

Virginia Tech  
Department of Athletics

Nike Contract

July 1, 2007 - June 30, 2018





September 15, 2014

Mr. Whit Babcock  
Athletics Director  
Virginia Tech  
352 Jamerson Athletics Center (0502)  
Blacksburg, VA 24061

RE: Amendment and Extension of Virginia Tech-NIKE Agreement

Dear Mr. Babcock:

This will serve as the amendment of the agreement (as previously amended) between Virginia Polytechnic Institute and State University, for its Athletic Department and NIKE USA, Inc., dated July 1, 2007 (the "Agreement"), confirming the extension and the other agreed modifications. Effective as of the full execution of this Amendment (the "Effective Date"), UNIVERSITY and NIKE agree that the Agreement is amended as follows:

1. As of the Effective Date, the term of the Contract shall be extended for one (1) additional "Contract Year" and will expire June 30, 2023.
2. As of the Effective Date, the annual Base Compensation chart in Paragraph 5(b), and annual product consideration (i.e., "Supplied Product Limit") chart in Paragraph 6(a), shall be amended as follows:

Contract Year	Base Compensation	Supplied Product Limit*
Contract Year 2014-15	\$275,000	\$1,625,000
Contract Year 2015-16	\$275,000	\$1,625,000
Contract Year 2016-17	\$275,000	\$1,625,000
Contract Year 2017-18	\$275,000	\$1,625,000
Contract Year 2018-19	\$275,000	\$1,835,000
Contract Year 2019-20	\$275,000	\$1,835,000
Contract Year 2020-21	\$275,000	\$1,835,000
Contract Year 2021-22	\$275,000	\$1,835,000
Contract Year 2022-23	\$300,000	\$1,900,000
\$150,000 of Base Compensation shall be distributed by UNIVERSITY directly to Coach Frank Beamer; provided that Coach Beamer shall not be entitled to any further distribution upon ceasing to serve as head football coach for any reason.		

\* Such amount shall be valued at retail value.

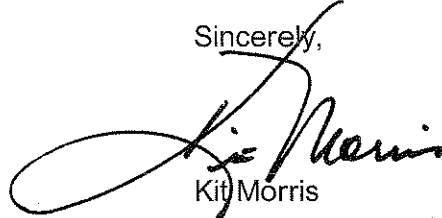
3. As of the Effective Date, the date in Paragraph 15(a) and 15(b) shall be amended to be October 1, 2022.

Except as modified by this Amendment, all defined terms used within this Amendment shall have the same meaning ascribed to them under the Agreement, all other terms and conditions

of the Agreement shall remain in full force and effect, and all rights and obligations under this Amendment shall be exercised consistent with the Agreement. If UNIVERSITY is in agreement with the terms of this Amendment, please so indicate by due execution of this Amendment and return of same to me for counter-signature on behalf of NIKE.

NIKE is pleased to have reached this new agreement and looks forward to the continued mutual benefits of our key partnership.

Sincerely,



Kit Morris

Director, College Sports Marketing


**AGREED:**


Virginia Polytechnic Institute  
and State University

By:   
Dwight Shelton  
VP for Finance Chief Financial Officer

**AGREED:**

NIKE USA, Inc.

By:   
Tommy Kain, Vice President, North America  
Sports Marketing

By:   
Gary D. Way, Vice President, and Global Counsel  
Sports Marketing

Dated: 10/23/14



February 19, 2014

Mr. Whit Babcock  
Athletics Director  
Virginia Tech  
352 Jamerson Athletics Center (0502)  
Blacksburg, VA 24061

RE: Amendment and Extension of Virginia Tech-NIKE Agreement

Dear Mr. Babcock:

This will serve as the amendment of the agreement (as previously amended) between Virginia Polytechnic Institute and State University, for its Athletic Department and NIKE USA, Inc., dated July 1, 2007 (the "Agreement"), confirming the extension and the other agreed modifications. Effective as of the full execution of this Amendment (the "Effective Date"), UNIVERSITY and NIKE agree that the Agreement is amended as follows:

1. As of the Effective Date, the term of the Contract shall be extended for seven (7) additional "Contract Years" to commence July 1, 2014 and end June 30, 2022.
2. As of the Effective Date, Hockey Jerseys and Hockey Pants shall be deleted from Paragraph 1(m)(2).
3. As of the Effective Date, the annual Base Compensation chart in Paragraph 5(b), and annual product consideration (i.e., "Supplied Product Limit") chart in Paragraph 6(a), shall be amended as follows:

Contract Year	Base Compensation	Supplied Product Limit*
Contract Year 2014-15	\$275,000	\$1,600,000
Contract Year 2015-16	\$275,000	\$1,600,000
Contract Year 2016-17	\$275,000	\$1,600,000
Contract Year 2017-18	\$275,000	\$1,600,000
Contract Year 2018-19	\$275,000	\$1,800,000
Contract Year 2019-20	\$275,000	\$1,800,000
Contract Year 2020-21	\$275,000	\$1,800,000
Contract Year 2021-22	\$275,000	\$1,800,000

\$150,000 of Base Compensation shall be distributed by UNIVERSITY directly to Coach Frank Beamer; provided that Coach Beamer shall not be entitled to any further distribution upon ceasing to serve as head football coach for any reason.

\* Such amount shall be valued at retail value.

4. As of the Effective Date, Paragraph 5(c) shall be deleted in its entirety.
5. Paragraph 5(d) of the Agreement shall be renumbered Paragraph 5(c).

~~6. Paragraph 5(e) of the Agreement shall be renumbered Paragraph 5(d).~~

7. As of the Effective Date, the date in Paragraph 15(a) and 15(b) shall be amended to be October 1, 2021 and the last sentence of Paragraph 15(b) shall be deleted.

Except as modified by this Amendment, all defined terms used within this Amendment shall have the same meaning ascribed to them under the Agreement, all other terms and conditions of the Agreement shall remain in full force and effect, and all rights and obligations under this Amendment shall be exercised consistent with the Agreement. If UNIVERSITY is in agreement with the terms of this Amendment, please so indicate by due execution of this Amendment and return of same to me for counter-signature on behalf of NIKE.

NIKE is pleased to have reached this new agreement and looks forward to the continued mutual benefits of our key partnership.

Sincerely,

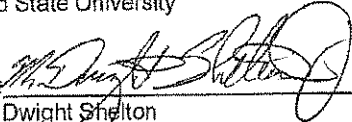


Kit Morris

Director, College Sports Marketing


AGREED:

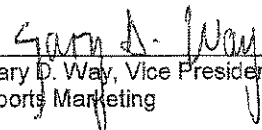
Virginia Polytechnic Institute  
and State University

By:   
Dwight Shelton  
VP for Finance Chief Financial Officer

AGREED:

NIKE USA, Inc

By:   
Tommy Kain, Vice President, North America  
Sports Marketing

By:   
Gary D. Way, Vice President, and Global Counsel  
Sports Marketing

Dated: 4/7/14

**THIRD AMENDMENT TO MULTI-SPORT SPONSORSHIP AGREEMENT**

This shall confirm the agreement to amend the Multi-Sport Sponsorship Agreement between Virginia Polytechnic Institute and State University, for its Athletic Department, and NIKE USA, Inc., effective July 1, 2009 (the "Contract"). The parties hereby agree to amend the Contract as follows:

1. The last paragraph of Section 1(m) shall be deleted in its entirety and replaced with the following:

"Notwithstanding the foregoing, UNIVERSITY shall have the right to (a) source and provide non-branded singlets, from a non-competitor of NIKE, to its Wrestling program, (b) use its own golf clubs and golf balls, provided UNIVERSITY does not source such clubs or balls from a competitor of NIKE, (c) source its softball equipment from a non-competitor of NIKE, and (d) enter into a three (3) year contract with STX to supply UNIVERSITY with lacrosse equipment. In addition, as of the commencement of the third Contact Year (2009-2010), UNIVERSITY shall not be required to use catchers gear, protective equipment, batting helmets, fielding gloves, baseball bats or sweatbands (baseball only)." *and batting gloves*

*MC  
JW 9/9/09*

2. A new Section 21(a)(6) shall be included as follows:

"Any member of the Athletic Department administration (including Coach or Staff), acting in that capacity, publicly disparages the quality and/or performance of NIKE Products."

Except as modified by this Amendment, all other terms and conditions of the Contract shall remain in full force and effect and all rights hereunder shall be exercised consistent therewith.

VIRGINIA POLYTECHNIC INSTITUTE  
AND STATE UNIVERSITY

By: *M. Dwight Shelton, Jr.*  
M. Dwight Shelton, Jr.

Its: VP for Finance & Chief Financial Officer

Fed. Id. No: 54-6001805

NIKE USA, Inc.

By: *Tommy Kain*  
Tommy Kain

Its: Director, U.S. Sports Marketing

By: *Margo S. Fowler*  
Margo S. Fowler

Its: North America Counsel

Dated: 10/23/09

**SECOND AMENDMENT TO MULTI-SPORT SPONSORSHIP AGREEMENT**

This shall confirm the agreement to amend the Multi-Sport Sponsorship Agreement between Virginia Polytechnic Institute and State University, for its Athletic Department, and NIKE USA, Inc., effective July 1, 2007 (the "Contract"). The parties hereby agree to amend the Contract as follows:

The last paragraph of Section 1(m) shall be deleted in its entirety and replaced with the following:

"Notwithstanding the foregoing, UNIVERSITY shall have the right to (a) source and provide non-branded singlets, from a non-competitor of NIKE, to its Wrestling program, (b) use its own golf clubs and golf balls, provided UNIVERSITY does not source such clubs or balls from a competitor of NIKE, (c) source its softball equipment from a non-competitor of NIKE, and (d) enter into a three (3) year contract with STX to supply UNIVERSITY with lacrosse equipment."

Except as modified by this Amendment, all other terms and conditions of the Contract shall remain in full force and effect and all rights hereunder shall be exercised consistent therewith.

VIRGINIA POLYTECHNIC INSTITUTE  
AND STATE UNIVERSITY

By: 

Executive Vice President and

Its: Chief Operating Officer

Fed. Id. No: \_\_\_\_\_

NIKE USA, Inc.

By: 

Tommy Kahn

Its: Director, U.S. Sports Marketing

By: 

Peter H. Koehler, Jr.

Its: Regional Counsel, U.S.A. Region

Dated: 26. 11.26.07

## AMENDMENT TO MULTI-SPORT SPONSORSHIP AGREEMENT

This shall confirm the agreement to amend the Multi-Sport Sponsorship Agreement between Virginia Polytechnic Institute and State University, for its Athletic Department and NIKE USA, Inc., effective January 1, 2003 (the "Contract"). The parties hereby agree to amend the Contract as follows:

Section 5(b) of the Contract Terms shall be deleted in its entirety and replaced with the following:

- (b) As consideration for the rights granted under this Agreement, NIKE shall pay to UNIVERSITY (subject to Subparagraph 5(c) and Paragraphs 11 and 18 below) Base Compensation in the amount set opposite the below-indicated Contract Year. Should Coach Frank Beamer cease to coach Football at UNIVERSITY, any cash allotments to Coach Beamer below shall transfer to UNIVERSITY upon the effective date of Coach's termination of employment with UNIVERSITY, taking into account any reduction in Paragraph 5(c) below. All annual amounts payable under this Paragraph shall be paid in two (2) equal semi-annual installments to be made on July 1 and January 1 of each Contract Year:


1 <sup>st</sup> Contract Year (2007-08)	\$250,000 (\$150,00 of which shall be distributed from UNIVERSITY directly to Frank Beamer)
2 <sup>nd</sup> Contract Year (2008-09)	\$250,000 (\$150,00 of which shall be distributed from UNIVERSITY directly to Frank Beamer)
3 <sup>rd</sup> Contract Year (2009-2010)	\$250,000 (\$150,00 of which shall be distributed from UNIVERSITY directly to Frank Beamer)
4 <sup>th</sup> Contract Year (2010-2011)	\$250,000 (\$150,00 of which shall be distributed from UNIVERSITY directly to Frank Beamer)
5 <sup>th</sup> Contract Year (2011-2012)	\$275,000 (\$150,00 of which shall be distributed from UNIVERSITY directly to Frank Beamer)
6 <sup>th</sup> Contract Year (2012-2013)	\$275,000 (\$150,00 of which shall be distributed from UNIVERSITY directly to Frank Beamer)
7 <sup>th</sup> Contract Year (2013-2014)	\$275,000 (\$150,00 of which shall be distributed from UNIVERSITY directly to Frank Beamer)
8 <sup>th</sup> Contract Year (2014-2015)	\$275,000 (\$150,00 of which shall be distributed from UNIVERSITY directly to Frank Beamer)



Except as modified by this Amendment, all other terms and conditions of the Contract shall remain in full force and effect and all rights hereunder shall be exercised consistent therewith.

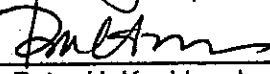
VIRGINIA POLYTECHNIC INSTITUTE  
AND STATE UNIVERSITY

NIKE USA, Inc.

By:   
Executive Vice President and  
Its: Chief Operating Officer

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

Fed. Id. No: 54-6001805

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

Dated: 8.06.07

## VIRGINIA TECH MULTI-SPORT SPONSORSHIP AGREEMENT

THIS IS AN AGREEMENT made and entered into by and between Virginia Polytechnic Institute and State University, for its Athletic Department, having its principal place of business at Blacksburg, Virginia 24061 ("UNIVERSITY" or "Virginia Tech"), and NIKE USA, Inc. ("NIKE"), an Oregon corporation, having its principal place of business at One Bowerman Drive, Beaverton, Oregon 97005.

### WITNESSETH

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith) and owns all right, title and interest in and to the names, nicknames, mascots, trademarks, service marks, logographics and/or symbols, and any other recognized reference to Virginia Tech of or its intercollegiate athletic programs; and

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

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

#### 1. DEFINITIONS.

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

- (a) "NIKE Group" shall mean NIKE USA, Inc., BauerNike Hockey, Inc. ("BNH"), their parent company NIKE, Inc., their licensees, distributors, subsidiaries and any successor company.
- (b) "UNIVERSITY Marks" shall mean the identification Virginia Tech, the nickname "Hokies", and all other names, nicknames, mascots, identifications, trademarks, service marks, logographics and/or symbols, and any other recognized reference to UNIVERSITY or its athletics programs.
- (c) "Covered Program(s)" shall mean all varsity intercollegiate athletic programs which are fielded by UNIVERSITY and have full-time coaches and scholarship athletes.
- (d) "Flagship Program(s)" shall mean the following Covered Programs: football; men's basketball and women's basketball.
- (e) "Team" shall mean that group of athletes attending the Blacksburg campus of UNIVERSITY during the term of this Agreement and comprising the roster of each Covered Program.
- (f) "Coach" shall mean an individual employed during the term of this Agreement to act as a head coach of a Covered Program.
- (g) "Coach Properties" shall mean the Coach's name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likeness and image or facsimile image, and any other means of endorsement used by such Coach.

- (h) "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers and any on-field/courtside staff (e.g., ballpersons, basketball stat crews, etc.) employed by UNIVERSITY during the term of this Agreement to provide services to any Covered Program.
- (i) "Department-Related Activities" shall mean all student-provided game entertainment activities (e.g., marching band, pep band, performance/dance team), product giveaways and other marketing initiatives, or community outreach activities conducted in connection with any Covered Program, the Athletic Department generally or the promotion thereof by the Athletic Department or UNIVERSITY.
- (j) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the term of this Agreement.
- (k) "NCAA" shall mean the National Collegiate Athletic Association.
- (l) "Conference" shall mean the conference of which a Covered Program is a member, as applicable (e.g., the Athletic Coast Conference (the "ACC")).
- (m) "Products" shall mean:
  - (1) all athletic and athletically inspired or derived footwear (specifically including but not limited to sports sandals) that members of any of Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective sport;
  - (2) authentic competition apparel consisting of uniforms, sideline or courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football and hockey jerseys, football and hockey pants, football player capes, wool and fitted caps, windsuits, rainsuits, sideline or courtside pants, shorts and shirts, and similar apparel, practicewear, thermal wear and performance undergarments (collectively, "Authentic Competition Apparel") that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective sport;
  - (3) "Performance Apparel" which for purposes of this Agreement shall mean any apparel marketed as containing technical fabrications or construction that assist the wearer during athletic endeavors such as apparel that includes, among other features, moisture management properties (e.g., moisture-wicking, regulation of temperature, weather-protecting, etc.), "seamless construction" or other unique construction (e.g., compression/tight gear);
  - (4) all other apparel articles of an athletic or athleisure nature including but not limited to polo shirts, golf shirts, tank-tops, T-shirts, sweatsuits, separates and other body coverings, and accessories of an athletic or athleisure nature, including but not limited to headwear, headbands, wristbands, bags, socks, hand-towels, receiver's and linemen's gloves, golf gloves, weight training gloves and accessories, elbow and knee pads that members of any Team, Coaches and/or Staff wear or use or may be

reasonably expected to wear or use while participating in their respective sport;

- (5) competition balls (i.e., basketballs, footballs; volleyballs);
- (6) protective eyewear, eyewear with performance attributes and sunglasses;
- (7) sports timing devices (including wrist watches, race timers, stopwatches, etc. and devices used for competition or training that are also used in combination with timing devices such as heart-rate monitors or calorimeters); and
- (8) helmets, gloves, pads, and such other equipment as NIKE may add to its Product lines at any time during the term of this Agreement and subject to the provisions of Paragraph 16 below.

Notwithstanding the foregoing, UNIVERSITY shall have the right to (a) source and provide non-branded singlets, from a non-competitor of NIKE, to its Wrestling program, (b) use its own golf clubs and golf balls, provided UNIVERSITY does not source such clubs or balls from a competitor of NIKE, and (c) source its softball equipment from a non-competitor of NIKE.

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

- (s) "NIKE Web Sites" shall mean [www.nike.com](http://www.nike.com), [www.nikebiz.com](http://www.nikebiz.com) or any successor web site thereto and any other now existing or hereafter created web site owned and/or controlled by NIKE.
- (t) "Visitor(s)" shall mean the governing body or board of directors of the UNIVERSITY.

## 2. TERM.

This Agreement shall remain in full force and effect for a period of eight (8) Contract Years, from July 1, 2007 through June 30, 2015 unless sooner terminated in accordance with the terms and conditions hereof (the "Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

## 3. GRANT OF SPONSORSHIP RIGHTS.

UNIVERSITY hereby grants to NIKE, and NIKE hereby accepts:

- (a) The designation as "the official supplier of the athletic footwear, apparel and accessory products of (each Covered Program)" and "the official athletic footwear, apparel and accessories sponsor of (each Covered Program)", "the supplier of the athletic footwear of the Covered Program", the official athletic footwear sponsor of the Covered Program" and/or such similar designations as the parties may agree upon (collectively, the "Designations").
- (b) The right to utilize (subject to the approval provisions of Paragraph 13 below) the UNIVERSITY Marks, Coach Properties and/or Designations worldwide, in any media (now known or hereafter created) including, but not limited to, the Internet, CD-ROM and other interactive and multi-media technologies, in connection with the sponsorship, marketing and promotion (including in programming in any and all media including the Internet) of NIKE Products, NIKE brands, and any of the NIKE Web Sites and in the creation, production, distribution and sale of NIKE sports-themed video and computer games and Internet Content. Such rights shall specifically include, but shall not be limited to, the following:
  - (i) The right to supply Products to each Covered Program and to use the appropriate Designations.
  - (ii) The right to manufacture and sell at retail (subject to a License Agreement entered into between the parties and which UNIVERSITY agrees shall be effective through the term hereof, attached hereto) NIKE Product bearing or incorporating UNIVERSITY Marks. The license rights granted in this Paragraph 3 do not extend to the manufacture and/or sale of Celebration Apparel. Upon learning of the need for Celebration Apparel for a Covered Program in a given Contract Year, the UNIVERSITY shall inform NIKE of its need for such Celebration Apparel. If NIKE does not agree to supply the Celebration Apparel for the Covered Program in that Contract Year as specified by the UNIVERSITY within five (5) business days after receiving the notice from UNIVERSITY, UNIVERSITY may enter into an agreement with a third-party to supply such Celebration Apparel provided (i) such third-party is not also engaged in the manufacture or sale of athletic footwear,

and (ii) UNIVERSITY shall ensure that any Celebration Apparel provided to Team members, Coaches or Staff for their immediate post-game wear or use (or for any official victory celebration either immediately post-game or upon return to the Blacksburg campus) shall not bear any camera-visible brand or manufacturer identification incorporated within either the garments graphic design, labels, hangtags or otherwise. If NIKE agrees to provide the Celebration Apparel, it shall have the exclusive right to supply the Celebration Apparel for that Covered Program in that Contract Year and the non-exclusive right and license to manufacture and sell such Celebration Apparel.

- (iii) The right to use in Internet Content on the Internet, in accordance with the terms of this Agreement and subject to applicable NCAA rules and regulations with respect to the depiction of eligible athletes, game photographs, video, audio, text, graphics, film footage and/or any other data, materials or information (e.g., statistics, biographical profiles, archival materials, etc.) of any and all Covered Programs whether created by NIKE (or its agent) or controlled by UNIVERSITY (collectively, "UNIVERSITY Content"). In connection therewith, at NIKE's request, UNIVERSITY shall permit NIKE to utilize, consistent with this Paragraph 3, UNIVERSITY Content (owned and/or controlled by UNIVERSITY or created by NIKE (or its agent)), without a use fee, other than reasonable search and edit charges.

#### 4. INTERNET RIGHTS.

Each Contract Year, UNIVERSITY shall, and without limiting any other rights granted hereunder, provide NIKE with the following benefits in connection with the Internet:

- (a) NIKE shall receive recognition as an official supplier and licensee that includes an acknowledgement banner on the main page and logo exposure on all pages of www.hokiesports.com web site. In addition, NIKE will receive the opportunity to create a link from the UNIVERSITY Web Site to a NIKE Web Site; provided, however, that any NIKE Web Site page that enables the user to purchase Licensed Product shall appear at least two (2) "clicks" away from the UNIVERSITY Web Site. The appearance, location and size of the acknowledgement and the link shall be subject to final determination by UNIVERSITY.
- (b) Notwithstanding the foregoing grant of rights with respect to the Internet, UNIVERSITY represents and warrants that, during the term of this Agreement, it shall not treat NIKE less favorably than any other commercial entity to which UNIVERSITY has granted any rights with respect to the UNIVERSITY Web Site.

#### 5. CASH CONSIDERATION.

- (a) In the event this Agreement is fully executed on or before October 1, 2006, NIKE shall pay to UNIVERSITY a one-time Commitment Bonus in the amount of Forty Thousand Dollars (\$40,000), and shall issue a one-time Product allotment of One Hundred Twenty Thousand Dollars (\$120,000)(retail value).

- (b) As consideration for the rights granted under this Agreement, NIKE shall pay to UNIVERSITY (subject to Subparagraph 5(c) and Paragraphs 11 and 18 below) Base Compensation in the amount set opposite the below-indicated Contract Year. All annual amounts payable under this Paragraph shall be paid in two (2) equal semi-annual installments to be made on July 1 and January 1 of each Contract Year:

1st Contract Year (2007-08)	\$250,000
2nd Contract Year (2008-09)	\$250,000
3rd Contract Year (2009-10)	\$250,000
4th Contract Year (2010-11)	\$250,000
5th Contract Year (2011-12)	\$275,000
6th Contract Year (2012-13)	\$275,000
7th Contract Year (2013-14)	\$275,000
8th Contract Year (2014-15)	\$275,000

- (c) In the event Frank Beamer ceases to be the head coach of the Football Team for any reason, the parties agree that the Base Compensation (in the Contract Year in which he departs and each remaining Contract Year) may be reduced by \$75,000, at NIKE's sole discretion.
- (d) In the event the Men's Basketball program reaches the finals, NIKE shall pay UNIVERSITY a non-cumulative cash bonus as follows:

NCAA Sweet 16	\$5,000
NCAA Elite 8	\$10,000
NCAA Final Four	\$25,000

- (e) In the event the Women's Basketball program reaches the finals, NIKE shall pay UNIVERSITY a non-cumulative cash bonus as follows:

NCAA Sweet 16	\$5,000
NCAA Final Four	\$10,000

## 6. NIKE PRODUCT CONSIDERATION.

In consideration for the rights granted under this Agreement:

- (a) In consideration for the rights granted under this Agreement, each Contract Year, UNIVERSITY shall be entitled to order directly from NIKE, free of charge, the below-indicated amounts of mutually determined sport-appropriate NIKE Product for use by (or in connection with) the Covered Programs and UNIVERSITY-sponsored camps and clinics. The aggregate retail value of supplied product that UNIVERSITY may order for each Contract Year, free of charge, shall be as set forth in the table below (each, an annual "Supplied Product Limit").

1st Contract Year (2007-08)	\$900,000
2nd Contract Year (2008-09)	\$900,000
3rd Contract Year (2009-10)	\$900,000
4th Contract Year (2010-11)	\$900,000
5th Contract Year (2011-12)	\$1,000,000
6th Contract Year (2012-13)	\$1,000,000

7th Contract Year (2013-14)	\$1,000,000
8th Contract Year (2014-15)	\$1,000,000

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

- (b) NIKE shall not be liable to UNIVERSITY, any Team member, Coach, or Staff for any injury or damage suffered from wearing or using NIKE Products, except such injury or damage resulting from NIKE's adjudicated negligence. *To the extent permitted under the laws of the Commonwealth of Virginia, UNIVERSITY specifically waives, only as against NIKE, all express warranties, and implied warranties of merchantability and fitness for a particular purpose.*

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

- (a) UNIVERSITY acknowledges that annual product allotments shall be delivered to UNIVERSITY generally one (1) month prior to the start of the regular season for each Covered Program and that annual allotments must typically be ordered 9-12 months in advance of each season to ensure timely delivery. UNIVERSITY acknowledges that, once apparel ordering deadlines have been met, product delivery may be staggered in accordance with a mutually agreed priority schedule. (By way of example, with respect to football product, footwear and practice wear would be delivered by July 1st, game uniforms by photo day, and cold weather wear by October 1st.)
- (b) UNIVERSITY acknowledges that the placement of the NIKE logo, as it is currently permitted by the NCAA and now placed by NIKE (in terms of size, location placement, color contrast/prominence and/or number of placements), on Authentic Competition Apparel is a bargained for material benefit contemplated by NIKE under this Agreement and that such continued degree of manufacturer logo prominence on competition product is of the essence of this Agreement. Accordingly, during the Term, UNIVERSITY shall take no action that shall have the effect of relocating (except for a more favorable placement should a subsequent relaxation in rules so permit), reducing, or restricting NIKE's logo placement rights on product as such logo now appears and is permitted by current relevant NCAA rules or regulations including, but not limited to, NCAA Rule 12.5.4. 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 (e.g., size, color contrast, number of placements, location of placement, etc.) as may be currently permitted under NCAA, Conference and/or other applicable rules, or hereafter permitted by any subsequent relaxation in NCAA, Conference and/or other applicable rules.

8. NIKE SPONSOR BENEFITS.

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

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

PROGRAM	No. TICKETS
Football (between the 30 yard lines)	4
Football Bowl Games (best available)	6
Basketball (M&W)	8
Basketball Tournament (M&W) (Conference & NCAA or NIT, if applicable)	12
Other Ticketed Programs	4

Each Contract Year, NIKE shall receive: (i) thirty (30) tickets (i.e., 22 tickets in addition to NIKE's 8 season tickets) to one mutually agreed upon women's basketball game; and (ii) two (2) sideline passes for each home football game upon request. UNIVERSITY shall use best efforts so that all tickets provided under the foregoing provisions shall be for adjacent seats. UNIVERSITY shall use best efforts to fulfill NIKE's purchase requests for such additional quantities of tickets as it may reasonably request, such tickets to be best available and at face-value.

- (b) Four (4) "VIP" parking passes at all football, basketball games.
- (c) NIKE shall receive a suitable, high-traffic, location within or at each venue at which UNIVERSITY has the right to grant such space, which NIKE may, at its option and expense, set-up a merchandise display and sell NIKE Product.
- (d) NIKE shall receive venue signage in which it may prominently display the NIKE logo, NIKE.com and/or other NIKE trademark or message as NIKE may designate from time-to-time. The NIKE logo identification or message shall comply with the requirements of 26 USC 513 to qualify the payment to the UNIVERSITY as a "qualified sponsorship payment" and as such NIKE shall not have the right to display a message that contains a comparative or qualitative description of NIKE Product, price information or other indications of savings or value, an endorsement, or an inducement to purchase, sell or use NIKE Product. All copy and graphics proposed for display by NIKE are subject to reasonable approval by the UNIVERSITY.
- (e) At each home game of each Covered Program at which a public address system and/or electronic message board (or other electronic messaging systems) is used, as applicable, suitable in-game P.A. announcements and/or board messages recognizing NIKE as the official Products supplier and sponsor

of the applicable program. The announcement/acknowledgement shall comply with the requirements of 26 USC 513 to qualify the payment to the UNIVERSITY as a "qualified sponsorship payment" and as such NIKE shall not have the right to display a message that contains a comparative or qualitative description of NIKE Product, price information or other indications of savings or value, an endorsement, or an inducement to purchase, sell or use NIKE Product. All copy and graphics proposed for display by NIKE are subject to reasonable approval by the UNIVERSITY.

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

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

## 9. APPEARANCES, NIKE EVENTS & COMMUNITY SERVICES.

In connection with the promotion of NIKE Products and/or NIKE brands:

- (a) In an effort to promote sports participation and the values associated with such participation and to promote the UNIVERSITY's athletic programs generally, each Contract Year, upon reasonable prior notice and subject to the limitations of the terms of any Coach's contract with the UNIVERSITY and any coaching commitment, if so requested by NIKE, UNIVERSITY shall make the head football coach available for up to two (2) personal appearances on behalf of NIKE, and the Coach of each other Covered Program available for up to three (3) personal appearances on behalf of NIKE. No single appearance shall exceed twenty-four (24) hours in duration, including travel time, unless otherwise agreed upon in advance. Such appearances may include, but are not limited to, photo shoots for posters, brochures or in-store displays, production sessions related to filming commercials and/or video productions and/or advertising, internet chat sessions, retail store appearances, trade shows, speaking engagements, appearances at sports clinics, celebrity events and other public appearances. NIKE shall pay all reasonable out-of-pocket expenses for accommodations, meals and travel incurred by the Coach, Staff and Team members. NIKE shall be solely responsible for complying with all federal and state tax payments applicable to NIKE and reporting obligations associated with such reimbursed expenses. UNIVERSITY shall receive no additional compensation for such appearances.
- (b) Upon reasonable prior notice and subject to any other playing commitments and compliance with any applicable NCAA and/or Conference rules or regulations, UNIVERSITY shall make its women's basketball and/or soccer teams available to participate in a NIKE-sponsored tournament not more frequently than once per team within any 3-year period. The team's participation shall be limited to a maximum of two (2) games in each such tournament. NIKE shall pay all reasonable out-of-pocket expenses for accommodations, meals and travel incurred by the Coach, Staff and Team members. NIKE shall be solely responsible for complying with all federal and state tax payments applicable to NIKE and reporting obligations associated with such reimbursed expenses.

#### 10. USE OF NIKE PRODUCTS.

- (a) Throughout the Term, UNIVERSITY shall make NIKE Products available on an exclusive basis to each Covered Program to be worn and/or used by Team members, Coaches and Staff during practices, games, exhibitions (including during locker room activities), clinics and/or sports camps controlled by UNIVERSITY (that receive UNIVERSITY resources, e.g., playing field/court use, on-campus lodging, dining hall privileges), locker room and/or sideline/courtside celebrations and/or presentations, and other official or UNIVERSITY sanctioned activities (including but not limited to photo sessions and interviews) during which Team members, Coaches and Staff wear and/or use Products except as otherwise provided under this Paragraph 10(a). UNIVERSITY shall require all such Coaches and Team and Staff members to wear and/or use exclusively NIKE Products (as provided above) during such activities. Notwithstanding the foregoing, (i) in the event any Team member is unable to wear NIKE footwear due to a bona fide medical condition as evidenced by a certification by the Team's physician, then such Team member

shall be permitted to wear non-NIKE footwear provided all visible manufacturer's identification is taped over or otherwise covered so as to completely obscure such manufacturer's identification; and (ii) NIKE acknowledges that any Coach's wearing of non-athletic footwear and apparel in connection with his or her official coaching duties, as appropriate, shall not constitute a breach of this Paragraph. NIKE further agrees to work with any Team member experiencing problems in connection with fit or performance of NIKE footwear.

- (b) UNIVERSITY shall ensure that no Team member, Coach or Staff member shall:
  - (1) Alter or permit the alteration of any NIKE Product worn or used by them to resemble a non-NIKE Product; or
  - (2) Wear any non-NIKE Products which have been altered to resemble NIKE Products.
- (c) UNIVERSITY represents and warrants that, as of the date hereof, it is not party to any pre-existing agreement with any third-party that would prevent, limit or otherwise restrict any Covered Program's exclusive use of NIKE Products as required by this Agreement, and UNIVERSITY shall ensure that during the activities of each Covered Program no Team member, Coach or Staff member shall wear and/or use any athletic footwear, or other Products, manufactured by companies other than NIKE except as permitted by the medical condition provision under Paragraph 10(a)(i) above or as otherwise permitted under Paragraph 10(b) above.
- (d) UNIVERSITY acknowledges that "polishing-out", "spatting" or otherwise taping, so as to cover or obscure any portion of any NIKE logo, the NIKE athletic shoes worn by members of the Teams during open practices, games, exhibitions, clinics, UNIVERSITY-controlled sports camps and other occasions (including photo day) during which Team members wear athletic shoes, is inconsistent with the purpose of this Agreement and the benefits to be derived from it by NIKE and is a material breach of this Agreement. (i) Notwithstanding the foregoing, occasional, isolated spatting or taping as is deemed to be a bona-fide medical necessity for the particular ankle/foot that is injured (which shall not include the spatting or taping of the footwear on the other ankle/foot if such other ankle/foot is not also injured), and so evidenced by a prior written opinion from a physician or athletic trainer and confirmed in writing to NIKE prior to the relevant game by the Coach in the form of a list of the players/feet that are the subject of such opinion(s) (except in instances where such determination is made in-game/in-training in response to a then-sustained injury), shall not be deemed a breach of this Agreement. This subparagraph does not apply to interior taping (i.e., taping under or over the sock but inside the shoe) of players' feet and/or ankles.
- (e) UNIVERSITY shall not permit the trade name, trademark, name, logo or any other identification of any person, company or business entity other than NIKE, or UNIVERSITY if approved by NIKE, to appear on NIKE Products (specifically including product supplied for UNIVERSITY-controlled camp use) worn or used

by Coaches, Staff or Team members except for the name or logo of the Conference, or an NCAA post-season logo.

11. DESIGN & MARKETING CONSULTATION.

- (a) NIKE shall continue its efforts to produce high quality Products through consultation with coaches and staff of successful athletic programs such as UNIVERSITY and whose full cooperation is important to NIKE, as such individuals have knowledge that can be useful in the research, development and production of NIKE Products, and is of the essence of this Agreement. Upon request by NIKE, UNIVERSITY shall request designated Coaches and Staff to provide NIKE with written or oral reports concerning the NIKE Products supplied to each through NIKE's product development and testing program. Such reports shall address the fit, wear characteristics, materials and construction techniques of such Products.
- (b) UNIVERSITY acknowledges that a material inducement to NIKE's entrance into this Agreement is to provide broad and prominent exposure for the NIKE brand and particular Product models and styles. Accordingly, UNIVERSITY shall require the use, in practices and games, by such Teams as NIKE may request, such specific models and/or styles of NIKE Products as NIKE may designate from time-to-time and UNIVERSITY further acknowledges that this undertaking is a material term, and of the essence, of this Agreement.

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

- (a) UNIVERSITY acknowledges that the principal inducements for NIKE's entrance into this Contract are: (i) the wide-spread national television and other media exposure that the football program annually receives, and (ii) the accompanying prominent brand exposure NIKE receives through the placement of the NIKE logo, as it currently appears (in terms of size, location placement, color prominence and/or number of placements), on Authentic Competition Apparel and that such continued exposure is of the essence of this Contract. 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, Atlantic Coast Conference, or broadcaster rules or regulations (or other third-party having jurisdiction of such matters) are materially diminished (in terms of location, placement, size, color prominence [i.e., prohibition of the use of a NIKE logo in a color that contrasts with a uniform's background color]) and/or number of placements, with respect to a Covered Program, in lieu of NIKE's exercise of its termination right under Paragraph 21 below, then for such Contract Year NIKE shall have the right to reduce UNIVERSITY's scheduled Cash Compensation under this Agreement by the applicable percentage in the table set forth below. For purposes of this provision and Paragraph 7(b) above, (i) the relocation of the logo off the front upper chest (left or right) or front center neck position of the football game jersey (or off the front leg of the basketball game shorts leg); 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 (W)	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 Cash Compensation to be paid UNIVERSITY prospectively taking into account the nature and extent of the diminution of rights.

- (b) UNIVERSITY further acknowledges that (i) the principal inducement for NIKE's entrance into this Contract is the television and other media exposure that the NIKE brand receives through the prominent visibility of the NIKE logos that appear on the side (and other locations) of the athletic shoes provided by NIKE to UNIVERSITY for use pursuant to this Contract, (ii) such continued brand exposure is of the essence of this Contract, and (iii) the unauthorized "spatting" or taping of shoes in any manner is inconsistent with the purpose of this Contract and the expected benefits to be derived from it by NIKE and is a material breach of this Contract. Accordingly, if the coaching staff shall permit the spatting or taping of NIKE footwear, in lieu of NIKE's exercise of its termination rights under Paragraph 21 below, NIKE shall have the right (in its sole discretion) to reduce UNIVERSITY's annual scheduled Base Compensation (for the Contract Year in which such breach occurs) in accordance with the reduction scale below set forth.

	% REDUCTION AMOUNT
1 <sup>st</sup> Occurrence	10% of total annual Base Comp.
2 <sup>nd</sup> Occurrence	15% of total annual Base Comp.
3 <sup>rd</sup> Occurrence	25% of total annual Base Comp.

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

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

### 13. ADVERTISING APPROVALS.

NIKE shall submit commercial material developed pursuant to Paragraph 3, to UNIVERSITY for approval prior to use for any commercial or external purpose.

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

14. DEVELOPMENT OF NEW LOGO & TRADEMARK OWNERSHIP.

- (a) At UNIVERSITY's request, NIKE agrees to make available to UNIVERSITY the services of NIKE design services to develop, in consultation with the UNIVERSITY, an additional trademark, service mark, symbol and/or logographic for use by Covered Programs (collectively, "New Logo"). Should UNIVERSITY elect to have NIKE undertake such design assignment, NIKE shall provide such design services at no expense to UNIVERSITY except as provided below. In the event NIKE designs such New Logo and it is approved by UNIVERSITY, then UNIVERSITY shall be the sole owner of all right, title and interest in and to the New Logo and have the right to use it in connection with the UNIVERSITY for all purposes except that, for 1-year period commencing with the Contract Year in which such New Logo is introduced at retail, NIKE shall have the exclusive right to sell Products bearing the New Logo. Thereafter, UNIVERSITY shall be free to license to third parties the use of the New Logo. UNIVERSITY acknowledges that all trademark/copyright registration and maintenance expenses in connection with the New Logo shall be at its expense and NIKE agrees that it shall not incur any such expense on behalf of UNIVERSITY without UNIVERSITY's prior approval.
- (b) NIKE recognizes the value of the UNIVERSITY Marks and acknowledges that the goodwill attached thereto belongs to UNIVERSITY and that nothing in this Agreement serves to assign, convey or transfer to NIKE any rights, title or interest in or to the UNIVERSITY Marks.
- (c) UNIVERSITY recognizes the value of the NIKE Marks and acknowledges that the goodwill attached thereto belongs to NIKE and that nothing in this Agreement serves to assign, convey or transfer to UNIVERSITY any rights, title or interest in or to the NIKE Marks.
- (d) Neither party shall apply to register or maintain any application or registration of any mark owned by the other party.

15. RIGHTS OF FIRST DEALING & FIRST REFUSAL.

- (a) At NIKE's 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. 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 with respect to any Products, or sponsorship of any Intercollegiate Athletic Program (or similar supply or promotional arrangement) with respect to any Products after the Term ("Product

Supply/Endorsement") until April 30, 2015, at which time UNIVERSITY will have the right to issue a request for proposal for Product Supply/Endorsement, subject to NIKE's right of first refusal described in subparagraph (b) below. NIKE shall not be obligated to respond to any such request for proposal.

- (b) During the Term and for a period of one hundred eighty (180) days thereafter, NIKE shall have the right of first refusal for Product Supply/Endorsement, as follows. If UNIVERSITY receives any bona fide third party offer at any time on or after April 30, 2015, with respect to any Product Supply/Endorsement, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third party offer. NIKE shall have fifteen (15) business days from the date of its receipt of such third party offer to notify UNIVERSITY in writing if it will enter into a new contract with UNIVERSITY on terms no less favorable to UNIVERSITY than the material, measurable and matchable terms of such third party offer. If NIKE so notifies UNIVERSITY within such 15-day period, UNIVERSITY shall enter into a contract with NIKE on the terms of NIKE's offer. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third party offer within such 15-day period, UNIVERSITY may thereafter consummate an agreement with such third party on the terms of the offer made to UNIVERSITY. Prior to November 15, 2014, 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) Notwithstanding the foregoing, application of this Paragraph shall be subject to any prior state or federal court adjudication in which such Paragraph is held to be illegal, invalid or unenforceable pursuant to the Virginia Public Procurement Act, Sections 2.2-4200 *et seq.* of the Code of Virginia (1950) as amended, in which case Paragraph 28 of this Agreement shall apply.

#### 16. RIGHTS FOR NEW PRODUCTS.

From time-to-time during the term of this Agreement, NIKE may add to its Products line one or more items of sports equipment. If at any time during the Term NIKE shall have a bona fide intention to expand its Products line by adding any such item(s), then NIKE shall give UNIVERSITY advance written notice of the particular item(s) then in development by NIKE. NIKE shall provide UNIVERSITY with adequate opportunity to sample and field-test the new item(s). After such testing, and once the tested item is commercially available, then (subject to the Athletic Director's and Coach's satisfaction as to quality and suitability and, if appropriate, subject to mutually acceptable additional compensation to replace that which UNIVERSITY was then-receiving from a third-party for the use of its products) such item(s) shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(m) above and "NIKE Products" as defined in Paragraph 1(n) above and covered in all pertinent respects by the terms hereof and for the balance of the Term UNIVERSITY shall no longer be permitted to source such Products from a manufacturer other than NIKE. Thereafter, UNIVERSITY shall make such new Product item(s) available to Team members, Coaches and/or Staff members. NIKE shall supply UNIVERSITY, free of charge (and which shall be supplied in addition to and not counted against the Supplied Product Limit under Paragraph 6), with



sufficient quantities for such purpose to be mutually agreed upon by the parties, including quantities equal to or greater than the quantities of any comparable item(s) which UNIVERSITY, Team members, Coaches and/or Staff members are then receiving from a third-party. NIKE shall remit the mutually acceptable additional compensation, if any, to UNIVERSITY on an agreed upon schedule, and UNIVERSITY shall thereupon distribute, as is appropriate, such new item(s) to Team members, Coaches and/or Staff members for use pursuant to the terms of this Agreement.

**17. INDEMNIFICATIONS/HOLD HARMLESS.**

- (a) NIKE shall be solely responsible for, and shall defend, hold harmless and indemnify UNIVERSITY, and its respective trustees, officers, employees and agents (collectively "UNIVERSITY Parties") against any claims, demands, causes of action or damages, including reasonable attorneys' fees (collectively, "Claims") asserted by any third party and arising out of: (i) NIKE's performance of its obligations under this Agreement; (ii) the breach or alleged breach by NIKE of any of its obligations under this Agreement; (iii) any advertising by NIKE other than claims alleging that NIKE'S use of the UNIVERSITY Marks as approved by UNIVERSITY infringed upon the alleged rights of a third-party in and to the UNIVERSITY Marks; (iv) negligence in the manufacture, distribution, advertisement, promotion, sale or use of any NIKE Product; or (v) NIKE's failure to comply with applicable laws, regulations and standards, provided NIKE is given prompt written notice of and shall have the option to undertake and conduct the defense of any such Claim. In any instance to which the foregoing indemnities pertain, UNIVERSITY shall cooperate fully with and assist NIKE in all respects in connection with any such defense. NIKE shall reimburse UNIVERSITY for all reasonable out-of pocket costs actually incurred by UNIVERSITY in connection with such cooperation and assistance. In any instance to which such indemnities pertain, UNIVERSITY shall not enter into a settlement of such Claim or admit liability or fault without NIKE's prior written approval.
- (b) To the extent provided for by the Constitution and laws of the Commonwealth of Virginia, UNIVERSITY shall defend, indemnify and hold harmless NIKE, its officers, directors, employees, affiliates and agents from all obligations or liabilities arising out of: (i) UNIVERSITY's performance of its obligations under this Agreement; (ii) the breach or alleged breach by UNIVERSITY of any of its obligations under this Agreement; or (iii) any claim that any of the UNIVERSITY Marks violates or infringes upon the trademark, copyright or other right of any third party. NIKE shall give UNIVERSITY prompt written notice of and shall have the option to undertake and conduct the defense of any such Claim. In any instance to which the foregoing indemnity pertains, NIKE shall cooperate fully with and assist UNIVERSITY in all respects in connection with any such defense. UNIVERSITY shall reimburse NIKE for all reasonable out-of pocket costs actually incurred by NIKE in connection with such cooperation and assistance. In any instance to which such indemnities pertain, NIKE shall not enter into a settlement of such Claim or admit liability or fault without UNIVERSITY'S prior written approval.

**18. INSURANCE.**

- (a) NIKE represents and warrants that the NIKE Group has the financial resources to honor NIKE's risk liability under this Agreement and that (i) it and/or its parent company NIKE, Inc. currently carries excess liability insurance over a one million dollar (\$1,000,000) self-insured retention ("SIR"); and (ii) NIKE losses under the SIR are paid from a funded reserve account. UNIVERSITY acknowledges that NIKE is a substantial publicly traded company that is self-insured in the manner set forth above and agrees that NIKE may continue to self-insure its risk under this Agreement so long as its net worth remains in excess of two billion dollars (\$2,000,000,000). In the event NIKE is unable to continue to self-insure at, or beyond, such levels as set forth above, or elects not to self-insure, it shall promptly notify UNIVERSITY of same and obtain standard product liability insurance as prescribed in subparagraph (b) below.
- (b) In the event NIKE elects not to, or is unable to, self-insure at, or beyond, such levels as set forth above, NIKE will maintain Commercial General Liability Insurance policy in standard form, including products liability coverage, insuring against any claims, demands or causes of action, including reasonable attorneys' fees, arising out of any defect or alleged defects in NIKE Products. Insurance shall be in the amount of one million dollars (\$1,000,000.00) and shall name UNIVERSITY, its Board of Visitors, officers, employees and agents as additional insureds. Insurance coverage must be on an occurrence basis. NIKE shall cause the insurance company issuing such policy to issue a certificate to UNIVERSITY confirming that such policy has been issued and is in full force and effect and provides coverage as required by this Paragraph 18, and also confirming that before cancellation, modification or reduction in coverage of such policy, the insurance company shall give UNIVERSITY thirty (30) days prior written notice of such proposed cancellation, modification or reduction.

#### 19. MATERIAL CHANGED CIRCUMSTANCES.

UNIVERSITY acknowledges that principal inducements for NIKE's entrance into this Agreement include (i) the widespread brand exposure that is expected to be derived from the prominent NIKE logo placement on NIKE Products to be supplied to UNIVERSITY hereunder, and, (ii) the brand exposure expected to be received as a result of the telecast of certain competitions involving Flagship Programs. UNIVERSITY further acknowledges that, notwithstanding UNIVERSITY's approval or consent to NIKE's exercise of the rights granted to it under this Agreement, NIKE can be deprived of the material benefits contemplated by the parties as a direct consequence of changes in rules, guidelines or policies, or a change in the enforcement policy with respect thereto, by UNIVERSITY, or by third parties that have jurisdiction over and/or control UNIVERSITY's intercollegiate athletic programs or the broadcast of intercollegiate athletic competitions (e.g., the Board of Visitors of Virginia Tech, the NCAA, the ACC, television networks, each such third-party an "External Authority"). In the event any exercise of rights by UNIVERSITY or an External Authority has a material adverse affect upon NIKE's exercise of rights conveyed to it under this Agreement (e.g., prohibiting commercial identification on competition product, limitation on sponsor placement of camera-visible venue signage, use of virtual signage technology, etc.), upon receipt of notice of any such changed circumstances, the parties agree for a period of sixty (60) days to in good

faith negotiate a reasonable and appropriate substantial reduction in compensation and/or other support. If at the end of such 60-day period, the parties cannot agree on an appropriate substantial reduction NIKE shall have the right to terminate this Agreement, such termination to become effective at the end of the then-current Contract Year or six (6) months after the date of NIKE's written notice of termination under this Paragraph, whichever is later. The UNIVERSITY shall have the right to solicit proposals and negotiate contract terms with any third-party immediately after receipt of the notice of termination from NIKE under the foregoing sentence. Thereafter, UNIVERSITY shall have the right to enter into a sponsorship and license agreement, with respect to the subject matter of this Agreement, with any third-party.

20. RIGHT OF TERMINATION BY UNIVERSITY.

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

- (a) NIKE is adjudicated insolvent or declares bankruptcy;
- (b) NIKE fails to make payment to UNIVERSITY of any sum due pursuant to this Agreement within thirty (30) days following NIKE's receipt of written notice from UNIVERSITY that such payment is past due; or
- (c) NIKE shall be in material breach of this Agreement, which breach NIKE fails to cure within thirty (30) days of NIKE's receipt of written notice from UNIVERSITY specifying such breach.

21. RIGHT OF TERMINATION BY NIKE.

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

- (1) The football program is placed on NCAA probation resulting in a ban on television and/or post-season appearances for longer than a single playing season, or UNIVERSITY ceases for any reason to field a Division I football team;
- (2) Members of any Team fail to wear or use NIKE Products during practices, games, exhibitions, clinics, sports camps or other occasions during which Team members wear or use Products (including but not limited to on-field/on-court or lockerroom photo sessions and interviews), or wear NIKE Products altered, spatted or taped, in violation of the provisions of Paragraph 10 above; provided, however, that NIKE shall have first provided written notice to UNIVERSITY of any such violation and such violation shall then recur during the same Contract Year;
- (3) Any Coach, Staff or Team member fails to perform any material obligations provided for in this Agreement, which breach UNIVERSITY fails to cure within thirty (30) days of UNIVERSITY's receipt of written notice from NIKE specifying such breach;
- (4) UNIVERSITY, the NCAA, the Conference or any assignee thereof (including any licensing agent or broadcast partner of the foregoing) enacts, adopts or accedes to any regulation, restriction, prohibition or practice that materially deprives NIKE of the promotional benefits and/or

product/brand exposure contemplated by this Agreement including, but not limited to, (i) any diminution of NIKE's logo placement rights as current permitted by the NCAA (in terms of size, location placement, color prominence and/or number of placements as it is currently permitted) on Product or Licensed Product, including any total ban on the placement of camera-visible logo identification on Authentic Competition Apparel, (ii) "air brushing" NIKE identification from still photography or footage, or (iii) use of L-VIS technology or other "virtual signage" or electronic/computer imaging technology that alters, substitutes or replaces NIKE's stadium/arena signage (including NIKE logo identification that appears on uniforms) with other commercial identification that is seen by home television viewers; or

- (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, or takes any action, or causes or induces UNIVERSITY, the Athletic Department or any Team to take any action, that would materially adversely affect any rights conveyed to NIKE under this Agreement (e.g., limiting the right of NIKE to supply brand-identified footwear for Team use, requiring the use of competitive product or to display competitor-identification, etc.).
- (b) In the event of termination under this Paragraph 21 or Paragraph 20, UNIVERSITY shall not be entitled to any further compensation under this Agreement, except any unpaid Base Compensation earned prior to the effective date of termination, pro-rated (in the case of Base Compensation) over the entire Contract Year and calculated to the effective date of termination. Alternatively, NIKE shall have the right to receive from UNIVERSITY reimbursement for Base Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled if the Base Compensation were pro-rated over the entire Contract Year, calculated to the effective date of termination. Any such payment shall be due within thirty (30) days of the date of termination.

## 22. NIKE POST-TERMINATION RIGHTS.

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

- (a) Run any non-cancelable media involving the UNIVERSITY Marks and exhaust all advertising and promotional materials that were produced prior to the effective date of expiration or termination; and
- (b) Use, in perpetuity, UNIVERSITY Content for in-house exhibition for historical, educational or commemorative purposes.

## 23. 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 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.

24. **NOTICES.**

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

NIKE USA, Inc. One Bowerman Drive Beaverton, OR 97005-6453 Attn: Legal Dept., Contracts Administrator	
cc: Attn: Licensing Manager (on retail licensing matters only)	cc: Attn: Office of Trademark & Licensing Services (on retail licensing matters only)

25. **RELATIONSHIP OF PARTIES.**

The performance of services for NIKE by UNIVERSITY is in the capacity of independent contractors. Accordingly, nothing contained in this Agreement shall be construed as establishing an employer/employee, partnership, agency or joint venture relationship between UNIVERSITY and NIKE. Each party is responsible for all withholding, social security, unemployment compensation and other taxes attributable to its performance of this Agreement.

26. **ASSIGNMENT/DELEGATION/PASS THROUGH.**

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

27. **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.

28. **SEVERABILITY.**

Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal, invalid or unenforceable for any reason whatsoever, such illegality,

invalidity or unenforceability shall not affect the validity of the remainder of this Agreement or any other provision and the illegal, invalid or unenforceable provision shall be deemed by the parties as replaced by such substitute provision as shall be drafted by NIKE, in such form and substance as shall be legally valid, and as shall accomplish as near as possible the purpose and intent of the invalidated provision.

29. **ADDITIONAL WARRANTIES.**

UNIVERSITY represents and warrants that:

- (a) 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 either party hereunder.
- (b) Neither UNIVERSITY nor any Coach nor Staff member is party to any oral or written agreement, contract or understanding which would prevent, limit or hinder the performance of any obligations hereunder of UNIVERSITY, Coaches or Staff. UNIVERSITY further represents and warrants that during the Term UNIVERSITY will not:
  - (1) Sponsor, endorse or allow any Coach or Staff member of any Intercollegiate Athletic Program to sponsor, endorse or wear and/or use Products sold by any manufacturer or seller other than NIKE;
  - (2) Enter into, or allow any Coach or Staff member of any Intercollegiate Athletic Program to enter into, any endorsement, promotional, consulting or similar agreement (including the sale of signage or other media) with any manufacturer or seller of Product or footballs other than NIKE, certain traditional fashion sports brands (including Polo, Hilfiger, Nautica, Karl Kani, etc.);
  - (3) Sell to any person or entity Products purchased or provided hereunder by NIKE or any other third party;
  - (4) Permit the trade name, trademark, name, logo or any other identification of any manufacturer or seller of Products or footballs other than NIKE to appear on signage at practices, games, exhibitions, clinics, sports camps and other official or UNIVERSITY sanctioned Intercollegiate Athletic Program activities (including but not limited to photo sessions and interviews); or
  - (5) Take any action inconsistent with the endorsement of NIKE Products, or allow any Coach or Staff member to take any such action.
- (c) 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.

30. **CONFIDENTIALITY.**

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

31. 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.

32. NONDISCRIMINATION.

NIKE will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by applicable state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to its normal operation. NIKE agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth these provisions. NIKE, in all solicitations or advertisements for employees placed by NIKE or on its behalf, shall state that NIKE is an equal opportunity employer. Notwithstanding the foregoing, notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this Paragraph.

33. DRUG-FREE WORKPLACE.

NIKE, its agents and employees are prohibited from manufacturing, distributing, dispensing, possessing or using any unlawful or unauthorized drugs or alcohol while on UNIVERSITY property. It is against NIKE policy for any NIKE employee to possess, use, manufacture, distribute, purchase, sell, offer, attempt to obtain or dispense any illegal narcotic, hallucinogen, sedative, controlled substance or drug (other than one prescribed by a physician) or provide any such substance to others in the work place.

34. NON-APPROPRIATION.

Any funding for this Agreement is dependent at all times upon the appropriation of funds by the Virginia General Assembly and/or any other organization of the Commonwealth authorized to appropriate such funds. In the event that funding to enable UNIVERSITY's performance of this Agreement is not appropriated, whether in whole or in part, then the Agreement may be terminated effective the last day for which appropriated funding is available.

35. COMPLIANCE WITH ALL LAWS.

Each party agrees to comply with all applicable federal, state and local laws.

36. LABOR PRACTICES.

NIKE represents and warrants that any Licensed Products bearing the UNIVERSITY Marks and sold at retail shall be manufactured in accordance with the CLC Code of Conduct (the "CLC Code") attached hereto as Exhibit C. The parties agree that all monitoring of these standards will be carried out in accordance with Fair Labor Association standards and procedures.

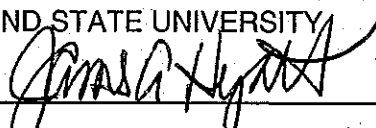
37. ENTIRE CONTRACT.

As of the effective date hereof, this Agreement shall constitute the entire understanding between UNIVERSITY and NIKE and may not be altered or modified except by a written agreement, signed by UNIVERSITY's representative and by the

persons signing below on behalf of NIKE. Any previous agreements between UNIVERSITY and NIKE shall have no further force or effect.

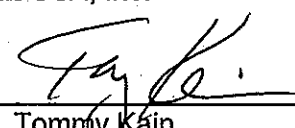
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date written below.

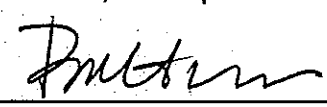
VIRGINIA POLYTECHNIC INSTITUTE  
AND STATE UNIVERSITY

By:   
Its: Executive Vice President &  
Chief Operating Officer

Fed. Id. No: 54-6001805

NIKE USA, Inc.

By:   
Its: Director, U.S. Sports Marketing

By:   
Its: Regional Counsel, U.S.A. Region

Dated: 10.12.06