

## NIKE ALL-SPORT AGREEMENT

THIS AGREEMENT ("Agreement"), dated as of August 1, 2016 (the "Effective Date"), is made and entered into by and between the Regents of the University of Michigan (hereinafter "UNIVERSITY"), on behalf of its Athletics Department, having its principal administrative office at 1000 South State Street, Ann Arbor, Michigan 48109, and NIKE USA, Inc. (hereinafter "NIKE"), an Oregon corporation having its principal offices 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 UNIVERSITY or its "Covered Programs" (as defined below);

WHEREAS, NIKE is a sports and fitness company engaged in the design, marketing, distribution and sale of athletic and athleisure footwear, apparel and related accessories; and

WHEREAS, NIKE and UNIVERSITY desire to enter into this Agreement with regard to product supply and sponsorship of UNIVERSITY and its Covered Programs, related licensing rights, and collaboration in support of the University of Michigan community;

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) "Activity Based Information" shall mean performance and/or activity information/data digitally collected from the Teams or Team members during competition, training or other Covered Program Activities, including, but not limited to, speed, distance, vertical leap height, maximum time aloft, shot attempts, ball possession, heart rate, running route, etc.
- (b) "Coach" shall mean an individual employed during the Term to act as a head coach of a Covered Program.
- (c) "Coach Likeness" shall mean the right to use a Coach's name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likeness and image, in connection with the advertisement, promotion and sale of NIKE Products.
- (d) "College Football Playoff Bowl" or "CFP" shall mean the two (2) bowl games designated from the following six (6) bowl games (or replacement bowl games) to serve as the CFP semifinals during the relevant Contract Year: Peach Bowl, Cotton Bowl, Orange Bowl, Sugar Bowl, Fiesta Bowl, and Rose Bowl.
- (e) "Conference" shall mean the Big Ten Conference ("BIG 10") and such other intercollegiate athletic conferences of which UNIVERSITY is a member.
- (f) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the Term, provided that with respect to Contract Year 1,

“Contract Year” shall mean the period from the Effective Date through June 30, 2017.

- (g) “Covered Program(s)” shall mean any and all NCAA Division I intercollegiate athletic programs that are fielded by UNIVERSITY’s Athletic Department during the Term (including any that are hereafter added). For purposes of this Agreement, Covered Programs shall also include the UNIVERSITY’s official cheer squad and spirit squad.
- (h) “Covered Program Activity” shall mean the Games, practices, exhibitions, training, events, camps, clinics, and public appearances of a Covered Program, in which a Team member, Coach and/or Staff member appears as an official representative of the UNIVERSITY.
- (i) “Digital Features” shall mean digital content or applications whether or not used in conjunction with a NIKE Product (e.g., an add-on Nike+ or a mobile device application), designed to improve, encourage, support or inspire performance, fitness and/or activity.
- (j) “Flagship Program(s)” shall mean any of the following Covered Programs: Football; Men’s Basketball; and Women’s Basketball.
- (k) “Game” shall mean game, match, meet, test or such other competition reference as is appropriate to each Covered Program.
- (l) “IMG Agreement” shall mean the Amended and Restated University Rights Agreement by and between the Regents of the University of Michigan for its Department of Intercollegiate Athletics and IMG Communications, Inc., dated as of August 5, 2008.
- (m) “M-Den Agreement” shall mean the Agreement by and between the Regents of the University of Michigan for its Department of Athletics and M-Den, Inc., dated as of June 21, 2010.
- (n) “NCAA” shall mean the National Collegiate Athletic Association.
- (o) “Net Sales” shall mean the gross wholesale revenue received by members of the NIKE Group from the sale of “Licensed Products” (as defined below), less cash, trade, sales and other program discounts, adjusted for legitimate merchandise returns credited to NIKE’s customers; provided, however, that Net Sales shall not include sales of any such Licensed Products sold under license by an independent licensee of NIKE (it being understood that any such independent licensee shall also be a licensee of UNIVERSITY and pay royalties to UNIVERSITY through CLC in respect of such sales). Net Sales shall be net sales as are computed by NIKE’s accounting system, guidance for which is established by generally accepted accounting principles.
- (p) “NIKE Footwear Competitor” shall mean (i) the Specified NIKE Footwear Competitors or (ii) any other company or brand that generates more than both (A) ten percent (10%) of its annual revenue and (B) at least ten million dollars (\$10,000,000) annually at wholesale from the sale of athletic footwear; provided that in no event shall any of the following companies be considered a NIKE Footwear Competitor for purposes of this Agreement: Wilson Sporting Goods and Easton Sports, Inc.

- (q) "NIKE Group" shall mean NIKE USA, Inc., its parent company NIKE, Inc., their licensees, distributors, subsidiaries, affiliates and any successor company to any of the foregoing.
- (r) "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., Jordan Brand, Converse, SPARQ, Hurley) now or hereafter owned and/or controlled by the NIKE Group (collectively, "NIKE Marks") appear singly or in any combination.
- (s) "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 a Covered Program Activity;
  - (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, "base-layer" apparel (i.e., compression/tight and non-compression gear typically worn underneath outer garments including padded and non-padded base layer products), 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 a Covered Program Activity;
  - (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, socks, hand-towels, football gloves, golf gloves, sleeves (e.g., single or double arm protective sleeves whether or not padded), batting gloves, weight training gloves, and 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 a Covered Program Activity;
  - (4) footballs, men's basketballs, women's basketballs, soccer balls;
  - (5) baseball equipment bags (other than bat bags) and travel bags;
  - (6) golf bags and travel bags;
  - (7) protective eyewear (e.g., football face mask eyeshields), eyewear with performance attributes and sunglasses (but excluding protective and performance eyewear intended for swim-use and any other form of helmet or other protective head or face gear which is not intended to protect eyes);
  - (8) recovery footwear and apparel products (e.g., compression wear, suits, sleeves, tights, hose, footwear, etc.);
  - (9) sports training equipment (e.g., parachutes, power bands, agility webs, speed ladders, power and quick react balls, etc.) and such other sports training equipment (other than aquatic training 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 17 below; provided, however, that the

UNIVERSITY's Covered Programs may in any event continue to use third party sports training equipment as specifically set forth in Paragraph 11(a)(3) below;

- (10) "smart products" (e.g., fuel bands, etc.), body-worn (or handheld) activity tracking/monitoring devices (e.g., heart rate monitors, pedometers, etc.) and/or performance or fitness improvement and/or activity enhancing electronic or digital devices including, but not limited to, watches (GPS and non-GPS enabled) and performance tracking monitors (collectively, "Fitness Devices"); provided, however, that the UNIVERSITY's Covered Programs may in any event continue to use third party Fitness Devices as specifically set forth in Paragraph 11(a)(3) below; and
- (11) such other sports 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 17 below.

"Products" shall specifically not include the following items (subject to NIKE's rights under Paragraphs 7(f)(3), 7(f)(4) and 17 below): all gymnastics competition products (including uniforms); all swimming and diving competition product (including swimwear, aquatic footwear, swimming and aquatic accessories) and in-pool training equipment and training aids; all water polo competition product (including uniforms) and equipment; all baseball bats, fielding gloves, protective equipment (including helmets and catcher's gear); all softball bats, fielding and batters gloves, protective equipment (including helmets and catcher's gear), training equipment, balls, wristbands and bags for each of the foregoing; all wrestling singlets, headgear and kneepads (for duration of current supplier relationship); all ice hockey equipment and skates; all field hockey equipment; all golf clubs and balls; all tennis racquets and balls; all volleyballs (including mini balls) and ball racks; all men's and women's lacrosse equipment (including helmets, gloves, arm pads/guards, shoulder pads, rib pads, goalie chest protectors, stick heads and shafts, and balls); dance team uniforms and shoes; and all helmets or other protective head or face gear for any sport, and any additional items listed on Schedule 1.

- (t) "Specified NIKE Footwear Competitors" shall mean adidas, Reebok, Puma and Under Armour and/or their respective affiliates, brands, controlled brands or licensees, as amended from time to time (it being understood that periodically during the Term (but no more frequently than every three (3) years), UNIVERSITY and NIKE shall discuss in good faith whether the list of Specified Footwear Competitors should be amended to take into account changes to the competitive landscape for athletic footwear during the applicable period (i.e., whether to modify the companies specifically listed above).
- (u) "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.) and athletic department administrative staff employed or controlled by UNIVERSITY during the Term to provide services to Covered Programs, excluding part-time staff or volunteers who may wear non-branded product during events (e.g. ushers, ticket takers, honorary ball boy/girl, etc.), and Conference staff and representatives.

- (v) "Team" shall mean that group of athletes attending UNIVERSITY's Ann Arbor campus during the Term and comprising the roster of each Covered Program.
- (w) "UNIVERSITY Marks" shall mean the names, nicknames, mascots, trademarks, service marks, logographics and/or symbols, and any other recognized reference to UNIVERSITY or its Covered Programs (e.g., Wolverines, "The Big House", Go Blue, etc.).

## 2. TERM.

This Agreement shall remain in full force and effect for a period of eleven (11) Contract Years, from August 1, 2016 through June 30, 2027 (the "Initial Term") unless sooner terminated or extended in accordance with the terms and conditions hereof. UNIVERSITY shall have the option to extend the Agreement for an additional four-Contract Year period (the "Option Term") such option to be exercised in writing no later than May 15, 2026, unless sooner terminated or extended in accordance with the terms and conditions hereof. The Initial Term together with the Option Term, if exercised, shall be referred to as the "Term." This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

## 3. GRANT OF RIGHTS.

Subject to the terms and conditions of this Agreement, UNIVERSITY hereby grants to NIKE, NIKE, Inc. and NIKE Innovate C.V., and their successors and assigns, and such NIKE entities hereby accept:

- (a) The designation as "the exclusive supplier of athletic footwear, apparel, accessory and equipment products of (each Covered Program that NIKE has exclusive Product supply rights with respect to hereunder)" and "the exclusive athletic footwear, apparel, accessories and equipment sponsor of (each Covered Program that NIKE has exclusive Product supply rights with respect to hereunder)", and/or such similar designations as the parties may agree upon (collectively, the "Designations").
- (b) The right to utilize (subject to the terms and conditions of this Agreement) the UNIVERSITY Marks, Coach Likenesses, Activity Based Information, and/or Designations worldwide, in any and all media (now known or hereafter created) including, but not limited to, the worldwide web and other interactive and multi-media technologies, in connection with the manufacture, advertising, marketing, promotion and sale of NIKE Products and Digital Features and programming. Notwithstanding anything herein to the contrary, any and all uses of Activity Based Information shall be subject to UNIVERSITY approval and at all times be on an aggregated, anonymous and de-identified basis and otherwise in compliance with all applicable laws, Big Ten Conference and NCAA rules and regulations and applicable UNIVERSITY policies and guidelines. Such rights shall specifically include, but shall not be limited to, the following:
  - (1) The exclusive right to supply Products for each Covered Program and to use the Designations.
  - (2) The right to manufacture and sell (subject to Paragraph 4 below) NIKE Products bearing or incorporating UNIVERSITY Marks and to conduct promotions with and through NIKE retail accounts.

- (3) The right to use game photographs ("Game Photos"), videotape and/or film footage ("Game Footage") of any and all Covered Programs (including taped post-game interviews conducted by NIKE in accordance with Paragraph 10(b)(3) below); provided that the use of any such Game Photos, Game Footage or taped interviews shall (i) be subject to UNIVERSITY approval (unless such use is solely for NIKE internal purposes) and (ii) in any event be in accordance with Big Ten Conference and NCAA rules and regulations, as well as any rights held by the Big Ten Conference, Big Ten Network or any other broadcaster or producer of such content. In connection therewith, at NIKE's request, UNIVERSITY shall permit NIKE to utilize, consistent with this Paragraph 3, Game Photos and Game Footage (owned and/or controlled by UNIVERSITY), without a use fee, other than reasonable search and edit charges. NIKE's access to Covered Program Activities and/or use of Game Photos and Footage shall be subject to applicable laws, Big Ten Conference and NCAA rules and regulations regarding the depiction of student-athletes, student-athletes' time and schedules, as well as any rights held by the Big Ten Conference, Big Ten Network or any other broadcaster or producer of such content. For purposes of this Paragraph 3, "NIKE internal purposes" means NIKE employee-only events, meetings and communications that are not open to the public.

#### 4. RETAIL LICENSING RIGHTS.

- (a) Retail License. UNIVERSITY shall enter into, or cause its licensing agent (currently the Collegiate Licensing Company ("CLC")) or agents to enter into, and maintain in full force and effect during the Term (subject to early termination rights set forth below and in the retail license), a retail license or licenses (the "Retail License") granting the NIKE Group the (1) exclusive worldwide right and license to use the UNIVERSITY Marks on and/or in connection with the manufacture and sale of all jersey silhouettes (e.g., authentic, alternative jerseys, replica jerseys) excluding "throwback" or "fashion" jerseys ("Jerseys"), for all Covered Programs; and (2) non-exclusive worldwide right and license to use the UNIVERSITY Marks on and/or in connection with the manufacture and sale of NIKE Products other than Jerseys (Products described in (1) and (2) are collectively "Licensed Products"); provided that any distribution of Licensed Products outside of the United States shall be subject to UNIVERSITY's written approval, not to be unreasonably withheld (it being understood that it shall be reasonable for UNIVERSITY to take into account the status of its rights in the UNIVERSITY Marks in the applicable territory). Notwithstanding the foregoing, if NIKE fails or ceases to manufacture and sell Jerseys for any non-Flagship Program, then UNIVERSITY shall have the right, subject to prior approval by NIKE exercised in its reasonable discretion, to grant a third party the right to manufacture and distribute such Jerseys, provided that (i) such Jerseys do not bear any externally visible manufacturer/maker identification or brand, (ii) such Jerseys are not sourced from a NIKE Footwear Competitor, and (iii) UNIVERSITY agrees to cease utilizing such alternative licensee(s) upon written notice from NIKE that it is willing and able to manufacture and distribute such Jerseys. Furthermore, UNIVERSITY shall not allow any third party licensee to create or sell any product with design elements that are confusingly similar in design or appearance to any of the original and/or unique elements created by NIKE hereunder for use on any Licensed Products.

- (b) Royalties. UNIVERSITY further agrees that the royalty rate payable by NIKE with respect to the Licensed Products other than footwear shall be fifteen percent (15%) of Net Sales, and the royalty rate payable by NIKE with respect to footwear Licensed Products shall be five percent (5%) of Net Sales ("Royalties"). In consideration for and subject to the Retail License, aggregate Royalties paid by NIKE shall not be less than \$18,370,000 over the Initial Term or, if UNIVERSITY exercises the option, \$25,050,000 over the Term (the "Total Guaranteed Compensation"). The Total Guaranteed Compensation shall be divided and paid by NIKE on an annual basis (e.g., \$1,670,000 per Contract Year over the Initial Term) (the "Annual MRG"). If in any given Contract Year earned Royalties are less than the Annual MRG, then NIKE shall include in its final annual payment of earned Royalties a payment to satisfy the shortfall (a "Royalty Shortfall"). In the event that NIKE's earned Royalty payments in any given Contract Year exceed the Annual MRG for such Contract Year ("Excess Royalty Payments"), NIKE shall have the right to apply such Excess Royalty Payments as a credit towards any Royalty Shortfall in any other Contract Year (both retroactively and prospectively). Such annual payments shall be made within 30 days after each Contract Year, except for the final Contract Year, which annual payment shall be made within 30 days after the sell-off period in Paragraph 20(b). UNIVERSITY acknowledges that no royalty shall be payable on product provided free of cost for UNIVERSITY, Team, Coach or Staff use. Without limiting the foregoing, if at any time during the Term NIKE pays any of its collegiate licensors a higher royalty rate than the royalty rate it is paying UNIVERSITY or its licensing agent (as applicable) with respect to comparable products or product categories, NIKE shall work in good faith with UNIVERSITY or its licensing agent (as applicable) to immediately amend the Retail License so that the royalty rates paid by NIKE thereunder are equal to the highest royalty rate(s) paid by NIKE to any of its collegiate licensors for comparable products or product categories.
- (c) Competitor Protection. Throughout the Term, UNIVERSITY shall not, directly or through any of its licensing agents, enter into, extend or renew any license to use UNIVERSITY Marks (in connection with the manufacture or sale of Products or otherwise) with (i) a NIKE Footwear Competitor or (ii) any company that provides the products listed on Schedule 1 and is acquired by a Specified NIKE Footwear Competitor, if such company's product offerings are rebranded with any marks of such Specified NIKE Footwear Competitor. Notwithstanding the foregoing, in no event shall UNIVERSITY be restricted from renewing or replacing any license agreement with any company that provides the products listed on Schedule 1 (for such products only). Further, following the expiration of any such license that may now be in effect with any such NIKE Footwear Competitor, neither UNIVERSITY nor any of its licensing agents shall permit the sale within any UNIVERSITY-controlled venue (e.g., stadium or arena concessions) or UNIVERSITY-controlled retail establishment (except the parties recognize that UNIVERSITY does not control the M-Den stores or the University book store) of any product manufactured or sold by a NIKE Footwear Competitor, if UNIVERSITY controls the concession and/or retail operations therein. In the event such concession and retail operation rights have been outsourced to a third party not under UNIVERSITY control (including, but not limited to, the M-Den stores and the University book store), the UNIVERSITY agrees to advise such third party of UNIVERSITY's commitment to NIKE brand exclusivity and sponsor relationship

and UNIVERSITY's desire to support such brand and sponsor relationship at retail, but UNIVERSITY shall have no further obligations.

- (d) **Early Termination of Retail License.** In the event the Retail License is terminated during the Term of this Agreement for any reason, then upon such termination the provisions of (i) Paragraph 3(b)(2) above and (ii) Paragraphs 4(a), 4(b) and 4(c) shall have no further force or effect, and notwithstanding anything in this Agreement to the contrary, UNIVERSITY (or its agent) may thereafter enter into a retail license with any party it chooses, including a NIKE Footwear Competitor. The parties further agree that the Retail License shall include a termination right for either party thereto in the event this Agreement is terminated for any reason.

5. **JOINT INITIATIVES, COLLABORATION.**

The parties are committed to collaborate on the following matters of mutual interest and benefit:

- (a) a minimum of two community events each Contract Year that support and/or celebrate health and fitness;
- (b) furthering research and innovation with regard to sports performance (e.g., healthy training, recovery and injury prevention); and
- (c) sustainability and protecting the environment, such as sharing strategies and innovation in reducing waste and conserving natural resources.

6. **NIKE'S PRODUCT SUPPLY OBLIGATIONS.**

- (a) In partial consideration of the rights granted to NIKE under this Agreement, each Contract Year, UNIVERSITY shall be entitled to order directly from NIKE, and receive, the below indicated amounts of NIKE Products for use by (or in connection with) the Covered Programs, clinics, camps, Coaches, Staff and such other purposes as UNIVERSITY and/or the Director of Athletics may deem appropriate to support the relationship between UNIVERSITY and NIKE. The aggregate retail value of supplied product that UNIVERSITY may order for each Contract Year shall be as set forth in the table below (each, an "Annual Product Allotment") (it being understood that the t-shirt pricing for all such camp-related orders shall be consistent with the existing NIKE/Jordan Brand camp t-shirt program). Such NIKE Products shall include, but shall not be limited to, game and practice uniforms, competition balls, and footwear for use by the Covered Programs.

Contract Year	Annual Product Allotment
CY1 (2016-17)	\$5,300,000
CY2 (2017-18)	\$4,700,000
CY3 (2018-19)	\$4,800,000
CY4 (2019-20)	\$4,900,000
CY5 (2020-21)	\$5,000,000
CY6 (2021-22)	\$5,100,000
CY7 (2022-23)	\$5,200,000
CY8 (2023-24)	\$5,300,000
CY9 (2024-25)	\$5,400,000
CY10 (2025-26)	\$5,500,000
CY11 (2026-27)	\$5,600,000



CY12* (2027-28)	\$5,700,000
CY13* (2028-29)	\$5,800,000
CY14* (2029-30)	\$5,900,000
CY15* (2030-31)	\$6,000,000

\*Option Term

The above amounts are inclusive of any amounts allocated by the Director of Athletics to the Elite Client Services under Paragraph 6(c).

Each Contract Year, UNIVERSITY shall be permitted to carry-over up to Three Hundred Thousand Dollars (\$300,000) (retail value) credit for unordered Annual Product Allotment from such Contract Year to the next immediately subsequent Contract Year provided that, by no later than January 15 prior to such subsequent Contract Year (or if NIKE has not met all delivery deadlines and product specification requirements pursuant to Paragraph 7 below, no later than thirty (30) days following satisfaction of such obligations by NIKE), UNIVERSITY confirms in writing to NIKE such election and the amount of the credit it desires to take. Such carry-over credit shall be non-cumulative (i.e., if not used in the immediately subsequent year, it shall be deemed forfeited).

- (b) Further, UNIVERSITY shall be entitled to order directly from NIKE at any time during the Term, and receive, an additional \$4,800,000 (retail value) of NIKE Products for use by (or in connection with) the Covered Programs, clinics, camps, Coaches, Staff and any other purposes (the "Supplemental Product Allotment"). Without limiting the generality of the foregoing, the parties acknowledge and agree that the Supplemental Product Allotment includes an allocation by NIKE of \$25,000 (retail value) for each Contract Year of the Initial Term for use of NIKE/Jordan (as applicable) branded t-shirts or other Products at Coach operated camps and clinics related to the Flagship Programs. Notwithstanding anything herein to the contrary, the parties acknowledge and agree that the Supplemental Product Allotment (in whole or part) may be used at any time during the Term by UNIVERSITY in its sole discretion for any purpose that UNIVERSITY and/or Director of Athletics deems appropriate. Any unused portion of the Supplemental Product Allotment at the end of the Term shall be forfeited by UNIVERSITY and have no cash value.
- (c) Further, in partial consideration of the rights granted to NIKE under this Agreement, UNIVERSITY shall be entitled to order through "NIKE Elite" Client Services (and subject to procedures established by NIKE for such purposes), NIKE Products in retail dollars up to an amount directed by the Director of Athletics each Contract Year, subject to approval by NIKE, from the Annual Product Allotment or the Supplemental Product Allotment with sufficient prior written notice (email with confirmed receipt sufficient) to NIKE of how such amounts shall be allocated (the "Annual NIKE Elite Credit").

All NIKE Products ordered under the NIKE Elite program must be placed through an Athletic Department member designated in writing to NIKE by the Director of Athletics. No carry-over of Annual NIKE Elite Credit from one Contract Year to another shall be allowed. NIKE shall provide to UNIVERSITY and/or Athletic Department members, as applicable, such documentation as may be required with regard to such orders to facilitate the UNIVERSITY's, and such individuals', compliance with federal and state tax laws.

- (d) For each Covered Program added during the Term to UNIVERSITY's Athletic Department after commencement of this Agreement, NIKE and UNIVERSITY shall discuss in good faith the product needs for such additional Covered Program(s), and an appropriate increase to the Annual Product Allotment for the then current and each subsequent Contract Year in order to take into account such additional product needs for the added Covered Program(s).

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

- (a) NIKE shall make best efforts to offer UNIVERSITY an assortment of competition and sideline apparel styles and colors that are unique to UNIVERSITY yet consistent among all Covered Programs with respect to UNIVERSITY Marks, colors and imagery. The exact styles, sizes and delivery dates and, where appropriate, quantities of NIKE Products ordered under this Agreement shall be as reasonably specified by the UNIVERSITY and consistent with NIKE's overall product marketing strategy. NIKE shall propose styles each year, at least two months prior to UNIVERSITY's order date for each sport, to allow UNIVERSITY adequate time for consideration and approval. NIKE shall outfit the Football Program in Jordan (instead of NIKE) Brand game uniforms, and the Men's and Women's Basketball Programs with Jordan (instead of NIKE) Brand footwear and apparel for the entire Term. At UNIVERSITY's written request (email with confirmed receipt sufficient), NIKE shall supply other Covered Programs with Jordan (instead of NIKE) Brand footwear and/or apparel to the extent NIKE does so for the equivalent Covered Program and/or Products at any other college or university for which NIKE is a footwear and/or apparel sponsor or supplier. The request must be made in writing twelve months prior to the relevant season and the arrangement shall remain in place for the remainder of the Term.
- (b) If in any Contract Year UNIVERSITY requires additional NIKE Products for use by any Covered Program(s) (or any UNIVERSITY or Coach operated camp or clinic related to a Covered Program sport) and in amounts that exceed the Annual Product Allotment, then UNIVERSITY shall purchase any and all such Products directly from NIKE, or such authorized NIKE dealer as designated by NIKE, provided that NIKE or such authorized NIKE dealer, in each case, makes such NIKE Products available to UNIVERSITY at NIKE's published wholesale prices. Except as otherwise described in this Agreement, in no event shall UNIVERSITY purchase or accept any Products (including footwear and core basic apparel – e.g., T-shirts, shorts, fleece and socks), for Covered Program use in Covered Program Activities (or use by any UNIVERSITY or Coach operated camp or clinic related to a Covered Program sport), from any third-party without NIKE's approval. For the avoidance of doubt, in no event shall UNIVERSITY be restricted from sourcing any products from any company that provides the products listed on Schedule 1 (for such products only). NIKE shall use reasonable efforts to accommodate UNIVERSITY's Department of Recreational Sports staff at its Ann Arbor campus, by providing opportunities to order and purchase NIKE Products at NIKE's published wholesale prices in conjunction with UNIVERSITY's annual orders for its Intercollegiate Athletic Programs.
- (c) All Products to be supplied by NIKE hereunder shall be delivered F.O.B. to UNIVERSITY between the hours of 8:00am and 5:00pm EST, Monday through Friday or as specifically directed in writing by UNIVERSITY, at the location designated on the UNIVERSITY's purchase order. Only orders submitted in a

timely manner pursuant to Paragraph 7(d) below by UNIVERSITY's Athletic Director or any authorized representative of UNIVERSITY's Athletic Director shall be filled by NIKE. Product returns will be handled pursuant to NIKE's standard policy, with the understanding that in the first Contract Year there shall be no shipping charges on any Product provided to Covered Programs, whether complimentary or purchased by UNIVERSITY. If any Products supplied by NIKE hereunder, regardless of whether or not such Product bears a UNIVERSITY Mark, is reasonably determined by UNIVERSITY to be (1) damaged or defective upon delivery or (2) a non-conforming Product, then UNIVERSITY shall be permitted to return such Product to NIKE for a full refund against the Annual Product Allotment for the applicable Contract Year (or for a cash refund, if such Product was purchased under Paragraph 7(b) above), at NIKE's expense by mutually-agreed upon shipping method(s).

- (d) 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 all orders must typically be ordered 9-12 months in advance of each season to ensure timely delivery. As long as UNIVERSITY places all 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	
Basics	July 1
Uniforms	August 1
Basketball	
Basics	July 1
Uniforms	October 1
All other Fall Athletic Programs	
Basics	July 1
Uniforms	August 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 seasonal 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 upon priority schedule. (By way of example, with respect to football product, footwear and practice wear would be delivered by July 1, game uniforms by photo day, and cold weather wear by October 1.)

- (e) With respect to the purchase of NIKE/Jordan Brand football shoes, only in connection with UNIVERSITY's annual initial order of shoes, UNIVERSITY may order additional pairs of football shoes on a "2 for 1" basis after it places an order for a minimum of 325 pairs of football shoes. For purposes of this Paragraph, "2 for 1" shall mean for every two (2) pairs of NIKE/Jordan Brand shoes purchased by UNIVERSITY from NIKE, UNIVERSITY shall receive one (1) pair of

NIKE/Jordan Brand football shoes free. UNIVERSITY acknowledges that the price for all football shoes purchased hereunder shall be at wholesale prices. With respect to the purchase of NIKE/Jordan Brand football gloves, only in connection with UNIVERSITY's annual initial order of football gloves, UNIVERSITY may order additional pairs of football gloves on a "1 for 1" basis after it places an order for a minimum of 500 pairs of football gloves. For purposes of this Paragraph, "1 for 1" shall mean for every one (1) pair of NIKE/Jordan Brand football gloves purchased by UNIVERSITY from NIKE, UNIVERSITY shall receive one (1) pair of football gloves free. In no event shall UNIVERSITY purchase or accept football gloves from any third party except as specifically permitted by Paragraph 7(f)(4) below.

- (f) UNIVERSITY acknowledges that:
- (1) The placement of the NIKE Marks, as 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 NIKE Products worn and used during competition 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(s) now appear and are permitted by current relevant NCAA rules or regulations including, but not limited to, NCAA Rule 12.5.4. 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(s) (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.
  - (2) From time-to-time, NIKE may elect to obtain certain apparel or accessory Products to be supplied hereunder (such as football game jerseys and pants) from third parties (and which product shall conform to applicable NCAA quality and performance specifications and be of the same or better quality as other NIKE Products), at pricing consistent with applicable NIKE pricing and which cost shall be deducted from the Annual Product Allotment supplied to UNIVERSITY in the applicable Contract Year. Such Products shall, at NIKE's election, (i) bear the NIKE Swoosh Design and/or other NIKE Marks (as designated by NIKE), consistent with NCAA rules and regulations, or (ii) not bear any NIKE Marks.
  - (3) From time-to-time, UNIVERSITY may require a Product for use in accordance with this Agreement that becomes temporarily unavailable for a period of time and is therefore not commercially available through NIKE at the time of the request (an "Unavailable Product"), such as certain equipment, and NIKE cannot supply such Product to UNIVERSITY. Under such circumstances UNIVERSITY may use an Unavailable Product manufactured and/or sourced by or through a third party provided, however, (i) such third party cannot be a NIKE Footwear Competitor, (ii) UNIVERSITY

shall not endorse or otherwise promote or advertise its use of such third party's Product, and shall not permit such third party to promote or advertise its association with UNIVERSITY, and (iii) UNIVERSITY shall switch to the use of such Product manufactured by NIKE as soon as commercially practicable (taking into account any agreements or orders UNIVERSITY has in effect at such time) after such Product shall become available in NIKE's product line.

- (4) If, during the Term, NIKE notifies UNIVERSITY that it will no longer supply UNIVERSITY with a Product for the duration of the Agreement (a "Terminated Product"), then UNIVERSITY shall thereafter be permitted to source such Terminated Product from a third party on a complimentary or reduced price basis, provided, however, (i) such third party cannot be a NIKE Footwear Competitor and (ii) unless permitted by NIKE in writing, UNIVERSITY shall not endorse or otherwise promote or advertise its use of such third party's Product, and shall not permit such third party to promote or advertise its association with UNIVERSITY or the applicable Covered Program, provided, however, UNIVERSITY's Director of Athletics and NIKE's Senior Director of College Sports Marketing shall discuss, in good faith, permitting UNIVERSITY to enter into endorsement, sponsorship, promotional, consulting or similar agreements (including the provision of signage or other media) with a third-party supplier of a Terminated Product, if such agreement relates solely to the Terminated Product(s), and the benefits to be provided such third party are approved by NIKE in advance (notwithstanding the foregoing, NIKE shall have no obligation to permit the foregoing).
- (5) Product supplied under this Paragraph may not be resold except as permitted by Paragraph 11(f) below.
- (6) Each of NIKE and UNIVERSITY are sophisticated parties and have participated jointly in the negotiation and drafting of this Agreement with the assistance of legal counsel. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. **Without limiting NIKE's obligations under Paragraph 7(a) above, UNIVERSITY specifically waives, only as against NIKE, all implied warranties of merchantability or fitness for a particular purpose.**

8. CASH & OTHER CONSIDERATION.

- (a) Base Compensation. Within 10 business days of full execution of this Agreement, NIKE shall pay UNIVERSITY a lump-sum payment of Base Compensation (as defined below) in the amount of \$12,000,000. Additionally, each Contract Year, as further consideration for the rights granted under this Agreement, NIKE shall pay to UNIVERSITY base compensation (subject to Paragraphs 13 and 19(b) below) in the amount set opposite the below-indicated Contract Year (the "Base Compensation"), to be paid on or before August 1 of each Contract Year.

Contract Year	Annual Base Compensation
CY1 (2016-17)	\$4,820,000

CY2 (2017-18)	\$4,820,000
CY3 (2018-19)	\$4,820,000
CY4 (2019-20)	\$4,820,000
CY5 (2020-21)	\$4,820,000
CY6 (2021-22)	\$4,820,000
CY7 (2022-23)	\$4,820,000
CY8 (2023-24)	\$4,820,000
CY9 (2024-25)	\$4,820,000
CY10 (2025-26)	\$4,820,000
CY11 (2026-27)	\$5,320,000
CY12* (2027-28)	\$5,820,000
CY13* (2028-29)	\$5,820,000
CY14* (2029-30)	\$5,820,000
CY15* (2030-31)	\$5,820,000

\*Option Term

- (b) Student Internships. Each Contract Year, NIKE will offer summer internships at NIKE's world headquarters in Beaverton, Oregon, to three (3) UNIVERSITY students at a minimum cost to NIKE of \$15,000 per intern. NIKE shall select the interns in consultation with, and from a pool of qualified candidates provided by, UNIVERSITY and/or the Athletic Department.
- (c) Performance Bonuses. NIKE shall pay UNIVERSITY performance bonuses in accordance with Schedule 2.

9. APPEARANCES.

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 Flagship Program available for a minimum of two (2) personal appearances each, and the Coach of all other Covered Programs available for a minimum of one (1) personal appearance each, to promote men's and women's intercollegiate athletics programs, sports and fitness, team building, leadership and higher education (e.g., appearances at coach of the year clinics and at internal NIKE events targeted at NIKE executives and employees). No single appearance shall exceed twenty-four (24) hours in duration, including travel time, unless otherwise agreed upon in advance. The parties acknowledge and agree that \$40,000 of the Base Compensation otherwise payable to UNIVERSITY by NIKE hereunder constitutes the value of such appearances, and UNIVERSITY shall receive no additional compensation for such appearances. NIKE shall pay all reasonable and necessary travel and related expenses in connection with any appearance hereunder. Additional personal appearances by Coaches shall be considered by UNIVERSITY upon NIKE's reasonable request, it being understood that any such additional appearances shall be subject to UNIVERSITY's written approval (such approval not to be unreasonably withheld; provided that it shall be reasonable for UNIVERSITY to take into account any pre-existing third party rights that may be implicated by such request).

10. NIKE SPONSOR BENEFITS.

- (a) As a sponsor of UNIVERSITY's Covered Programs, each Contract Year, NIKE shall receive tickets to games for each Covered Program in

accordance with the following, at no additional cost to NIKE except as otherwise indicated (for the avoidance of doubt, NIKE shall only receive tickets to such game if a Covered Program is participating in such game):

PROGRAM	No. TICKETS
Football	10 tickets for each home and each away game 4 VIP parking passes for each home game
BIG 10 Football Championship Game	12 tickets
Bowl Games	20 tickets
Basketball (M)	8 tickets for each home and each away game* 2 VIP parking passes for each home game
BIG 10 Basketball Tournament (M)	12 tickets
NCAA Basketball Tournament (M)	12 tickets
Basketball (W)	8 tickets for each home and each away game* 2 VIP parking passes for each home game
BIG 10 Basketball Tournament (W)	12 tickets
NCAA Basketball Tournament (W)	12 tickets
All Other Programs	Up to 8 tickets for each home game upon request

\*Upon NIKE's request, UNIVERSITY will use reasonable efforts to provide such away game tickets, subject to availability within UNIVERSITY's allotment for such game.

Additionally, each Contract Year, NIKE shall receive: (i) fifty (50) tickets to one mutually agreed upon football game; and (ii) thirty (30) tickets to one mutually agreed upon men's basketball game, and thirty (30) tickets to one mutually agreed upon women's basketball game (collectively, "NIKE Game-day"). For home basketball and football games, UNIVERSITY shall use reasonable efforts to provide the best available lower level tickets, which tickets UNIVERSITY shall use reasonable efforts to provide in blocks of seats (however, NIKE acknowledges that for neutral site games the availability of lower level seats and blocks of seats may be more limited). UNIVERSITY shall use reasonable efforts to fulfill NIKE's requests for such additional quantities of tickets as it may reasonably request, such tickets to be best available. NIKE shall reimburse UNIVERSITY for any tickets that UNIVERSITY provides to NIKE pursuant to the preceding sentence, at UNIVERSITY's cost, within 30 days of receipt of UNIVERSITY's invoice.

- (b) Further, as sponsor of UNIVERSITY's Covered Programs, each Contract Year, UNIVERSITY shall provide NIKE with the following additional benefits at no additional cost to NIKE except as otherwise indicated:
- (1) A suite (for football) and a champion's box (for basketball) for football and basketball, respectively (food and beverage for each of the foregoing will be at NIKE's expense).

- (2) At each UNIVERSITY playing venue where concession rights are not controlled by a third party, NIKE shall receive a suitable, high-traffic, location within or at each venue at which NIKE may, at its option and expense, set-up a merchandise display and sell NIKE Products. With respect to venues where concession rights have been granted to a third party, upon expiration of each such agreement, UNIVERSITY shall use reasonable efforts to secure for NIKE on-site merchandising rights. Notwithstanding the foregoing, NIKE acknowledges and agrees that the foregoing rights are held exclusively by M-Den, Inc., and that nothing herein shall prevent UNIVERSITY from extending or renewing the M-Den Agreement on substantially similar terms.
  - (3) Reasonable access to Covered Program Activities, as approved by UNIVERSITY and where appropriate, for the purpose of shooting Game Photos or Game Footage and/or conducting and taping post-game interviews.
  - (4) NIKE shall be permitted, upon its reasonable request, to use mutually agreed upon UNIVERSITY facilities in connection with the activities contemplated under Paragraph 5(a) above at no charge; provided that NIKE reimburses UNIVERSITY for its out-of-pocket expenses.
  - (5) UNIVERSITY shall make reasonable efforts to secure NIKE Product placement in official UNIVERSITY retailers on campus (e.g., M-Den stores) 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 football stadium and basketball arena concessions stands and/or stores during all games (regardless of the sport) held therein. Notwithstanding the foregoing, NIKE acknowledges and agrees that the foregoing rights are held exclusively by M-Den, Inc., and that nothing herein shall prevent UNIVERSITY from extending or renewing the M-Den Agreement on substantially similar terms.
  - (6) At each home game of each Covered Program at which a public address system is used, as applicable, suitable, mutually agreed number of, in-game P.A. announcements using the appropriate Designation (subject to the inventory held by UNIVERSITY on a game-by-game basis).
  - (7) Full-page, 4-color NIKE advertisements (camera-ready ad to be produced and provided by NIKE at its cost) in every game program published that includes advertisements (subject to the inventory held by UNIVERSITY on a game-by-game basis).
  - (8) In addition to the above, UNIVERSITY shall afford (or shall encourage its designated rights holder to afford) NIKE advance notice and the opportunity to consider participation in any and all additional promotional opportunities, in any media, made available during the Term, at the lowest cost made available to other corporate sponsors.
- (c) Further, as sponsor of UNIVERSITY's Covered Programs, each Contract Year, UNIVERSITY shall use reasonable efforts to provide NIKE with the following additional benefits at no additional cost to NIKE except as otherwise indicated (in each case, subject to availability and any pre-existing third party rights which may be implicated by the following):



- (1) At each home game of each Covered Program other than a Flagship Program, the opportunity for NIKE to place at mutually agreed upon locations a mutually determined number of temporary (unless otherwise indicated below), camera-visible signs which prominently display the NIKE logo and/or other NIKE trademark or message as NIKE may designate from time-to-time.
  - (2) Prominent NIKE imagery in the media guides, schedule cards, posters, newsletters and other sports related publications or collateral materials for each Covered Program as well as in all appropriate athletic brochures and collateral and promotional materials, including videos, generated or commissioned by UNIVERSITY.
- (d) NIKE acknowledges and agrees that any recognition, name or logo identification, statement or acknowledgement provided by UNIVERSITY under this Paragraph or this Agreement shall comply with the requirements of 26 USC 513 to qualify the payment to 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 Products, price information or other indications of savings or value, an endorsement, or an inducement to purchase, sell or use NIKE Products. All creative materials proposed for display by NIKE shall be supplied by NIKE at NIKE's cost and are subject to reasonable approval by UNIVERSITY. All such recognition is subject to and shall comply with all NCAA and Conference rules and regulations and applicable law.
- (e) Notwithstanding anything in this Paragraph 10 to the contrary, NIKE acknowledges and agrees that as of the Effective Date UNIVERSITY does not permit advertising signage inside of Michigan Stadium, and nothing herein shall be construed as obligating UNIVERSITY to permit such advertising signage. In the event that UNIVERSITY determines to allow any advertising signage inside of Michigan Stadium, UNIVERSITY shall use reasonable efforts to ensure that NIKE has an opportunity to be a part of initial discussions regarding participation in such advertising opportunities.

#### 11. 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 (consistent with applicable NCAA rules regarding athlete mandatory use of any product), Coaches, and Staff during Covered Program Activities (including photo sessions and interviews) during which Team members, Coaches and Staff of such programs wear and/or use Products except as otherwise provided under this Paragraph 11(a). UNIVERSITY shall require all such Coaches, Team and Staff members to wear and/or use NIKE Products that have been designated by NIKE and approved by UNIVERSITY pursuant to Paragraph 7(a) (including color and style) during such Covered Program Activities except as otherwise permitted under subparagraphs (1) – (3) below. (NIKE acknowledges that any Coach's wearing of non-athletic footwear and apparel (e.g., formal attire) in connection with his or her official coaching duties, as appropriate, shall not constitute a breach of this Paragraph.)
- (1) If after having used NIKE footwear, a player shall at any time suffer any foot pain or discomfort attributable to such footwear which materially affects such player's performance, and is verified in writing by the Team's physician,

UNIVERSITY shall promptly notify NIKE of such occurrence. Upon receipt of such notice, NIKE shall diligently seek to address such player's foot pain or discomfort and UNIVERSITY shall reasonably cooperate with NIKE in its efforts to satisfy such player's special footwear requirements, including using UNIVERSITY's reasonable efforts to encourage such player to fully cooperate with NIKE's remedial efforts and by facilitating such cooperation by the player (it being understood that UNIVERSITY has no obligation to force such player to so cooperate). To the extent permissible under applicable NCAA and UNIVERSITY rules and regulations, such facilitation by UNIVERSITY may include, but shall not be limited to, requesting that the player (i) make himself or herself available to be examined by a podiatrist or other qualified physician (located within the UNIVERSITY metropolitan area) to assist NIKE in determining and verifying the nature and extent of the player's foot pain or discomfort connected with the use of such NIKE footwear, (ii) make himself or herself available to NIKE for design consultations and/or tests conducted by NIKE's footwear research and design personnel (any such consultations and tests to be located within the UNIVERSITY metropolitan area) to determine any special requirements of player's foot characteristics, (iii) wear-test customized footwear developed by NIKE to meet such special requirements, and (iv) provide NIKE with product feedback, as requested by NIKE, concerning player's findings with respect to such wear-testing in each case only to the extent such facilitation by UNIVERSITY is reasonable in the applicable circumstances as determined by a UNIVERSITY physician (collectively, "Remedial Efforts"). During the period NIKE is engaged in Remedial Efforts, NIKE shall directly furnish player with footwear of his or her choice (produced by any manufacturer whatsoever) but with all visible manufacturer's identification removed or otherwise covered so as to completely obscure such manufacturer's identification.

- (2) If (i) notwithstanding Remedial Efforts, a player is still unable to wear NIKE footwear, or (ii) a player refuses to cooperate with such Remedial Efforts (despite UNIVERSITY's reasonable efforts to encourage such player to so cooperate) then such player shall be permitted to wear non-NIKE footwear provided all visible manufacturer's identification is removed or otherwise covered so as to completely obscure such manufacturer's identification.
  - (3) Notwithstanding anything in this Agreement to the contrary, any Team member, Coach or Staff member may use any sports training equipment (e.g., parachutes, power bands, agility webs, speed ladders, power and quick react balls, etc.) or Fitness Device that is not a NIKE Product (excluding any such equipment or Fitness Device manufactured by and/or bearing the trademarks of any NIKE Footwear Competitor) during any training activities and practices which are not authorized by UNIVERSITY as being open to the public.
- (b) UNIVERSITY shall ensure that no Team member, Coach or Staff member shall:
- (1) Alter or permit the alteration of any NIKE Products worn or used by them to resemble a non-NIKE Product (except as specifically permitted under Paragraph 11(d) below); or

- (2) Wear any non-NIKE Products which have been altered to resemble NIKE Products.
- (c) UNIVERSITY shall ensure that during all Covered Program Activities no Team member, Coach or Staff member (or UNIVERSITY cheerleader or spirit squad member) shall wear and/or use any athletic footwear, or other Products, manufactured by companies other than NIKE except as permitted under Paragraph 11(a) above.
- (d) UNIVERSITY acknowledges that "polishing-out", "spatting" or otherwise taping the NIKE athletic shoes worn by members of the Teams during Covered Program Activities, 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. Notwithstanding the foregoing, occasional, isolated spatting or taping as is deemed a bona-fide medical necessity, and so evidenced by a prior written certification from a podiatrist or other qualified physician, or as may be required "on-the-spot" in response to an injury sustained during a game/practice, shall not be deemed a breach of this Agreement.
- (e) UNIVERSITY shall not, without NIKE's prior written approval, permit: (i) the trade name, trademark, name, logo or any other identification of any person, company, organization or other entity other than NIKE Marks, and UNIVERSITY Marks, to appear on NIKE Products (specifically including product supplied for camp use) worn or used by Coaches, Staff or Team members, or (ii) any third party to screenprint upon, or otherwise embellish, any NIKE Products worn or used by Coaches, Staff or Team members.
- (f) Other than sales of commemorative jerseys and other memorabilia and collectible items that are not intended to be worn (for which there shall be no restriction) UNIVERSITY shall not sell to any person or entity NIKE Products purchased or supplied hereunder by NIKE without a mutually agreeable product disposition plan (e.g., charitable donation or campus "yard sale") in each instance and which plan UNIVERSITY acknowledges may not include any sales to liquidators, jobbers, distributors, wholesalers, retailers, or any other individual or entity in the trade.
- (g) NIKE acknowledges that UNIVERSITY is a party to pre-existing contracts and/or sponsorship and supply arrangements with respect to product supply as set forth on Schedule 1, and the parties agree that UNIVERSITY may (i) extend or renew such existing agreements or arrangements and (ii) replace any such existing agreements or arrangements on the conditions that the replacement third party is not a NIKE Footwear Competitor and any logos or unique design elements of a brand NIKE reasonably considers to be a competitor shall be removed, covered or obscured at NIKE's request (e.g., EvoShield equipment products used by the baseball team shall not bear any visible logos or unique design elements). If UNIVERSITY elects to replace any such existing agreement by sourcing the applicable items from NIKE hereunder and UNIVERSITY and NIKE mutually agree to such sourcing, then (x) such item(s) shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(s) above and "NIKE Products" as defined in Paragraph 1(r) 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, and (y) the Annual Product Allotment for the then current Contract Year and all subsequent Contract Years shall be increased by an

amount sufficient to enable UNIVERSITY to secure quantities of such new Product for the applicable Covered Program(s) needs.

- (h) With respect to any Coach operated camp or clinic that is related to (i) a Flagship Program, to the extent that t-shirts or similar products are provided to participants at such camp or clinic, each such participant shall only be provided a t-shirt or similar product branded with a NIKE Mark and (ii) Covered Program that is not a Flagship Program, to the extent that t-shirts or similar products are provided to participants at such camp or clinic, each such participant shall only be provided a t-shirt or similar product that either bears a NIKE Mark or that does not bear any visible branding or indicia of origin. For the avoidance of doubt, nothing herein shall be construed as restricting participants at such camp or clinic from wearing any apparel or footwear of their choosing at such camp or clinic.

## 12. DESIGN & PRODUCT CONSULTATION.

- (a) UNIVERSITY acknowledges the NIKE Group's industry leadership in the design of performance product and its expertise and innovation in the area of sports and that such leadership, expertise and innovation is a material inducement to UNIVERSITY's entrance into this Agreement. The NIKE Group 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 the NIKE Group, 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 reasonable request by NIKE, UNIVERSITY shall request designated Coaches and Staff to provide the NIKE Group with written or oral feedback concerning the NIKE Products supplied to each through the NIKE Group's product development and testing program. Such feedback shall endeavor to address the fit, wear characteristics, materials and construction techniques of such Products. The parties acknowledge and agree that \$20,000 of the Base Compensation otherwise payable to UNIVERSITY by NIKE hereunder constitutes the value of such design consultation, and UNIVERSITY shall receive no additional compensation for such design consultation.
- (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 and Coaches, such specific models and/or styles of NIKE Products as NIKE may designate from time-to-time subject to (i) the reasonable satisfaction of the applicable Coach and Team members as to performance capability and suitability of the particular Product model or style and (ii) the other terms of this Agreement. UNIVERSITY further acknowledges that this undertaking is a material term, and of the essence, of this Agreement.

## 13. RIGHT OF REDUCTION, SET-OFF.

UNIVERSITY acknowledges that one of the principal inducements for NIKE's entrance into this Agreement is the prominent brand exposure NIKE receives through the placement of the NIKE Marks, as they currently appear (in terms of location placement, number of placements, color prominence or size), on NIKE Products worn and used during competition and that such continued exposure is of

the essence of this Agreement. Accordingly, 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, Big Ten Conference, College Football Playoff organizers or sponsors, 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 Mark 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 19 below, then for such Contract Year NIKE shall have the right to reduce UNIVERSITY's scheduled Base Compensation under this Agreement by the applicable percentage in the table set forth below. For purposes of this provision and Paragraph 7(f) above, (i) the relocation of the logo off the front upper chest (left or right) or front center neck position of the football or basketball game jersey (or off the front leg of the basketball game shorts or football pant leg); or (ii) a reduction in logo size that is readily discernible upon casual observation as opposed to one that is only discernible through actual measurement, shall be deemed a "material" diminution.

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

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 Base Compensation to be paid UNIVERSITY prospectively taking into account the nature and extent of the diminution of rights.

- (b) UNIVERSITY further acknowledges that (i) a principal inducement for NIKE's entrance into this Agreement is the exposure that the NIKE brand receives through the prominent visibility of the NIKE Marks 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 or in any way altering NIKE football shoes in any manner so as to cover or obscure any portion of any NIKE Mark other than as specifically permitted by Paragraph 11(d) above (a "Footwear Violation") 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 11(d) above). Accordingly, if members of the Football Team shall commit a Footwear Violation, in lieu of NIKE's exercise of its termination right under Paragraph 19 below, NIKE in its exercise of discretion shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation (for the Contract Year in which such Footwear Violation occurs) as follows:
- (1) For each and any game in which five (5) or more shoes appear on-field (in game action) polished-out, spatting, or taped for any reason (including as permitted under Paragraph 11(d) above) [e.g., if both of a player's shoes are spatting then that counts as two such Footwear Violations], NIKE shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation by \$20,000 per shoe (in excess of five shoes) that has been so polished out, spatting or taped, up to a maximum of \$100,000 per game.

- (2) For each player that shall appear on-field (in game action) with polished-out, spatted, or taped footwear in any season for any reason (other than as specifically permitted under Paragraph 11(d) 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 Thirty Thousand Dollars (\$30,000) for the next such occurrence during such Contract Year by such player following such notice, and by Thirty Thousand Dollars (\$30,000) for each such occurrence during such Contract Year by such player thereafter.

#### 14. APPROVALS.

- (a) In the event NIKE desires to use the UNIVERSITY Marks or Coach Likenesses (subject to the last sentence of this Paragraph 14(a)) in any NIKE branded consumer advertising or promotion, NIKE shall first submit a sample or the concept of the proposed advertisement or promotion to UNIVERSITY for approval, which approval shall not be unreasonably withheld. UNIVERSITY shall use its reasonable 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.) 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. Notwithstanding the foregoing, the parties acknowledge and agree that the rights to use any Coach Likeness may be held by one or more third parties (it being understood that, if NIKE requests the use of any such Coach Likeness, UNIVERSITY shall use reasonable efforts to facilitate the grant of such rights to NIKE).
- (b) In the event UNIVERSITY desires to use the NIKE Marks in any advertising or promotion or any other use it deems beneficial to any Covered Program, UNIVERSITY shall first submit a sample or the concept of the proposed advertisement or promotion or other use to NIKE for approval, which approval shall not be unreasonably withheld. NIKE shall use its reasonable efforts to advise UNIVERSITY of its approval or disapproval of the sample or concept within five (5) business days of its receipt thereof. NIKE's approval, or disapproval, shall be in writing. (If a submission is disapproved, NIKE'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 NIKE shall be deemed approved. Once a submitted sample or concept is approved, UNIVERSITY shall not depart therefrom in any material respect without re-submission of the item and obtaining NIKE's further approval.

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

- (a) From time to time, NIKE will make its Graphic Identity Group available to UNIVERSITY's Athletic Department for a comprehensive branding review and team uniform design. If UNIVERSITY's Athletic Department desires to develop an additional trademark, service mark, symbol, and/or logographic for use in connection with any Covered Program (collectively, "New Logo"), UNIVERSITY

shall in writing notify NIKE of such intention and agrees to cooperate with NIKE, upon NIKE's request, to discuss in good faith the use of NIKE's services to design such New Logo. Such discussions must occur prior to UNIVERSITY's Athletic Department engaging in negotiations with any third-party to provide such design services, however, UNIVERSITY shall have no obligation to utilize NIKE's design services. 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, provided that NIKE shall have the exclusive right to use such New Logo on Products offered for sale at retail during the Term of the Retail License. UNIVERSITY acknowledges that all trademark/copyright registration and maintenance expenses in connection with the New Logo shall be at UNIVERSITY's 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 the NIKE Group 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.

16. RIGHT OF FIRST DEALING & FIRST REFUSAL, CONTRACT EXTENSION.

- (a) At NIKE's written request, UNIVERSITY shall negotiate with NIKE in good faith with respect to the terms of a renewal of this Agreement. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms. Until twenty-one (21) months prior to the expiration of this Agreement (i.e., September 30, 2025 for the Initial Term; September 30, 2029 for the Option Term) (the "Exclusive Negotiating End Date"), UNIVERSITY shall not (nor shall UNIVERSITY permit its agents, attorneys or representatives to) engage in discussions or negotiations with any third party regarding product supply and sponsorship with respect to any Products, (or similar supply or sponsorship arrangement) ("Product Supply/Endorsement") once the Term has expired.
- (b) During the Term, and for a period of ninety (90) days thereafter, NIKE shall have the right of first refusal for Product Supply/Endorsement, as follows: If UNIVERSITY receives any bona fide third-party offer at any time on or after the Exclusive Negotiating End Date with respect to any Product Supply/Endorsement, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third-party offer in its entirety, in the form of a true and complete copy which shall be on the offeror's letterhead or other identifiable stationery or imprint readily authenticatable by NIKE as having originated with such third-party offeror. 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 (e.g., durational term, covered programs,

product categories, cash compensation, royalty rate and product supply quantities) 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 Exclusive Negotiating End 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/Endorsement.

- (c) In the event that the NCAA Division I Committee on Infractions sanctions the UNIVERSITY by placing the institution on probation for a "major violation" of NCAA rules (or UNIVERSITY self-imposes sanctions) that results in either (1) a post-season competition ban, or a ban on television appearances, for Football or Men's Basketball, and/or (2) a reduction of the number of grants-in-aid (scholarships) by any one or more of the following: two (2) or more scholarships for two (2) or more seasons for Men's Basketball, or six (6) more scholarships for two (2) or more seasons for Football, then in lieu of exercising its right of termination under Paragraph 19 below, NIKE shall have the right, exercisable upon written notice to UNIVERSITY, to extend the Term for the number of Contract Years that corresponds to the number of impacted seasons on the same terms in effect at the time of imposition of such sanctions (and subject to any applicable reductions). (For example, if the Football program was subject to a 2-year post-season competition ban, or 2-year loss of 6 scholarships, NIKE would be entitled to extend this Agreement for a period of 2 additional Contract Years.) Such right shall only be exercised after the issuance of a final decision following the conclusion of any appeal process. The parties acknowledge and agree that the Base Compensation during any such extension Contract Year shall be \$5,820,000, and the Annual Product Allotment shall increase during each such extension Contract Year by \$100,000 as compared to the prior Contract Year.

#### 17. RIGHTS FOR ADDITIONAL AND/OR NEW PRODUCTS.

From time-to-time during the Term, 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 (email with confirmed receipt sufficient) of the particular item(s) then in development by NIKE. NIKE shall provide UNIVERSITY advance opportunity to sample and field-test such new product and, subject to the satisfaction of the Athletic Department and the Coach of the affected Team as to the performance capabilities, quality, suitability and appropriateness of any new product (and compliance with NCAA equipment specifications, if applicable), once such item is commercially available, then (a) such item(s) shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(s) above and "NIKE Products" as defined in Paragraph 1(r) 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 unless UNIVERSITY has a contract with a third party, in which case UNIVERSITY shall no longer be permitted to source such Product from such third party once the applicable contract expires, and (b) the Annual Product Allotment for the then current Contract Year and all subsequent Contract Years shall be increased by an amount sufficient to enable UNIVERSITY to secure quantities of such new Product for the applicable Covered Program(s) needs. Thereafter, UNIVERSITY shall make



such new Product item(s) available to Team members, Coaches and/or Staff members, NIKE shall supply UNIVERSITY 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.

18. RIGHT OF TERMINATION BY UNIVERSITY.

Without prejudice to any other right UNIVERSITY may have hereunder or otherwise, 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 breaches any representation, warranty or other material term of this Agreement, which breach NIKE fails to cure, if curable, within thirty (30) days of UNIVERSITY's delivery of written notice to NIKE specifying such breach.

19. RIGHT OF TERMINATION BY NIKE.

- (a) Without prejudice to any other right NIKE may have hereunder or otherwise, NIKE shall have the right to terminate this Agreement immediately upon written notice to UNIVERSITY if:
  - (1) Either of UNIVERSITY's Football or Men's Basketball Program is placed on NCAA probation (or UNIVERSITY self-imposes sanctions) that results in a television or post-season appearance ban for greater than one playing season, or UNIVERSITY ceases for any reason to field a Division I team in either such Covered Program;
  - (2) Members of any Team fail to wear or use NIKE Products (except as permitted under Paragraphs 11(a)(1) and/or 11(a)(2) above) during Covered Program Activities (including photo sessions and interviews), or wear NIKE Products altered, spatted or taped, in violation of the provisions of Paragraph 11; 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) NIKE determines in good faith that the product exposure benefits contemplated to be derived by NIKE with respect to the Flagship Programs and running-related Covered Programs through the entrance into this Agreement are materially diminished as a result of players not wearing NIKE footwear as permitted under Paragraph 11(a)(1) and (2) above.
  - (4) 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;

- (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 (in terms of size, location placement, color prominence, exclusivity, and/or number of placements) on Products or Licensed Products, 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;
- (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.); or
- (7) UNIVERSITY breaches any representation, 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.
- (b) In the event of termination under this Paragraph or Paragraph 18, UNIVERSITY shall not be entitled to any further compensation under this Agreement, except any unpaid Base Compensation, Total Guaranteed Compensation and Performance Bonuses earned prior to the effective date of termination, pro-rated (in the case of Base and Total Guaranteed 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.
20. NIKE POST-TERMINATION RIGHTS.
- Upon expiration or termination of this Agreement for any reason, NIKE shall have the right to:
- (a) For a period of three (3) months, run any non-cancelable media involving the UNIVERSITY Marks and exhaust all advertising and promotional materials which were produced prior to the effective date of expiration or termination;
- (b) For a period of six (6) months, complete and dispose of, on a non-exclusive basis, any Licensed Products which are on-hand or in-process and fulfill orders received prior to the effective date of expiration or termination, provided royalties thereon

are paid and reported in accordance with the provisions of any applicable license; and

- (c) Use, in perpetuity, Game Photos or Game Footage that UNIVERSITY has granted NIKE the right to use during the Term or that NIKE is otherwise permitted to use under Paragraph 10(b)(3) above for in-house exhibition for historical, educational or commemorative purposes.

## 21. MUTUAL INDEMNIFICATION.

To the extent permitted by applicable law, each party (the "Indemnifying Party") hereby agrees to defend, indemnify, save and hold harmless the other party, its subsidiaries, affiliates, related entities, owners, shareholders, partners, agents, employees, officers, and board members (the "Indemnified Party"), from and against any and all losses, damages, claims, settlements, judgments, liabilities, costs and expenses (including reasonable attorney fees and related costs) arising out of or relating to (i) any negligent act or omission by the Indemnifying Party or any of its officers, directors, employees or agents, or the conduct of the Indemnifying Party's business that violates the rights of any third parties or (ii) the breach of any of the terms, obligations, covenants, representations and/or warranties made by the Indemnifying Party in this Agreement. Each party shall give the other prompt written notice of any such action, suit or claim and shall cooperate in the defense of such action, suit or claim.

## 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 (it being understood that email notice shall be sufficient for notices for which email is specifically permitted hereunder). Any written notice shall be deemed to have been given at the time it is sent addressed to the parties as set forth below. Each party shall promptly notify the other of any address change.

NIKE USA, Inc. One Bowerman Drive Beaverton, OR 97005-6453 Attn: Legal Dept., Sports Marketing Contracts Specialist cc: Attn: Licensing Manager (on retail licensing matters only)	University of Michigan c/o Department of Athletics 1000 S. State Street Ann Arbor, MI 48109-2201  Attn: Athletic Director  cc: Attn: Office of the General Counsel cc: Attn: Michigan Athletics Licensing Director
--	---

24. RELATIONSHIP OF PARTIES.

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

25. ASSIGNMENT/DELEGATION/SUBLICENSE.

(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 sublicensed outside of the NIKE Group and its retail accounts without UNIVERSITY's prior approval, which approval may be withheld in UNIVERSITY's sole discretion. Notwithstanding anything to the contrary contained in this Agreement, NIKE and NIKE, Inc. and their respective successors and assigns shall have the right to sublicense the rights granted by UNIVERSITY in this Agreement to members of the NIKE Group without the prior written consent of UNIVERSITY, provided that NIKE or its permitted successor or assign remains responsible for all obligations under this Agreement.

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.

28. ADDITIONAL WARRANTIES.

UNIVERSITY represents, warrants and covenants (as applicable) that:

- (a) Except for the M-Den Agreement and the IMG Agreement, as applicable, no agreement, contract, understanding or, to the knowledge of UNIVERSITY, any rule of any national, international or collegiate governing body exists which would prevent or limit performance of any of the obligations of UNIVERSITY or rights granted to NIKE hereunder.
- (b) Except as set forth on Schedule 1, neither UNIVERSITY nor, to the knowledge of UNIVERSITY, 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 covenants that during the Term UNIVERSITY will not, with respect to any Covered Program (or with respect to any camp or clinic related to any Covered Program sport):
- (1) Sponsor, endorse or allow any Coach or Staff member of any Covered Program to sponsor, endorse or wear and/or use Products licensed, manufactured, branded or sold by any person or entity other than NIKE, except as specifically permitted under Paragraphs 7(f)(3) and 7(f)(4) above;
  - (2) Enter into, or allow any Coach or Staff member of any Covered Program, or any third-party multi-media rights partner, to enter into, any sponsorship, endorsement, promotional, consulting or similar agreement (including the sale of signage or other media, or permitting the use of UNIVERSITY Marks on any website) with any shoe company or other brand, licensor, manufacturer and/or seller of Products other than NIKE, except as otherwise permitted with respect to renewal rights for pre-existing agreements in accordance with Paragraph 11(g) above (it being understood that, notwithstanding the foregoing, UNIVERSITY shall not be restricted from negotiating with any such parties following expiration of the Exclusive Negotiating End Date as set forth in Paragraph 16 above);
  - (3) Sell to any person or entity Products purchased or provided hereunder by NIKE, except for the sale of game-worn jerseys for fundraising/auction purposes or in the normal course of disposal of surplus property in accordance with Paragraph 11(f);
  - (4) Permit the trade name, trademark, name, logo or any other identification of any brand, licensor, manufacturer and/or seller of Products other than NIKE to appear on venue signage at Covered Program Activities (including photo sessions and interviews);
  - (5) Permit any Team members, Coaches or Staff to wear or use products licensed, manufactured, branded or sold by any person or entity that licenses, manufactures, brands or sells Products other than NIKE, other than as permitted under Paragraph 11(a) above; or
  - (6) Take any action that discourages the use of NIKE Products or in any way diminishes the relationship between NIKE and UNIVERSITY, or allow any Coach or Staff member to take any such action.
- (c) Neither UNIVERSITY, nor any of its licensing agents, shall enter into, extend or, except as specifically permitted by Paragraph 11(g) above, renew any agreement that allows the UNIVERSITY Marks to be used on a NIKE Footwear Competitor's merchandise.

- (d) 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.

NIKE represents, warrants and covenants (as applicable) that:

- (e) To the knowledge of NIKE, no agreement, contract, understanding or rule of any national, international or collegiate governing body exists which would prevent or limit performance of any of the obligations of NIKE hereunder.
- (f) NIKE has the full legal right and authority to enter into and fully perform this Agreement in accordance with its terms.
- (g) NIKE will not, during the Term, take any action in any way diminishes the relationship between NIKE and UNIVERSITY.
- (h) NIKE will work with UNIVERSITY to support the retail objectives of the M-Den Agreement and any successor merchandising partnership agreement that UNIVERSITY may enter into during the Term to ensure that each M-Den store has the latest retail versions of NIKE Products in sufficient quantities and NIKE is otherwise sensitive to the exclusive rights provided for under the M-Den Agreement (e.g., M-Den on-campus retail exclusivity and its exclusive right to operate a retail internet merchandising program).

29. PRESS RELEASE.

Except as otherwise required by applicable laws, all press releases and other public communications of any sort relating to this Agreement, and the method of release or publication thereof, will be subject to the prior written approval of both UNIVERSITY and NIKE.

30. ANNUAL REVIEW.

The parties commit to an annual review of the processes and practices utilized by each to carry out their respective obligations under this Agreement, and to discuss any areas of concern or improvement with regard to the execution of such obligations.

31. CODE OF CONDUCT REPRESENTATIONS AND WARRANTIES.

NIKE acknowledges the Code of Conduct for University of Michigan Licensees (available at: <https://president.umich.edu/committees/presidents-advisory-committee-on-labor-standards-and-human-rights/#code>) (the "UM Code of Conduct") and confirms a shared commitment with the UNIVERSITY and its licensing agent CLC to addressing labor issues in the subcontracted factories engaged to make Products bearing University Marks, including, but not limited to, Licensed Products (such items, the "UNIVERSITY Products"). Accordingly, NIKE represents and warrants that (i) all UNIVERSITY Products shall be manufactured in accordance with the NIKE Code of Conduct (the "NIKE Code") (available at: [http://www.nikeresponsibility.com/report/uploads/files/Nike\\_Code\\_of\\_Conduct.pdf](http://www.nikeresponsibility.com/report/uploads/files/Nike_Code_of_Conduct.pdf)) and applicable Code Leadership Standards (available at: [http://www.nikeresponsibility.com/report/uploads/files/NIKE\\_INC\\_Code\\_Leadership\\_Standards.pdf](http://www.nikeresponsibility.com/report/uploads/files/NIKE_INC_Code_Leadership_Standards.pdf)); (ii) the NIKE Code meets, exceeds, or has equivalent treatment of all requirements set forth in the current UM Code of Conduct in all material respects (though UNIVERSITY acknowledges the NIKE Code may differ in approach); (iii) throughout the Term of this Agreement, NIKE shall cause the NIKE Code to continue to meet or exceed or have equivalent treatment of all requirements of the current UM Code

of Conduct in all material respects (though UNIVERSITY acknowledges the NIKE Code may differ in approach); (iv) all NIKE subcontracted factories used in connection with the manufacture of such UNIVERSITY Products shall be disclosed to UNIVERSITY upon request and shall be subject to NIKE internal, systematic monitoring in accordance with the NIKE Code and applicable Code Leadership Standards, and independent external monitoring and investigation by a third party mutually agreed upon by the parties; (v) NIKE shall address non-compliance with the NIKE Code in an effective and timely manner in accordance with the NIKE Code Leadership Standards; and (vi) upon reasonable request, NIKE shall furnish to UNIVERSITY reports of any investigations of noncompliance with the NIKE Code as well as information with respect to the implementation and enforcement of the NIKE Code and the monitoring of factories where UNIVERSITY Product is manufactured. In the event that at any time during the Term of this Agreement, an allegation arises that NIKE is not in compliance with the foregoing representations and warranties, NIKE will conduct an investigation regarding such allegations, in consultation with UNIVERSITY and any mutually agreed-upon third party in accordance with (iv) above. If following the investigation it is determined that corrective action is appropriate, NIKE and UNIVERSITY will consult in an effort to reach agreement on such corrective actions to be taken and a mutually-agreeable specified reasonable timeline for implementation. If during the Term UNIVERSITY materially modifies the current UM Code of Conduct, UNIVERSITY may request and NIKE will agree to discuss such modifications and their implications for the shared commitment referenced in this section. Any breach of the terms of this section shall be considered a material breach.

32. CONFIDENTIALITY.

Subject to UNIVERSITY's obligations under applicable laws, UNIVERSITY shall not (nor shall it permit or cause its employees, agents or representatives to) disclose the financial and other material terms of this Agreement, the marketing plans of NIKE , or other confidential material or information disclosed to UNIVERSITY pursuant to Paragraph 12 above (including information disclosed during audit), to any third party, except as may be required by law and after prior written notice to NIKE. This Paragraph shall survive the termination or expiration of this Agreement.

33. INSURANCE.

The parties shall have in place reasonable and customary insurance coverage and limits as it relates to the operations of this Agreement.

34. 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.

35. ENTIRE CONTRACT.

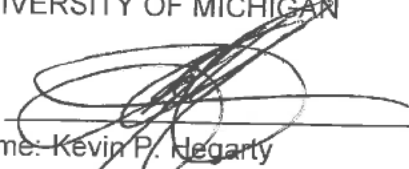
As of the execution date hereof, this Agreement shall constitute the entire understanding between UNIVERSITY and NIKE and may not be altered or modified except by a written agreement, signed by both parties. Any previous agreements between UNIVERSITY and NIKE shall have no further force or effect.

[Signature Page Follows]

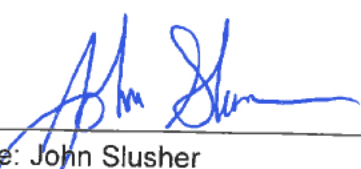
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date written below.


REGENTS OF THE  
UNIVERSITY OF MICHIGAN

NIKE USA, Inc.

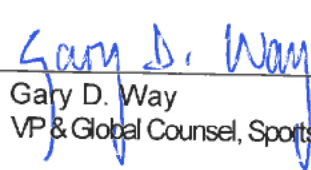
By:   
Name: Kevin P. Hegarty  
Title: Executive Vice President and  
Chief Financial Officer

*KEH*

By:   
Name: John Slusher  
Title: EVP, Global Sports Marketing

By:   
Name: Warde J. Manuel  
Title: Donald R. Shepherd Director of  
Athletics

*WJM*

By:   
Name: Gary D. Way  
Title: VP & Global Counsel, Sports Marketing

Dated: March 16, 2016

Dated: 3/16/16



**Schedule 1**  
**Third-Party Supplied Products Covered by Pre-Existing Agreements**

Gymnastics: competition product (including uniforms)

Swimming and Diving: competition product (including swimwear, aquatic footwear, swimming and aquatic accessories) and in-pool training equipment and training aids

Water Polo: competition product (including uniforms) and equipment

Baseball: bats, bat bags, fielding gloves, protective equipment (including helmets and catcher's gear)

Softball: bats, fielding and batters gloves, protective equipment (including helmets and catcher's gear), training equipment, balls, wristbands and bags for each of the foregoing

Wrestling: singlets, headgear, kneepads (for duration of current supplier relationship)

Ice Hockey: equipment and skates

Field Hockey: equipment

Golf: clubs and balls (no suppliership or sponsorship arrangements)

Tennis: racquets and balls

Volleyballs: balls (including mini balls) and ball racks

Men's and Women's Lacrosse: equipment (including helmets, gloves, arm pads/guards, shoulder pads, rib pads, goalie chest protectors, stick head and shafts, and balls)

Dance Team: uniforms and shoes

All Sports: helmets or other protective head or face gear

**SCHEDULE 2**  
**Performance Bonuses**

In the event the indicated team achieves any of the following performances during any Contract Year, UNIVERSITY shall, within sixty (60) days of such accomplishment, invoice NIKE for payment of the corresponding bonus amount (and which bonus UNIVERSITY acknowledges may be subject to forfeit if not timely invoiced) which NIKE shall pay within thirty (30) business days of its receipt thereof:

<b>Football Bonuses</b>	
Plays in Big10 Championship Game	\$10,000
Wins Big10 Championship Game	\$20,000
Plays in a CFP semifinals game	\$25,000
Plays in the National Championship game	\$50,000
Wins National Championship	\$100,000
<b>Men's Basketball Bonuses</b>	
Wins National Championship	\$25,000
Wins Conference Championship	\$10,000
Top 5 Ranking <sup>1</sup>	\$ 3,500
.950 Season Winning %	\$ 3,500
<b>Women's Basketball Bonuses</b>	
Wins National Championship	\$7,500
Wins Conference Championship	\$5,000
Top 5 Ranking <sup>1</sup>	\$3,000
.950 Season Winning %	\$3,000

<sup>1</sup>Based on final *USA Today* or AP Final Poll (whichever is higher).

Unless otherwise indicated, all bonuses listed above are cumulative (i.e., if men's basketball achieves all of the above performances, UNIVERSITY would be eligible for \$42,000 in bonuses).