below), softball fielding gloves, batting gloves, golf gloves, weight training gloves and accessories, elbow and knee pads 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 sport;
  - (4) competition balls (i.e., basketballs, football; volleyballs, softballs, golf balls);
  - (5) protective eyewear, eyewear with performance attributes and sunglasses;
  - (6) sports timing devices (including wrist watches, 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);
  - (7) Baseball bats (subject to Paragraph 3(b) below) and golf clubs; and

- (8) 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 16 below.
- (m) "NIKE Products" shall mean all Products in connection with which, or upon which, the NIKE name, the Swoosh Design, the NIKE AIR Design, the Basketball Player Silhouette ("Jumpman") Design or any other trademarks or brands (e.g., Brand Jordan, Bauer, Sports Specialties, SPL.28) now or hereafter owned and/or controlled by NIKE (collectively, "NIKE Marks") appear.
  - (n) "Celebration Apparel" shall mean a product (e.g., T-shirts or caps) bearing UNIVERSITY Marks which is designed to commemorate the UNIVERSITY's victory in an applicable championship (e.g., victory in a bowl game, tournament or national championship) which is commonly worn by Team members, Coaches and Staff immediately following the event on-field/on-court, in the locker room, and/or at a UNIVERSITY-sponsored celebration of the championship, and also includes any replica item of apparel which thereafter is made available for sale to the public.
  - (o) "Internet Content" shall mean text, graphics, photographs, film, video, audio and/or other data or information.
  - (p) "Internet" shall mean a global network of interconnected computer networks or other devices which is used to transmit Internet Content that is directly or indirectly delivered to a computer or other device for display to a user thereof, whether such Internet Content is delivered through on-line browsers, off-line browsers, "push" technology, electronic mail, broadband distribution (whether cable, DSL or otherwise), satellite, telephony, wireless or any other means whether now known or hereafter created.
  - (q) "Athletics Websites" shall mean [www.fightingillini.com](http://www.fightingillini.com) or any successor Website thereto and any other now existing or hereafter created Website owned and/or controlled by UNIVERSITY's Athletic Department excluding [www.uiuc.edu](http://www.uiuc.edu).
  - (r) "NIKE Websites" shall mean [www.nike.com](http://www.nike.com), [www.nikebiz.com](http://www.nikebiz.com) or any successor Website thereto and any other now existing or hereafter created Website owned and/or controlled by NIKE.

## 2. TERM.

This Agreement shall remain in full force and effect for a period of ten (10) Contract Years, from July 1, 2006 through June 30, 2016 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. GRANT OF RIGHTS, PRE-EXISTING AGREEMENTS.

- (a) UNIVERSITY hereby grants to NIKE, and NIKE hereby accepts:
  - (1) The designation as "the exclusive supplier of the athletic footwear, apparel and accessory products of (each Covered Program)" and "the exclusive athletic footwear, apparel and accessories sponsor of (each Covered Program)", "the exclusive supplier of the athletic footwear of the Covered Program", "the exclusive athletic footwear sponsor of the Covered

Program" and/or such similar designations as the parties may agree upon (collectively, the "Designations").

- (2) The right to utilize (subject to the approval provisions of Paragraph 13 below) the UNIVERSITY Marks, Coach Properties and/or Designations worldwide, in any media (now known or hereafter created) including, but not limited to, the Internet, CD-ROM and other interactive and multi-media technologies, in connection with the advertising, marketing and promotion (including in programming in any and all media including the Internet) of NIKE Products, NIKE brands, and any of the NIKE Websites and in the creation, production, distribution of Internet Content. Such rights shall specifically include, but shall not be limited to, the following:
  - (i) The exclusive right to supply Products to each Covered Program and to use the appropriate Designations.
  - (ii) The right to use in Internet Content on the Internet, in accordance with the terms of this Agreement and subject to applicable NCAA rules and regulations with respect to the depiction of eligible athletes, game photographs, video, audio, text, graphics, film footage and/or any other data, materials or information (e.g., statistics, biographical profiles, archival materials, etc.) of any and all Covered Programs whether created by NIKE (or its agent) or controlled by UNIVERSITY (collectively, "UNIVERSITY Content"). In connection therewith, at NIKE's request, UNIVERSITY shall permit NIKE to utilize, consistent with this Paragraph 3, UNIVERSITY Content (owned and/or controlled by UNIVERSITY or created by NIKE (or its agent)), without a use fee, other than reasonable search and edit charges.
- (b) NIKE acknowledges that UNIVERSITY is party to pre-existing agreements with respect to product supply of baseball bats and baseball gloves. UNIVERSITY represents and warrants that set forth on Exhibit A hereto is a true and complete list of each company with whom UNIVERSITY has such an agreement, and the expiration date of such agreements. The parties agree that upon the expiration of each such agreement, the covered program (and any Coach thereof, subject to expiration of any relevant personal services agreement) shall, subject to mutually acceptable additional compensation to replace that which UNIVERSITY was then-receiving from a third-party for the use of its products), be deemed subject to all terms and conditions of this Agreement.

#### 4. RETAIL LICENSES.

UNIVERSITY shall cause its licensing agent (currently the Collegiate Licensing Company) to grant to NIKE and maintain in full force and effect during the Term, a standard retail license or licenses (which shall include the mutually agreed labor practices requirements of UNIVERSITY's licensing agent) granting NIKE worldwide rights with respect to the manufacture and sale at retail of Products, and such additional products as NIKE may request to be added from time-to-time during the Term subject to UNIVERSITY's reasonable approval. UNIVERSITY further agrees that the royalty rate payable by NIKE with respect to such license or licenses shall be

eight percent (8%) through the conclusion of the 5th Contract Year, but thereafter may be increased up to the UNIVERSITY's then-prevailing rate but in no event greater than ten percent (10%). UNIVERSITY acknowledges that no royalty shall be payable on product provided free of cost for UNIVERSITY, Team, Coach or Staff use. NIKE acknowledges that the license rights granted pursuant to this Paragraph 4 do not extend to the manufacture and/or sale of Celebration Apparel.

5. CASH CONSIDERATION.

- (a) Base Compensation. Each Contract Year, as consideration for the rights granted under this Agreement, NIKE shall pay to UNIVERSITY (subject to Paragraphs 12, 18 and 20 below) Base Compensation in the amount of Three Hundred Twenty-Five Thousand Dollars (\$325,000). All annual amounts payable under this Paragraph shall be paid in two (2) equal semi-annual installments to be made on July 1 and January 1 of each Contract Year.
- (b) Performance Bonuses. In the event that the indicated team achieves any of the following performances during any Contract Year, NIKE shall pay UNIVERSITY the respective Performance Bonus(es) indicated below within thirty (30) days of NIKE's receipt of written verification from UNIVERSITY that the relevant performance has been achieved.

|                                          |          |
|------------------------------------------|----------|
| B.C.S. Game Appearance                   | \$25,000 |
| Men's Basketball Final Four Appearance   | \$25,000 |
| Women's Basketball Final Four Appearance | \$10,000 |

- (c) Commitment Bonus. In addition to the foregoing, NIKE shall pay UNIVERSITY a one-time commitment payment of Five Hundred Thousand Dollars (\$500,000) within thirty (30) days of full execution of this Agreement.

6. NIKE PRODUCT CONSIDERATION.

In further consideration for the rights granted under this Agreement, each Contract Year, Athletic Department shall be entitled to order directly from NIKE, and receive, the below-indicated amounts of mutually determined sport-appropriate NIKE Product for use by (or in connection with) the Covered Programs, by Coaches, Staff and members of the Athletic Department through the "NIKE by Mail" program, and by (or in connection with) UNIVERSITY and/or Coach associated camps and clinics. The aggregate retail value of supplied product that Athletic Department may order for each Contract Year shall be as set forth in the table below (each, an annual "Supplied Product Limit").

|                              |             |
|------------------------------|-------------|
| 1st Contract Year (2006-07)  | \$1,100,000 |
| 2nd Contract Year (2007-08)  | \$1,100,000 |
| 3rd Contract Year (2008-09)  | \$1,100,000 |
| 4th Contract Year (2009-10)  | \$1,100,000 |
| 5th Contract Year (2010-11)  | \$1,100,000 |
| 6th Contract Year (2011-12)  | \$1,200,000 |
| 7th Contract Year (2012-13)  | \$1,200,000 |
| 8th Contract Year (2013-14)  | \$1,200,000 |
| 9th Contract Year (2014-15)  | \$1,200,000 |
| 10th Contract Year (2015-16) | \$1,200,000 |

In addition to any Product ordered for the football program pursuant to the foregoing, NIKE shall provide UNIVERSITY with 100 pairs of football shoes for each post-season bowl in which the football team participates.

The exact styles, sizes and delivery dates and, where appropriate, quantities of NIKE Products ordered under this Paragraph shall be mutually determined by NIKE and UNIVERSITY for each such Contract Year. Each such Contract Year, if UNIVERSITY desires quantities of NIKE Product in excess of that provided under the annual Supplied Product Limit, UNIVERSITY may order and purchase such additional quantities of the NIKE Products at NIKE's published wholesale prices (or on terms as otherwise provided under Paragraphs 6(a) and (b) below), subject to availability and NIKE standard sales terms and conditions. In no event shall UNIVERSITY Athletic Department purchase any Products (including footwear and core basic apparel – e.g., t-shirts, shorts, fleece and socks) from any third-party without NIKE's approval. All Product to be supplied by NIKE hereunder shall be delivered F.O.B. to UNIVERSITY. Only properly submitted orders from UNIVERSITY's head Equipment Manager shall be filled by NIKE.

- (a) Each Contract Year and provided UNIVERSITY has then ordered at least 350 pairs of football shoes for such year, UNIVERSITY shall be entitled to order direct from NIKE, on a "2 for 1" basis, additional football shoes for use by the Team, at the same time UNIVERSITY submits their annual order for the Products. For purposes of this subsection, "2 for 1" shall mean that for every two (2) pairs of football shoes purchased from NIKE, UNIVERSITY shall receive from NIKE, free of charge, one (1) pair of football shoes. (By way of example illustrating the foregoing, if for the 2006 Season UNIVERSITY has placed an initial order for 350 pairs of football shoes and to be credited against its annual Supplied Product Limit, then places a subsequent single purchase order that season for an additional 150 pairs of football shoes—UNIVERSITY would pay published wholesale price for 100 pairs, and would receive 50 pairs free of charge.)
- (b) In addition, each Contract Year and provided UNIVERSITY has then ordered at least 500 pairs of football gloves for such year, UNIVERSITY shall be entitled to order direct from NIKE, on a "1 for 1" basis, additional football gloves for use by the Team, at the same time UNIVERSITY submits their annual order for the Products. For purposes of this paragraph, "1 for 1" shall mean that for every pair of football gloves, purchased from NIKE, UNIVERSITY shall receive from NIKE, free of charge, one (1) pair of football gloves. (By way of example illustrating the foregoing, if for the 2006 Season UNIVERSITY has placed an initial order for 500 pairs of gloves and to be credited against its annual Supplied Product Limit, then places a subsequent single purchase order that season for an additional 100 pairs of gloves—UNIVERSITY would pay published wholesale price for 50 pairs, and would receive 50 pairs free of charge.)

NIKE shall not be liable to UNIVERSITY, any Team member, Coach, or Staff for any injury or damage suffered from wearing or using NIKE Products, except such injury or damage resulting from NIKE's adjudicated negligence. *To the extent permitted under the laws of the State of Illinois, UNIVERSITY specifically waives, only as*

against NIKE, all express warranties, and implied warranties of merchantability and fitness for a particular purpose.

7. NIKE PRODUCT ORDERING, DELIVERY & LOGO USE ON PRODUCT.

- (a) UNIVERSITY acknowledges that annual product allotments shall be delivered to UNIVERSITY generally one (1) month prior to the start of the regular season for each Covered Program and that annual allotments must typically be ordered 9-12 months in advance of each season to ensure timely delivery. Provided UNIVERSITY places all its orders by the October 1 preceding any Contract Year, the annual product allotment for each Covered Program shall be delivered to UNIVERSITY by the following dates during such Contract Year:

|                                  |             |
|----------------------------------|-------------|
| Football                         | August 1    |
| Men's/Women's Basketball         | October 1   |
| All other Fall Athletic Programs | September 1 |
| All Spring Athletic Programs     |             |
| Basics                           | September 1 |
| Uniforms                         | December 1  |

Notwithstanding the foregoing, however, if approved in writing by UNIVERSITY (such approval not to be unreasonably withheld), certain products within a Covered Program's product allotment may be delivered later than the date specified above, depending on their date of actual use, furthermore, UNIVERSITY acknowledges that, once apparel ordering deadlines have been met, product delivery may be staggered in accordance with a mutually agreed priority schedule. (By way of example, with respect to football product, footwear and practice wear would be delivered by July 1st, game uniforms by photo day, and cold weather wear by October 1st.)

- (b) UNIVERSITY acknowledges that the placement of the NIKE logo, as it is currently permitted by the NCAA and now placed by NIKE (in terms of size, location placement, color contrast/prominence and/or number of placements), on Authentic Competition Apparel is a bargained for material benefit contemplated by NIKE under this Agreement and that such continued degree of manufacturer logo prominence on competition product is of the essence of this Agreement. Accordingly, during the Term, UNIVERSITY shall take no action that shall have the effect of relocating (except for a more favorable placement should a subsequent relaxation in rules so permit), reducing, or restricting NIKE's logo placement rights on product as such logo now appears and is permitted by current relevant NCAA rules or regulations including, but not limited to, NCAA Rule 12.5.5. Notwithstanding anything contained in this subparagraph, UNIVERSITY further acknowledges that nothing herein shall be construed as a restriction of any right of NIKE to avail itself of such more favorable presentation or placement of its logo (e.g., size, color contrast, number of placements, location of placement, etc.) as may be currently permitted under NCAA, Conference and/or other applicable rules, or hereafter permitted by any subsequent relaxation in NCAA, Conference and/or other applicable rules.

## 8. NIKE SPONSOR BENEFITS.

Each Contract Year, UNIVERSITY shall provide NIKE with a package of complimentary sponsor benefits the mix of which will be mutually determined on an annual basis but to include at a minimum the following elements:

- (a) NIKE shall receive season tickets to home games (and neutral site games as indicated below) for each Covered Program in accordance with the following:

| PROGRAM                                                                | No. TICKETS |
|------------------------------------------------------------------------|-------------|
| Football (between the 30 yard lines)                                   | 8           |
| Football Bowl Games (best available)                                   | 12          |
| Basketball (M)                                                         | 8           |
| Basketball Tournament (M)<br>(Conference & NCAA or NIT, if applicable) | 12          |
| Basketball (W)                                                         | 4           |
| Basketball Tournament (W)<br>(Conference & NCAA or NIT, if applicable) | 12          |
| Other Ticketed Programs                                                | 4           |

Each Contract Year, NIKE shall receive: (i) fifty (50) tickets (i.e., 46 tickets in addition to NIKE's 4 season tickets) to one mutually agreed upon football game; (ii) twenty-five (25) tickets (i.e., 17 tickets in addition to NIKE's 8 season tickets) to one mutually agreed upon men's basketball game. UNIVERSITY shall use best efforts so that all tickets provided under the foregoing provisions shall be for adjacent seats. UNIVERSITY shall use best efforts to fulfill NIKE's purchase requests for such additional quantities of tickets as it may reasonably request, such tickets to be best available and at face-value.

- (b) Four (4) "VIP" parking passes at all football and basketball games.
- (c) The opportunity to stage outside Memorial Stadium promotional events and/or contests around designated UNIVERSITY home football games, which events or contests may occur pre-game, during half-time or post-game, subject to the approval of UNIVERSITY, which approval shall not be unreasonably withheld.
- (d) NIKE shall receive venue signage as follows in which it may prominently display the NIKE logo, NIKE.com and/or other NIKE trademark or message as NIKE may designate from time-to-time: (i) prominent, camera-visible game-day signage in UNIVERSITY's football stadium located on main scoreboard at the north end of the stadium (panel is 10' x 34'); (ii) prominent, camera-visible game-day signage in UNIVERSITY's basketball arena on main scoreboard (panel size is 5' x 12'); and (iii) scoreboard panel (size 5' x 6') in Huff Hall during UNIVERSITY home women's volleyball matches and at summer camps, the placement and size of which to be mutually agreed upon. UNIVERSITY shall be responsible for producing and installing the signs and all costs associated with such activity. Any costs relating to changes to the installed signage initiated by NIKE more frequently than once every two (2) years shall be the sole responsibility of NIKE. The NIKE logo identification or message shall comply with the requirements of 26 USC 513 to qualify the payment to the UNIVERSITY as a "qualified sponsorship payment" and as such NIKE shall not have the right to display a message that contains a comparative or qualitative description of NIKE Product, price information or other indications of savings or

value, an endorsement, or an inducement to purchase, sell or use NIKE Product. All copy and graphics proposed for display by NIKE are subject to reasonable approval by the UNIVERSITY.

- (e) At each home game of each Covered Program at which a public address system and/or electronic message board (or other electronic messaging systems) is used, as applicable, suitable in-game P.A. announcements and/or board messages recognizing NIKE as the exclusive Products supplier and sponsor of the applicable program. The announcement/acknowledgement shall comply with the requirements of 26 USC 513 to qualify the payment to the UNIVERSITY as a "qualified sponsorship payment" and as such NIKE shall not have the right to display a message that contains a comparative or qualitative description of NIKE Product, price information or other indications of savings or value, an endorsement, or an inducement to purchase, sell or use NIKE Product. All copy and graphics proposed for display by NIKE are subject to reasonable approval by the UNIVERSITY.
- (f) (1) One full-page, 4-color NIKE advertisements (camera-ready ad to be produced and provided by NIKE at its cost) in every home game program published for the Football Program; and (2) prominent NIKE name and/or logo recognition in the schedule posters produced for the men's and women's basketball teams, and the volleyball team.
- (g) Prominent NIKE name and/or logo recognition in the media guides and mutually agreeable other collateral materials for each Covered Program. The NIKE name or logo identification shall comply with the requirements of 26 USC 513 to qualify the payment to the UNIVERSITY as a "qualified sponsorship payment" and as such NIKE shall not have the right to display a message that contains a comparative or qualitative description of NIKE Product, price information or other indications of savings or value, an endorsement, or an inducement to purchase, sell or use NIKE Product. All copy and graphics proposed for display by NIKE are subject to approval by the UNIVERSITY.
- (h) Reasonable access to Covered Program activities, for NIKE (or its agent) to create and use in accordance with the terms of this Agreement and with the prior written approval of UNIVERSITY in each instance, and subject to applicable NCAA rules and regulations with respect to the depiction of eligible athletes, UNIVERSITY Content, including but not limited to conducting and taping post-game interviews or filming "Midnight Madness", Team practices, or their participation in a domestic or international tournament/tour.
- (i) NIKE Product placement in campus stores (e.g., UNIVERSITY bookstores) system-wide, and/or to establish NIKE Shops and/or NIKE concept shops therein, and the right to display and sell NIKE Products at UNIVERSITY's basketball concessions stands and/or stores during all games (regardless of the sport) held therein.
- (j) NIKE shall be permitted, upon its reasonable request and agreement to pay any actual operating costs, to use free of any lease or use fees mutually agreed upon Athletic Department-controlled facilities in connection with community based programs and events held by the NIKE Foundation (formerly the "P.L.A.Y." program).

In addition to the above, UNIVERSITY shall afford NIKE advance notice and the opportunity to consider participation, upon mutually agreeable terms, in any and all additional appropriate advertising opportunities, in any media, made available by UNIVERSITY during the Term.

9. APPEARANCES.

In connection with the promotion of NIKE Products and/or NIKE brands in an effort to promote sports participation and the values associated with such participation and to promote the UNIVERSITY's athletic programs generally, each Contract Year, upon reasonable prior notice and subject to the limitations of the terms of any Coach's contract with the UNIVERSITY and any coaching commitment, if so requested by NIKE, UNIVERSITY shall make the Coach of the football, basketball (men's & women's), and volleyball programs available for up to two (2) personal appearances on behalf of NIKE, and the Coach of each other Covered Program available for up to one (1) personal appearance on behalf of NIKE. 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, photo shoots for posters, brochures or in-store displays, production sessions related to filming commercials and/or video productions and/or advertising, internet chat sessions, retail store appearances, trade shows, speaking engagements, appearances at sports clinics, celebrity events and other public appearances. NIKE shall pay all reasonable out-of-pocket expenses for accommodations, meals and travel incurred by the Coach, Staff and Team members. NIKE shall be solely responsible for complying with all federal and state tax payments applicable to NIKE and reporting obligations associated with such reimbursed expenses. UNIVERSITY shall receive no additional compensation for such appearances.

10. USE OF NIKE PRODUCTS.

- (a) Throughout the Term, UNIVERSITY shall make NIKE Products available on an exclusive basis to each Covered Program to be worn and/or used by Team members, Coaches and Staff during practices, games, exhibitions (including during locker room activities), clinics and/or sports camps (that receive UNIVERSITY resources, e.g., playing field/court use, on-campus lodging, dining hall privileges), lockerroom and/or sideline/courtside celebrations and/or presentations, and other official or UNIVERSITY sanctioned activities (including but not limited to photo sessions and interviews) during which Team members, Coaches and Staff wear and/or use Products except as otherwise provided under this Paragraph 10(a). UNIVERSITY shall require all such Coaches and Team and Staff members to wear and/or use exclusively NIKE Products (as provided above) during such activities. Notwithstanding the foregoing, (i) in the event any 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; (ii) 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 Paragraph (NIKE further agrees to work with any Team member experiencing problems in connection with fit or performance of NIKE footwear);

and (iii) members of the golf team shall have the right to use golf clubs of their choice, regardless of manufacturer, and such use of non-NIKE golf clubs shall not constitute a breach of this Paragraph.

- (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 to resemble a non-NIKE Product; or
  - (2) Wear any non-NIKE Products which have been altered to resemble NIKE Products.
- (c) UNIVERSITY represents and warrants that, as of the date hereof, it is not party to any pre-existing agreement with any third-party that would prevent, limit or otherwise restrict any Covered Program's exclusive use of NIKE Products as required by this Agreement, and UNIVERSITY shall ensure that during the activities of each Covered Program 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 by the medical condition provision under Paragraph 10(a)(i) above.
- (d) UNIVERSITY acknowledges that "polishing-out", "spatting" or otherwise taping, so as to cover or obscure any portion of any NIKE logo, the NIKE athletic shoes worn by members of the Teams during open practices, games, exhibitions, clinics, sports camps and other occasions (including photo day) during which Team members wear athletic shoes, 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. (i) Notwithstanding the foregoing, occasional, isolated spatting or taping as is deemed to be a bona-fide medical necessity for the particular ankle/foot that is injured (which shall not include the spatting or taping of the footwear on the other ankle/foot if such other ankle/foot is not also injured), and so evidenced by a prior written opinion from a physician or athletic trainer and confirmed in writing to NIKE prior to the relevant game by the Coach in the form of a list of the players/feet that are the subject of such opinion(s) (except in instances where such determination is made in-game/in-training in response to a then-sustained injury), shall not be deemed a breach of this Agreement. This subparagraph does not apply to interior taping (i.e., taping under or over the sock but inside the shoe) of players' feet and/or ankles.
- (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 if approved by NIKE, to appear on NIKE Products (specifically including product supplied for camp use) worn or used by Coaches, Staff or Team members except for the name or logo of the Conference, or an NCAA post-season logo.

#### 11. DESIGN & MARKETING 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, and is of the essence of this Agreement. Upon request by NIKE, UNIVERSITY shall request designated Coaches and

Staff to provide NIKE with written or oral reports 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) UNIVERSITY acknowledges that a material inducement to NIKE's entrance into this Agreement is to provide broad and prominent exposure for the NIKE brand and particular Product models and styles. Accordingly, UNIVERSITY shall require the use, in practices and games, by such Teams as NIKE may request, such specific models and/or styles of NIKE Products as NIKE may designate from time-to-time and UNIVERSITY further acknowledges that this undertaking is a material term, and of the essence, of this Agreement.

## 12. RIGHT OF PRORATION, REDUCTION, SET-OFF.

- (a) If in any Contract Year a Covered Program is banned from television appearances or if, for any reason, NIKE's logo placement rights on Products as currently placed by NIKE and permitted under NCAA or Big Ten Conference, or broadcaster rules or regulations (or other third-party having jurisdiction of such matters) are materially diminished (in terms of location, placement, size, color prominence [i.e., prohibition of the use of a NIKE logo in a color that contrasts with a uniform's background color]) and/or number of placements, with respect to a Covered Program, in lieu of NIKE's exercise of its termination right under Paragraph 20 below, then for such Contract Year NIKE shall have the right to reduce UNIVERSITY's scheduled Cash Compensation under this Agreement by the applicable percentage in the table set forth below. For purposes of this provision and Paragraph 7(b) above, the relocation of the logo off the front upper chest (left or right) or front center neck position of the football game jersey (or off the front leg of the basketball game shorts leg) shall be deemed a "material" diminution.

| PROGRAM        | % REDUCTION |
|----------------|-------------|
| Football       | 25%         |
| Basketball (M) | 50%         |

If NIKE logo placement rights are materially diminished in a manner other than as enumerated above, NIKE and UNIVERSITY shall in good faith negotiate an equitable reduction in scheduled Cash Compensation to be paid UNIVERSITY prospectively taking into account the nature and extent of the diminution of rights.

- (b) UNIVERSITY further acknowledges that (i) the principal inducement for NIKE's entrance into this Contract is the television and other media exposure that the NIKE brand receives through the prominent visibility of the NIKE logos that appear on the side (and other locations) of the athletic shoes provided by NIKE to UNIVERSITY for use pursuant to this Contract, (ii) such continued brand exposure is of the essence of this Contract, and (iii) the unauthorized "spatting" or taping of shoes in any manner is inconsistent with the purpose of this Contract and the expected benefits to be derived from it by NIKE and is a material breach of this Contract. Accordingly, if after NIKE has provided UNIVERSITY with notice of a spatting violation in a season, if thereafter the coaching staff shall permit the spatting or taping of NIKE footwear, in lieu of

NIKE's exercise of its termination rights under Paragraph 20 below, NIKE shall have the right (in its sole discretion) to reduce UNIVERSITY's annual scheduled Base Compensation (for the Contract Year in which such breach occurs) in accordance with the reduction scale set forth below.

|                                                                             | % REDUCTION AMOUNT             |
|-----------------------------------------------------------------------------|--------------------------------|
| 1 <sup>st</sup> Occurrence (after receiving notice of an initial violation) | 10% of total annual Base Comp. |
| 2 <sup>nd</sup> Occurrence                                                  | 15% of total annual Base Comp. |
| 3 <sup>rd</sup> Occurrence                                                  | 25% of total annual Base Comp. |

Successive reductions shall be cumulative (i.e., 3 occurrences would result in annual Base Compensation being reduced by a total of 50%).

- (c) In the event NIKE exercises any right of proration, NIKE shall have the right to either withhold payment(s) of Base Compensation or require reimbursement of Base Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled after such proration (such reimbursement to be made to NIKE within thirty (30) days of notice to UNIVERSITY). NIKE shall have a right of set-off against any amounts due to UNIVERSITY for any Base Compensation which has not been reimbursed to NIKE within thirty (30) days of notice to UNIVERSITY.
- (d) In addition to the foregoing rights, NIKE shall have the right to set-off any amounts owed to it for product purchased pursuant to this Agreement (or otherwise) against any amounts owed by NIKE to UNIVERSITY.

#### 13. ADVERTISING APPROVALS.

NIKE shall submit commercial material developed pursuant to Paragraph 3, to UNIVERSITY for approval prior to use for any commercial or external purpose. Within five (5) business days after receipt of such commercial material, UNIVERSITY will approve or disapprove the submitted commercial material in writing. If a submission is disapproved, UNIVERSITY's written notice thereof shall set forth in reasonable detail the basis for such disapproval. Any submitted item that has not been disapproved within ten (10) calendar days of receipt by UNIVERSITY shall be deemed approved. Once a submitted sample or concept is approved, NIKE shall not depart therefrom in any material respect without re-submission of the item and obtaining UNIVERSITY's further approval.

#### 14. DEVELOPMENT OF NEW LOGO & TRADEMARK OWNERSHIP.

- (a) At UNIVERSITY's request, NIKE agrees to make available to UNIVERSITY the services of NIKE design services to develop, in consultation with the UNIVERSITY, an additional trademark, service mark, symbol and/or logographic for use by Covered Programs (collectively, "New Logo"). Should UNIVERSITY elect to have NIKE undertake such design assignment, NIKE shall provide such design services at no expense to UNIVERSITY except as provided below. In the event NIKE designs such New Logo and it is approved by UNIVERSITY, then UNIVERSITY shall be the sole owner of all right, title and interest in and to the New Logo and have the right to use it in connection with the UNIVERSITY for all purposes except that, for 1-year period commencing with the Contract Year in which such New Logo is introduced at retail, NIKE

shall have the exclusive right to sell Products bearing the New Logo. Thereafter, UNIVERSITY shall be free to license to third parties the use of the New Logo. UNIVERSITY acknowledges that all trademark/copyright registration and maintenance expenses in connection with the New Logo shall be at its expense and NIKE agrees that it shall not incur any such expense on behalf of UNIVERSITY without UNIVERSITY's prior approval.

- (b) 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.
- (c) 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.
- (d) Neither party shall apply to register or maintain any application or registration of any mark owned by the other party.

15. RIGHTS OF FIRST DEALING & FIRST REFUSAL.

- (a) If requested to do so by NIKE on or before April 1, 2016, UNIVERSITY shall meet with NIKE to discuss the renewal of an agreement for the rights granted to NIKE by UNIVERSITY herein in connection with the advertisement, promotion and sale of Products. Such discussions must occur prior to UNIVERSITY's engaging in negotiations with any manufacturer or distributor of Products other than NIKE. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms.
- (b) Throughout the term of this Contract and for a period of sixty (60) days following its expiration or termination, NIKE shall have the right of first refusal for the renewal of the rights granted to NIKE by UNIVERSITY herein in connection with the advertisement, promotion and sale of Products, as follows. UNIVERSITY agrees to notify NIKE in writing of any bona fide third party offer for such rights, and to submit to NIKE in writing the specific terms of such bona fide third party offer, at least fifteen (15) business days prior to entering into an agreement with such third party. If NIKE agrees to match or better the material, measurable and matchable terms of such third party offer within such fifteen (15) business day period, UNIVERSITY agrees to enter into a contract with NIKE to continue the rights granted to NIKE herein on the terms of the offer made by NIKE. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third party offer within such fifteen (15) business day period, UNIVERSITY may thereafter consummate an agreement with such third party, on the terms of the offer made to UNIVERSITY.

16. RIGHTS FOR SOFTBALL BATS, NEW PRODUCTS.

- (a) UNIVERSITY acknowledges that NIKE is currently developing softball bats suitable for use in competition by the softball team and that it is NIKE's desire to supply such product to UNIVERSITY for use pursuant to this Agreement. Once such product is available, NIKE shall provide the softball program with adequate opportunity to sample and field-test such product prior to the

beginning of the relevant regular softball season (and each pre-season thereafter as long as such product is not covered by this Agreement). If, after good faith use and testing of such product, the softball Coach and the Athletic Director are satisfied with the quality and performance of NIKE softball bats, such product shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(l) above and "NIKE Products" as defined in Paragraph 1(m) above and covered in all pertinent respects by the terms hereof and for the balance of the Term and UNIVERSITY shall no longer be permitted to source such Products from a manufacturer other than NIKE. Thereafter, UNIVERSITY shall make NIKE softball bats available to Team members, Coaches and/or Staff members, and NIKE shall supply UNIVERSITY, free of charge (and which shall be supplied in addition to and not counted against the Supplied Product Limit under Paragraph 6), with sufficient quantities for such purpose to be mutually agreed upon by the parties, including quantities equal to or greater than the quantities of softball bats that UNIVERSITY are then receiving from a third-party. If the NIKE Products are found not to be of the quality and performance capabilities acceptable to UNIVERSITY, UNIVERSITY shall have the right to continue to obtain such products from the previous source, or from such other source as UNIVERSITY may select provided such other source was, as of the commencement date of this Agreement, principally known in the sporting goods industry and/or in intercollegiate and professional athletics programs as a manufacturer and/or supplier of softball bats. Any agreement UNIVERSITY may enter into with a third-party for the supply of softball bats shall be limited to (i) a term of not more than two (2) years in order to provide NIKE the opportunity to periodically re-submit NIKE bats to UNIVERSITY for evaluation, and (ii) a merchandise only agreement (i.e., no cash compensation provided to UNIVERSITY or its Coaches as part of the consideration for use of a competitor's bats).

- (b) 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 advance written notice of the particular item(s) then in development by NIKE. NIKE shall provide UNIVERSITY with adequate opportunity to sample and field-test the new item(s). After such testing, and once the tested item is commercially available, then (subject to the Athletic Director's and Coach's satisfaction as to quality and suitability and, if appropriate, subject to mutually acceptable additional compensation to replace that which UNIVERSITY was then-receiving from a third-party for the use of its products) such item(s) shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(l) above and "NIKE Products" as defined in Paragraph 1(m) above and covered in all pertinent respects by the terms hereof and for the balance of the Term 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 (and which shall be supplied in addition to and not counted against the Supplied Product Limit under Paragraph 6), 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. NIKE shall remit the mutually acceptable additional compensation, if any, to UNIVERSITY on an agreed upon schedule, 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.

#### 17. INDEMNIFICATIONS.

- (a) NIKE shall defend, indemnify and hold harmless UNIVERSITY, its regents, trustees, directors, officers, employees and agents (collectively, "UNIVERSITY Parties") from and against all suits, actions, claims, judgments, damages, losses, liabilities, costs and expenses, including reasonable attorney fees, ("Claims") incurred by any UNIVERSITY Parties arising out of or relating to: (i) NIKE's breach of any material term of this Agreement; (ii) the acts or omissions of NIKE, or those of its employees and/or agents; or (iii) a claim that UNIVERSITY's use of NIKE products violates or infringes upon the patent, trademark, copyright or other property right of any third-party; provided NIKE is given prompt written notice of and shall have the option to undertake and conduct the defense of any such Claim. 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.
- (b) To the extent provided for by the Constitution and laws of the State of Illinois, UNIVERSITY shall defend, indemnify and hold harmless NIKE, its directors, officers, employees, agents and assigns, from and against all Claims incurred by NIKE arising out of or relating to: (i) a Claim that NIKE's use of the UNIVERSITY Properties or any UNIVERSITY Mark violates or infringes upon the trademark, copyright or other right of any third-party; (ii) a Claim that NIKE's use of any Coach Properties violates the rights of publicity, right of privacy or any other right of any Coach; (iii) acts or omissions of UNIVERSITY or its employees or agents; or (iv) UNIVERSITY's breach of any warranty in or other term of this Agreement, provided UNIVERSITY is given prompt written notice of and shall have the option to undertake and conduct the defense of any such Claim. In any instance to which the foregoing indemnities pertain, NIKE shall cooperate fully with and assist UNIVERSITY in all respects in connection with any such defense, and NIKE shall not enter into a settlement of such Claim or admit liability or fault on the part of UNIVERSITY without UNIVERSITY's prior written approval.

#### 18. MATERIAL CHANGED CIRCUMSTANCES.

UNIVERSITY acknowledges that notwithstanding UNIVERSITY's approval or consent to NIKE's exercise the rights granted to it under this Agreement, NIKE can be deprived of the material benefits contemplated by the parties as a direct consequence of changes in rules, guidelines or policies, or a change in the enforcement policy with respect thereto, by UNIVERSITY, or by third parties that have jurisdiction over and/or control UNIVERSITY's intercollegiate athletic programs or the broadcast of intercollegiate athletic competitions (e.g., The Board of Trustees of the University of Illinois, the NCAA, the Big Ten Conference, television networks,

each such third-party an "External Authority"). In the event of any exercise of rights by UNIVERSITY or an External Authority has a material adverse affect upon NIKE's exercise of rights conveyed to it under this Agreement (e.g., prohibiting commercial identification on competition product, limitation on sponsor placement of camera-visible venue signage, use of virtual signage technology, etc.), upon receipt of notice of any such changed circumstances, the parties agree for a period of sixty (60) days to in good faith negotiate a reasonable and appropriate substantial reduction in compensation and/or other support. If at the end of such 60-day period, the parties cannot agree on an appropriate substantial reduction NIKE shall have the right to terminate this Agreement, such termination to become effective at the end of the then-current Contract Year or six (6) months after the date of NIKE's written notice of termination under this Paragraph, whichever is later. The UNIVERSITY shall have the right to solicit proposals and negotiate contract terms with any third-party immediately after receipt of the notice of termination from NIKE under the foregoing sentence. Thereafter, UNIVERSITY shall have the right to enter into a sponsorship and license agreement, with respect to the subject matter of this Agreement, with any third-party.

19. 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; or
- (c) NIKE shall be in material breach of this Agreement, which breach NIKE fails to cure within thirty (30) days of NIKE's receipt of written notice from UNIVERSITY specifying such breach.

20. RIGHT OF TERMINATION BY NIKE.

- (a) NIKE shall have the right to terminate this Agreement immediately upon written notice to UNIVERSITY if:
  - (1) The basketball or football program is placed on NCAA probation resulting in a ban on television and/or post-season appearances 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, sports camps or other occasions during which Team members wear or use Products (including but not limited to on-field/on-court or lockerroom photo sessions and interviews), or wear NIKE Products altered, spatted or taped, in violation of the provisions of Paragraph 10 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;

- (4) UNIVERSITY (or its agent) shall terminate the retail license granted to NIKE pursuant to Paragraph 4 above;
  - (5) 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 materially deprives NIKE of the promotional benefits and/or product/brand exposure contemplated by this Agreement including, but not limited to, (i) any diminution of NIKE's logo placement rights as current permitted by the NCAA (in terms of size, location placement, color prominence and/or number of placements as it is currently permitted) on Product, including any total ban on the placement of camera-visible logo identification on Authentic Competition Apparel, (ii) "air brushing" NIKE identification from still photography or footage, or (iii) use of L-VIS technology or other "virtual signage" 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; or
  - (6) 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, or takes any action, or causes or induces UNIVERSITY, the Athletic Department or any Team to take any action, that would materially adversely affect any rights conveyed to NIKE under this Agreement (e.g., limiting the right of NIKE to supply brand-identified footwear for Team use, requiring the use of competitive product or to display competitor-identification, etc.).
- (b) In the event of termination under this Paragraph 20 or Paragraph 19, UNIVERSITY shall not be entitled to any further compensation under this Agreement, except any unpaid Base Compensation earned prior to the effective date of termination, pro-rated (in the case of Base 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 Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled if the Base 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.
21. 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 advertising and promotional materials that were produced prior to the effective date of expiration or termination; and
  - (b) Use, in perpetuity, UNIVERSITY Content for in-house exhibition for historical, educational or commemorative purposes.

## 22. 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 other party at law or in equity, such other 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.

## 23. 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 the obligation of UNIVERSITY to notify NIKE of any address change.

|                                                                                                                                                           |                                                                                                                                                                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NIKE USA, Inc.<br>One Bowerman Drive<br>Beaverton, OR 97005-6453<br>Attn: Legal Dept., Contracts Administrator<br>(if sent by facsimile, to 503-646-6926) | University of Illinois<br>Bielfeldt Athletic Admin. Bldg.<br>1700 S. 4th Street<br>Champaign, IL 61820<br>Attn: Director of Athletics<br>(if sent by facsimile, to 217-244-3269) |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 24. INDEPENDENT CONTRACTORS.

The performance of services for NIKE by UNIVERSITY is in the capacity of independent contractors. This Agreement is not intended to create nor shall it be construed to create any relationship between the parties other than that of independent entities contracting solely for the stated purposes. Neither UNIVERSITY nor NIKE or their respective officers and employees shall be considered to be, and they shall not represent to any third-party that they are, the agent, employee, or representative of the other party.

## 25. 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 the NIKE Group, its bona fide media partner and its retail accounts without UNIVERSITY's prior written approval, which approval shall not be unreasonably withheld.

## 26. 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.

27. 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 acceptable to 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.

28. ADDITIONAL WARRANTIES.

(a) UNIVERSITY represents and warrants that:

- (i) To the best of its knowledge, no agreement, contract, understanding or rule of any External Authority exists which would prevent or limit performance of any of the obligations of either party hereunder.
- (ii) Neither UNIVERSITY nor any Coach nor Staff member is party to any oral or written agreement, contract or understanding that would prevent or limit the performance of any obligations hereunder of UNIVERSITY, Coaches or Staff. UNIVERSITY further represents and warrants that during the Term UNIVERSITY shall not:
  - (1) In connection with any Covered Program, enter into any sponsorship, endorsement, product supply, promotional, consulting or similar agreement (including the sale of signage or other media) with any person or entity who manufactures, sells, fulfills or otherwise distributes Products (via the Internet or otherwise,) other than NIKE (each, a "Competitor"), it being understood and agreed that any person or entity who only incidentally manufactures, sells, fulfills or otherwise distributes Products and who does not actively market Products shall not be considered a Competitor for purposes of this Agreement;
  - (2) Allow any Coach or Staff member of any Covered Program to, in violation of Paragraph 10(a) above, wear and/or use Products sold by any Competitor or enter into any sponsorship, endorsement, product supply, promotional, consulting or similar agreement with any Competitor;
  - (3) In connection with any UNIVERSITY-operated or Coach-operated and/or licensed sports camp, allow any Coach or Staff member to enter into any sponsorship, endorsement, product supply, promotional, consulting or similar agreement (including the sale of signage or other media) with any Competitor;
  - (4) Sell to any person or entity Products purchased or provided hereunder by NIKE (or any other third-party) except for twice per year as part of an athletic department house cleaning-type sale; and

- (5) Permit the trade name, trademark, name, logo or any other identification of any Competitor to appear on signage at practices, games, exhibitions, clinics, sports camps and other official or UNIVERSITY sanctioned Covered Program activities (including but not limited to photo sessions and interviews).
- (iii) All rights and licenses to the UNIVERSITY Content supplied by UNIVERSITY hereunder have been or will be obtained by UNIVERSITY and that such UNIVERSITY Content does not violate the personal or property right of any person or entity.
- (iv) During the Term, UNIVERSITY shall not in connection with any Covered Program (or Coach thereof) operated or associated sports camp or clinic, enter into any sponsorship, endorsement, promotional, consulting or similar agreement (including the sale of signage or other media) with any Competitor.
- (b) NIKE represents and warrants that it is not barred under 30 ILCS 500/50-5(a) from contracting as a result of a conviction for or admission of bribery or attempted bribery of an officer or employee of the State of Illinois or any other state.
- (c) Each party hereto has the full legal right and authority to enter into and fully perform this Agreement in accordance with its terms and to grant the rights or render performance, as the case may be, as contemplated under this Agreement specifically including the right and authority to cause the performances and grant of rights with respect to Coaches as contemplated by this Agreement.

29. 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 as may be required by open records laws of the State of Illinois.

30. 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.

31. GOVERNING LAW; JURISDICTION.

This Agreement shall be governed by the laws of the State of Illinois and all rights granted hereunder shall be exercised in compliance with all such applicable laws then in effect.

32. ENTIRE CONTRACT.

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

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

THE BOARD OF TRUSTEES OF  
THE UNIVERSITY OF ILLINOIS

By: Stephen K. Rugg  
Stephen K. Rugg, Comptroller

Attest: Michele M. Thompson  
Michele M. Thompson, Secretary

Dated: 10/28/05

Approved: Maria B. Blum  
Legal Counsel

Federal I.D. No.: \_\_\_\_\_

NIKE USA, Inc.

By: Tommy Kain  
Director, U.S. Sports Marketing

By: Peter H. Koehler, Jr.  
Its: Regional Counsel, U.S.A. Region

Dated: 11.2.02

APPROVED Bruce C. Adams  
FOR CHANCELLOR

APPROVED Heborah A. Case  
FOR DIRECTOR OF ATHLETICS

**EXHIBIT A**  
**Pre-existing Agreements**

| PROGRAM  | SUPPLIED PRODUCT | SUPPLIER | CONTRACT EXPIRATION |
|----------|------------------|----------|---------------------|
| Baseball | Gloves           | Easton   | November 30, 2006   |
| Baseball | Bats             | Easton   | November 30, 2006   |