

License Agreement

This License is entered into by the State of Oregon acting through the State Board of Higher Education on behalf of the University of Oregon (Licensor) and Phit, LLC (Licensee).

WHEREAS, Licensor is the owner of the property described on Exhibit A (Premises) on the University of Oregon campus in Eugene, Oregon;

WHEREAS, Licensee wishes to secure from Licensor and Licensor is willing to grant to Licensee a non-revocable and exclusive license to use the Premises for the development and construction of an Athletic Center for Student Athletes that will be given to the Licensor as a gift-in-kind primarily for the benefit of the Licensor in general and particularly to benefit Licensor's student athletes; and

For good and valuable consideration, the parties agree as follows:

1. Licensor grants to Licensee a non-revocable and exclusive license (License) to use the Premises commencing on December 1, 2007, and ending July 15, 2010, or when the Athletic Center for Student Athletes is turned over to the Licensor for the benefit of Licensor's Athletic Department (Term), whichever is earlier. The Term may be extended for reasonable cause subject to the approval of both parties, which approval shall not be unreasonably withheld. Licensor grants to Licensee a non-revocable and exclusive right of ingress and egress over and through the Premises and the property immediately adjacent to the Premises reasonably necessary for the purposes set forth in this License. Licensee shall pay a license fee of one dollar, which shall be due at the start of the Term. Licensee acknowledges that, should Licensor be prepared to proceed with construction of an Alumni Center prior to the expiration or termination of this License, Licensor may seek modification of the exclusive nature of this License or seek to provide substitute space for Licensee to use as a staging area during construction. Any such modification or moving of staging area is subject to reasonable approval of Licensee. Should Licensee agree to move its staging area to accommodate construction of an Alumni Center, Licensor agrees to pay the costs Licensee incurs arising out of the move.
2. Licensor acknowledges that Licensee intends to design and construct an Athletic Center for Student Athletes on the Premises primarily, but not exclusively, for the benefit of student athletes. The planned Athletic Center for Student Athletes is generally described on Exhibit B. Licensor agrees the design and construction of the Athletic Center for Student Athletes shall be done in the sole discretion of Licensee so long as it is generally consistent with Exhibit B. Subject to the requirements of the State Board of Higher Education, Licensee may propose the name and the duration of the name for the Athletic Center for Student Athletes, and Licensor will not unreasonably object to Licensee's proposal.
3. Licensor and Licensee understand that Licensee will undertake the design and construction of the Athletic Center for Student Athletes as a private project and Licensee will give the Athletic Center for Student Athletes as a gift-in-kind to Licensor upon completion. Notwithstanding the requirements of Paragraph 11, in the event Licensee, its contractor or subcontractors or suppliers of any tier are required by Licensor, the State of Oregon or otherwise, to pay any excess costs including, without limitation, prevailing wages, solely attributable to the Athletic Center for Student Athletes being determined to be, in any respect, a public project, Licensor will pay such excess costs, provided, however, Licensee may, in its sole discretion, elect to pay any such excess costs. Licensor shall use best efforts to assist and expedite all permitting processes. Licensee shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by or for Licensee. Any work performed, materials furnished or obligations incurred shall be at Licensee's sole request and not at the instance of or as agent for Licensor. Licensee shall be solely responsible for obtaining any and all permits and licenses and shall use only contractors and subcontractors that are properly licensed in Oregon. Licensee shall ensure that its contractor and subcontractors and suppliers of all tiers pay reasonable and competitive wages, as determined by Licensee in its sole discretion, for the construction of the Athletic Center for Student Athletes. It is understood that Licensee's contractor may not be competitively bidding the work.
4. Licensor will, during the construction of the Athletic Center for Student Athletes, designate, at no cost to Licensee, service vehicle parking spaces, reasonably acceptable to Licensee, for Licensee's exclusive use a minimum of thirty (30) cars in a location described on Exhibit A.
5. Licensee's contractor shall, consistent with the construction, keep the public areas of the Premises affected by the construction clean and consistent with public use.
6. Prior to this License, Licensor has given Licensee ample opportunity to inspect and test the condition of the Premises. Therefore, Licensee accepts its license herein to use the Premises in its "AS-IS" condition with all faults, including both latent and patent defects. Licensor and Licensor's agents are not making, have not made and expressly disclaim any representations or warranties, express or implied, with respect to the Premises. Licensee is not, however, responsible for the existence of hazardous waste or any archaeological site issues. Licensor will arrange and pay for an environmental assessment to be conducted, which shall commence no later than December 2, 2007 and which is to be completed as soon as

possible but with an estimated completion date prior to January 2, 2008. Licensor will also assume responsibility for any archaeological review required and for any costs associated with such review. Notwithstanding the non-revocable nature of the License, in the event Licensor or Licensee subsequently determines that there were latent defects which substantially and materially change the construction anticipated or substantially and materially change the cost of the construction anticipated, Licensee or Licensor may immediately, upon notice to the other party, terminate this License. If any such termination is due to hazardous waste or archeological site issues, Licensee will have no responsibility to restore the Premises and Licensor will be responsible for any required restoration of the Premises.

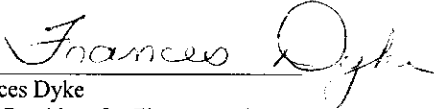
7. Before Licensor vacates the Premises, Licensor will, upon ten days notice from Licensee, provide access to Licensee for soils, water and related testing. Licensor will totally, at its cost, vacate the Premises within thirty (30) days of receipt of written notice by Licensee and leave the Premises in such condition that it is ready for commencement of construction of the Athletic Center for Student Athletes. However, in no event will the Licensee require the Licensor to vacate the Premises prior to the completion of its use related to the 2008 Olympic Track and Field Trials. The date of vacation by Licensor is currently scheduled for July 15, 2008, or earlier if need for the Premises related to the 2008 Olympic Track and Field Trials is completed sooner. Licensor shall be responsible for the cost of moving in to the Premises and Athletic Center for Student Athletes upon the expiration of this License.
8. Licensee agrees to indemnify and hold harmless Licensor from and against any and all liability, damages, expenses, judgments, proceedings and causes of action based solely on claims by third parties for injury to or death of any person or damage to or destruction of any property and arising out of Licensee's use or occupancy of the Premises, provided, however, such obligation only applies to the extent of any negligent act or omission of Licensee or its employees or authorized agents. Licensee's indemnification obligations under this paragraph shall survive the expiration or termination of this License.
9. Licensee or its contractor shall maintain the insurance specified on Exhibit C until this License is terminated or the Academic Center for Student Athletes is turned over to the Athletic Department of Licensor, whichever is earlier.
10. Licensee may not assign this License or sublicense the whole or any part of the Premises without the prior written approval of Licensor, which approval Licensor may grant or withhold in Licensor's sole and absolute discretion.
11. During the Term of this License, all obligations of Licensee under this License and actions taken by Licensee pursuant to this License shall comply with all applicable codes, laws, orders, statutes and regulations of all federal, state, county and municipal authorities having jurisdiction of the Premises, including Workers' Compensation requirements.
12. Licensee shall, prior to the date of expiration of the License, remove from the Premises Licensee's personal property not affixed to the Premises. At the end of the term, Licensor shall have sole responsibility for all maintenance and repair of the Academic Center for Student Athletes and Licensee is completely released by Licensor for any responsibility under this License, except for Licensee's surviving indemnification obligations under Paragraph 8. At the end of the Term, fee title, free of all liens and encumbrances created by Licensee, to the real property of the Premises (and not the Athletic Center for Student Athletes) shall remain with the State of Oregon for the benefit of the Licensor without further action. At the end of the Term, Licensor acknowledges that the State of Oregon, for the benefit of the Licensor on behalf of the Athletic Department of the Licensor will have fee title and the Athletic Department of the Licensor will have exclusive control, in the sole discretion of the Athletic Department of the Licensor, over the use, staffing and all other operational aspects of the Athletic Center for Student Athletes. Provided, however, such use, staffing and operation shall not be below Licensor's own minimum standards. No later than December 4, 2007, Licensor and Licensee shall meet to discuss reaching a firm agreement on how the operation of the Athletic Center for Student Athletes will be funded for ten (10) years after completion of the Athletic Center for Student Athletes. If Licensor and Licensee fail to reach such an agreement by December 21, 2007, this License, in the sole discretion of Licensee, may be terminated by Licensee. In the event of such termination, Licensor will reimburse Licensee for all the direct costs incurred by Licensee as of the date of termination unless Licensee, in its sole discretion, waives such right.
13. After the Athletic Center for Student Athletes is turned over to the Athletic Department of Licensor, Licensor will continue, at no cost to the operation of the Athletic Center for Student Athletes, to provide reserved parking for no fewer than ten (10) cars for the Athletic Center for Student Athletes as described on Exhibit A, subject to NCAA restrictions. If that location becomes unavailable, Licensor will provide, at no cost to the Athletic Department, reserved parking for no fewer than ten (10) cars at another location agreeable to the Athletic Department of Licensor.
14. Licensee may, at any time and without cause, prior to the beginning of substantial construction, terminate this License and return the Premises to Licensor in substantially the same or better condition than it presently exists as of the date hereof. Notwithstanding the non-revocable nature of the License, in the event of a material breach of this License by Licensee or Licensor, the party not in breach may terminate this License and pursue all remedies available under the law.
15. After obtaining Licensee's consent, which shall not be unreasonably withheld or delayed, Licensor and Licensor's agents may enter the Premises to (i) inspect the general condition of the Premises, (ii) show the Premises to such persons as Licensor deems reasonably necessary, or (iii) for any other purpose Licensor deems reasonably necessary. In the event of an

emergency arising within the Premises which endangers property or persons, the consent requirement is waived by Licensee. All of the provisions contained in this License shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto. This License contains the entire agreement between the parties hereto and supersedes all prior or contemporaneous agreements, oral or written, with respect to the subject matter hereof. The provisions of this License shall be construed as a whole and not strictly for or against any party. The provisions of this License are not intended to create, nor shall they be in any way interpreted or construed to create, a joint venture, partnership, agency, or any other similar relationship between the parties. Failure of Licensor or Licensee to enforce any provision of the License shall not constitute a waiver or relinquishment of the right of performance in the future nor of the right to enforce any other provision of this License. This License may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

16. In the event of any dispute arising out of or relating to this License, the prevailing party will be entitled to reasonable attorneys fees at trial and on appeal.

17. Each party represents it has full authority to sign this License.

LICENSOR
State of Oregon acting through the State
Board of Higher Education on behalf of
the University of Oregon



Frances Dyke
Vice President for Finance and
Administration

12-13-07
Date

LICENSEE – PHIT, LLC

|s| Phil Knight

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1/3/08
Date

EXHIBIT A

See attached Exhibits A-1, A-2. Exhibit A-1 includes all of the property subject to the License. The crosshatched area on Exhibit A-2 includes the site boundaries for the planned Athletic Center for Student Athletes and generally includes the westerly area of the Premises from a line perpendicular to 13th Street at a distance of exactly 260.0 feet easterly of the southwest corner of the Premises. The balance of the property on Exhibit A-1 will be required for ingress, egress, staging and to generally support the Project and will be made available to Licensor by July 15, 2010, or, at Licensee's sole discretion, at the final completion or earlier, consistent with Paragraph 1 of this License.

EXHIBIT A-1

PROPERTY DESCRIPTION

Lots 1, 2, 3 and 4, Block 2, and Lots 1, 2, 5 and 4, Block 3, AMENDED PLAT OF FAIRBANK, as platted and recorded as Page 12 of Book 2, Lane County Oregon Plat Records, in Lane County, Oregon, together with that portion of Columbia Street, vacated by City of Eugene Ordinance No. 11937, recorded September 28, 1960, Reception No. 1960, Lane County Oregon Deed Records, which inured to said property by operation of Law, in Lane County, Oregon;

EXCEPT from all of the above described property, all that portion described in Exhibit A, attached to deed to Lane Transit District, recorded December 28, 2005, Reception No. 2005-102782, Lane County Official Records.

EXHIBIT A-2

U OF O ACADEMIC CENTER

agf architects llp SITE PLAN 1" = 100'-0"

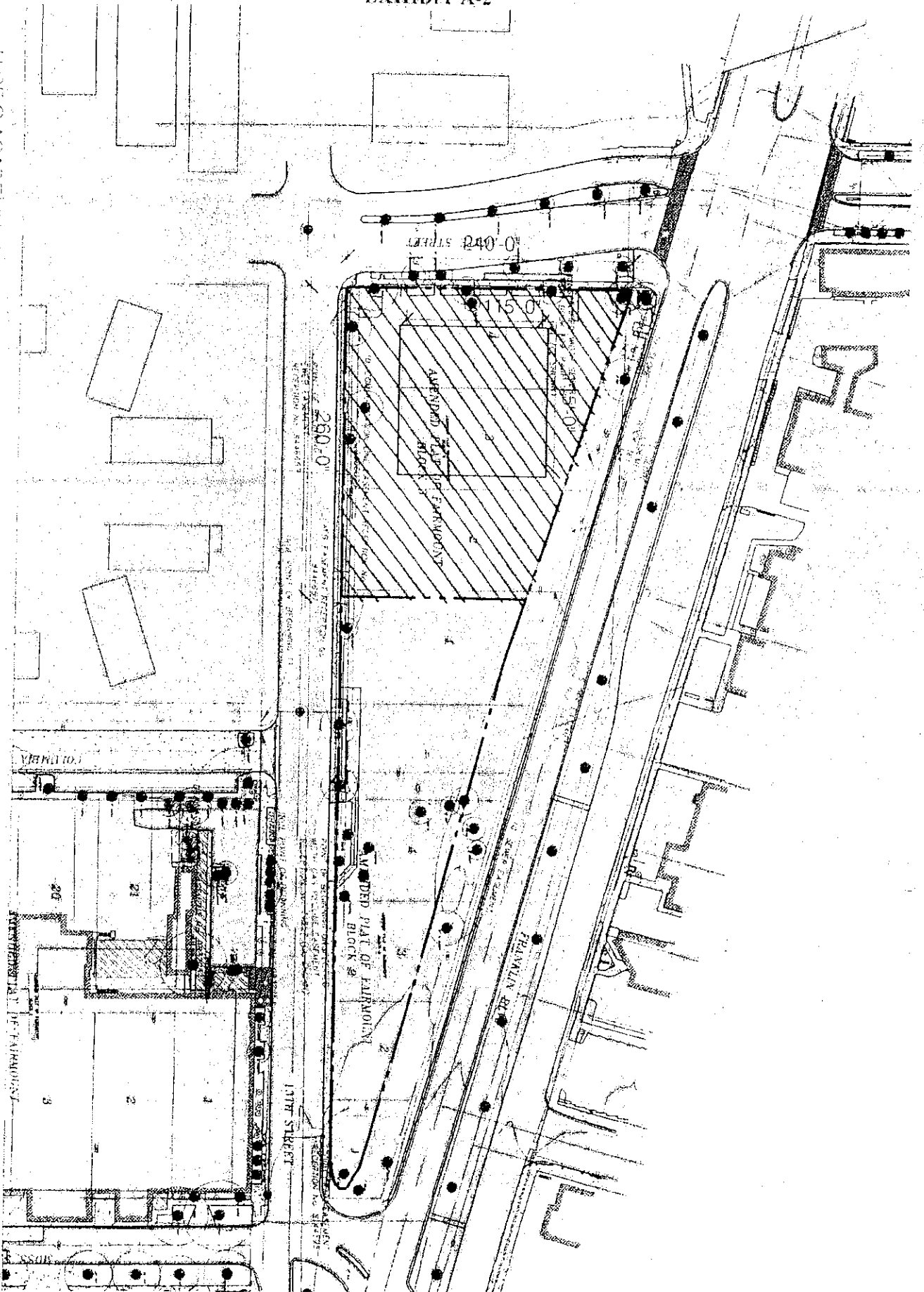


EXHIBIT B

Construction of a Signature Building that is a Gateway to Campus:

- Three floors – First floor includes cyber café, outdoor café facility, state of the art auditorium, academic hall of fame, and meeting rooms and offices – Second and Third floors include study quarters and related facilities exclusively for student athletes.

Open-Space Framework:

- Provide for improved open space (3600 sq. ft. would be standard)
- Preserve opportunity for campus gateway
- Plaza to connect with proposed Alumni Center
- Appropriate water feature

Densities:

- Approximately 12,750 gross sp. ft. footprint
- Sited to allow future development of Alumni Center

Maintenance and Building Service:

- Service areas such as trash bins

Architectural Style as Generally Depicted on Exhibit B-1 Attached.

Access:

- Consider accessibility issues

Sustainable Development:

- Consider incorporating sustainable features as feasible and practical

EXHIBIT B-1

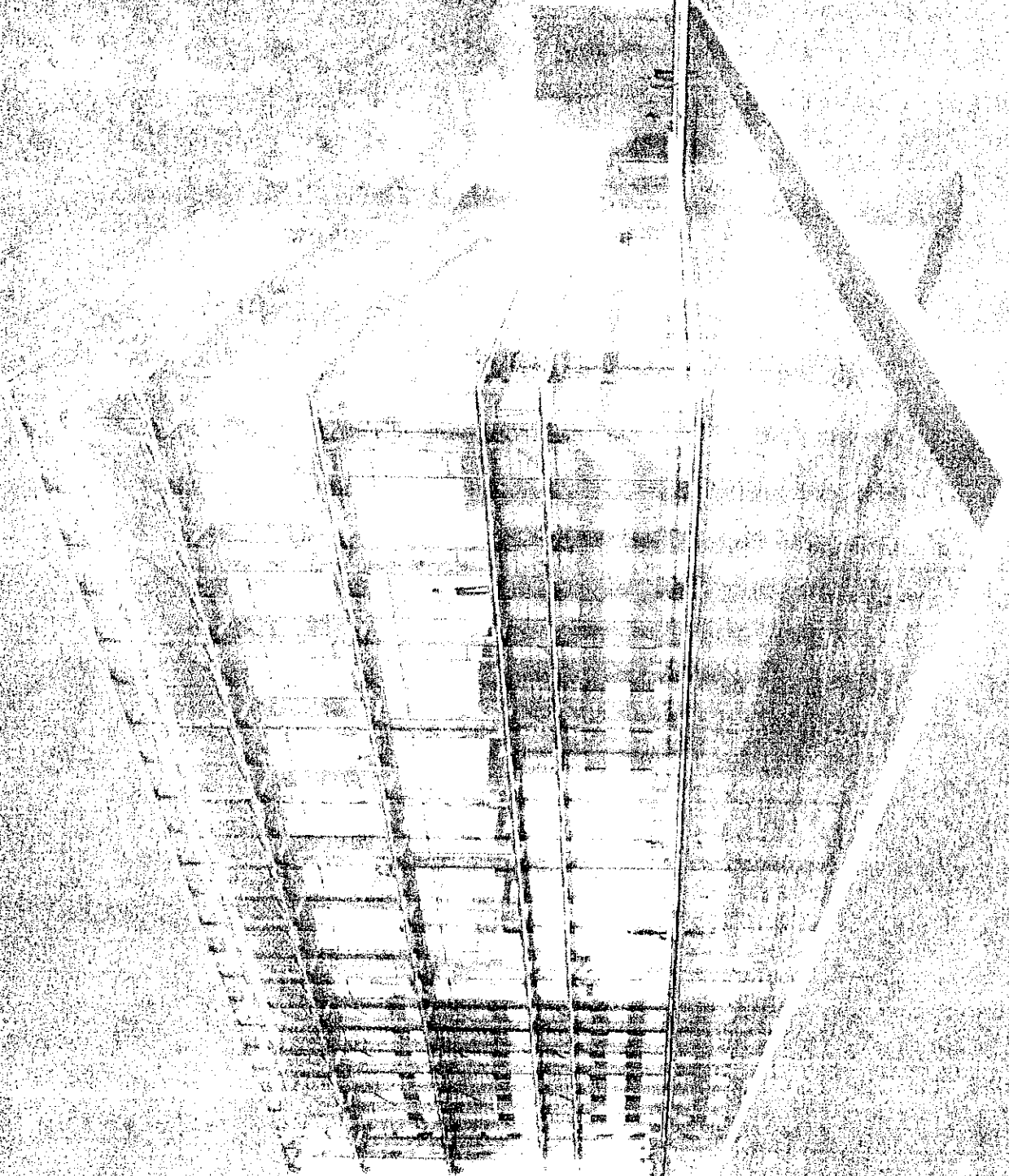


EXHIBIT C

Licensee shall provide and maintain commercial general liability insurance (Occurrence Basis) with broad form coverage endorsement (including broad form property damage endorsement) covering its obligations under this License and insuring it against claims for personal injury, bodily injury or death, and property damage or destruction. Such insurance shall be written with an insurer licensed to do business in the state of Oregon, shall name Licensor as additional insured, and contain a waiver of subrogation endorsement in favor of Licensor. The initial limits of liability of all such insurance shall be not less than \$5,000,000 for personal injury or bodily injury or death of any one person, \$5,000,000 for personal injury or bodily injury or death of more than one person in one occurrence and \$5,000,000 with respect to damage to or destruction of property; or, in lieu of such coverage, a combined single limit (covering personal injury, bodily injury or death and property damage or destruction) with a limit of not less than \$10,000,000 per occurrence. Licensee, at Licensee's sole cost and expense, shall purchase and maintain Causes of Loss-Special Form (formerly "all risk") Property Insurance insuring one hundred percent (100%) of the replacement cost of the Premises and all furniture, fixtures, and equipment located in the Premises. The insurance shall name Licensor as "insured as its interest may appear," and contain a waiver of subrogation in favor of Licensor. Licensee, at Licensee's sole cost and expense, shall carry Workers' Compensation Insurance as required by Oregon law. No "alternative" forms of workers' compensation self insurance coverage will be allowed. Licensee, at Licensee's sole cost and expense, shall carry Commercial Business Automobile Liability Insurance (Occurrence Basis) with a \$1,000,000 combined single limit coverage and shall name Licensor as additional insured. Such insurance shall be endorsed with a waiver of subrogation endorsement in favor of Licensor and include coverage for owned, hired and non-owned vehicles. All policies of insurance required hereunder shall provide that the insurance represented by the certificates shall not be cancelled, materially changed or nonrenewed without the giving of thirty (30) days' prior written notice to the holders of the insurance and the holders of the certificates. If Licensee shall fail to obtain any policy of insurance required hereunder, Licensor may obtain the same and keep the insurance in effect, and Licensee shall pay Licensor the cost thereof plus a ten percent (10%) service charge to cover Licensor's administration costs within ten (10) days after receipt of an invoice. No policy (with the exception of earthquake and flood) will contain a deductible or self-insured retention in excess of \$25,000 without Licensor's prior written approval. If requested by Licensor, Licensee will promptly deliver to Licensor a certified copy of any certificate of insurance and insurance policies required by this License. The insurance carried by Licensee hereunder shall be primary and not contributory with any other insurance which is maintained by Licensor. All insurance which Licensee is required to maintain hereunder may be provided under a blanket policy provided such policy otherwise complies with the requirements of this License and is endorsed with an Aggregate Limits of Insurance (Per Location) endorsement.

The insurance required of Licensee above may be provided by Licensee or its contractor.