UNIVERSITY OF OREGON

November 29, 2017

TO: The Board of Trustees of the University of Oregon

FR: Angela Wilhelms, Secretary

RE: Notice of Finance and Facilities Committee Meeting

The Finance and Facilities Committee of the Board of Trustees of the University of Oregon will hold a public meeting on the date and at the location set forth below. Subjects of the meeting will include: FY17 audited financial statements, quarterly finance and treasury reports, an intercollegiate athletics apparel agreement, the capital planning annual report, and a budget action regarding the Tykeson Hall construction project.

The meeting will occur as follows:

**Thursday, December 7, 2017 at 1:30 p.m.**
Ford Alumni Center, Giustina Ballroom

The meeting will be webcast, with a link available at www.trustees.uoregon.edu/meetings.

The Ford Alumni Center is located at 1720 East 13th Avenue, Eugene, Oregon. If special accommodations are required, please contact Jennifer La Belle at (541) 346-3166 at least 72 hours in advance.

BOARD OF TRUSTEES

6227 University of Oregon, Eugene OR 97403-1266 | (541) 346-3166 | trustees.uoregon.edu | trustees@uoregon.edu

**Board of Trustees | Finance and Facilities Committee**
**Public Meeting | December 7, 2017, 1:30 p.m.**
**Ford Alumni Center | Giustina Ballroom**

**Convene**
- Call to order, roll call
- Approval of September 2017 FFC minutes (Action)

1. **Annual Audited Financial Statements:** Jamie Moffitt, Vice President for Finance and Administration and CFO; Kelly Wolf, Associate Vice President and Controller; Scott Simpson, Partner, Moss Adams

2. **Quarterly Financial Reports:** Jamie Moffitt, Vice President for Finance and Administration and CFO

3. **Intercollegiate Athletics Multi-Sport Apparel Agreement (Action):** Eric Roedl, Deputy Athletic Director

4. **Capital Planning Annual Report:** Michael Harwood, Associate Vice President for Campus Planning and Facilities Maintenance

5. **Tykeson Hall – Capital Project Reauthorization (Action):** Jamie Moffitt, Vice President for Finance and Administration and CFO

**Meeting Adjourns**

Agenda Item #1

Audited Financial Statements

The University of Oregon's FY17 audited financial statements are available on the Business Affairs' website at: http://ba.uoregon.edu/content/financial-reports (scroll to the box labeled "UO Annual Financial Report). This version is the same as a spiral-bound version mailed to trustees. It is not reproduced in this meeting packet to save digital file space.

Included in this Annual Report is a report from the UO's independent external auditors, Moss Adams LLP. Moss Adams found that the financial statements "present fairly, in all material respects, the respective financial position" of the university. In layman's terms, it is a "clean" audit.

Provided in this packet is a copy of the slide deck that will be used by Jamie Moffitt and Kelly Wolf to summarize key information within the report.

# FY2017 Audited Financial Statements

December 7, 2017

Presenters: Jamie Moffitt, VPFA/CFO/Treasurer

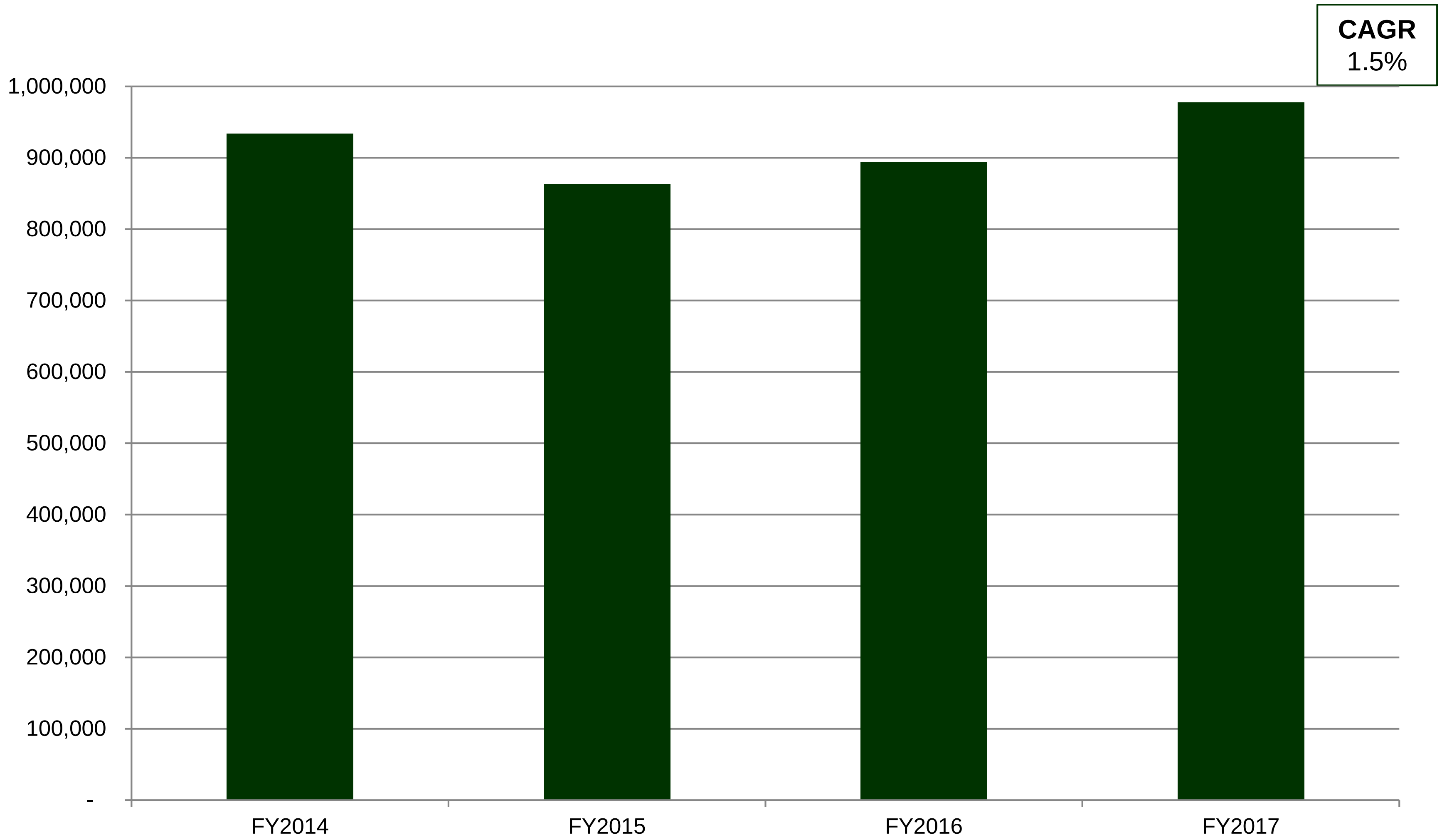
Kelly B. Wolf, AVP/Controller

Board of Trustees of the University of Oregon

## Agenda

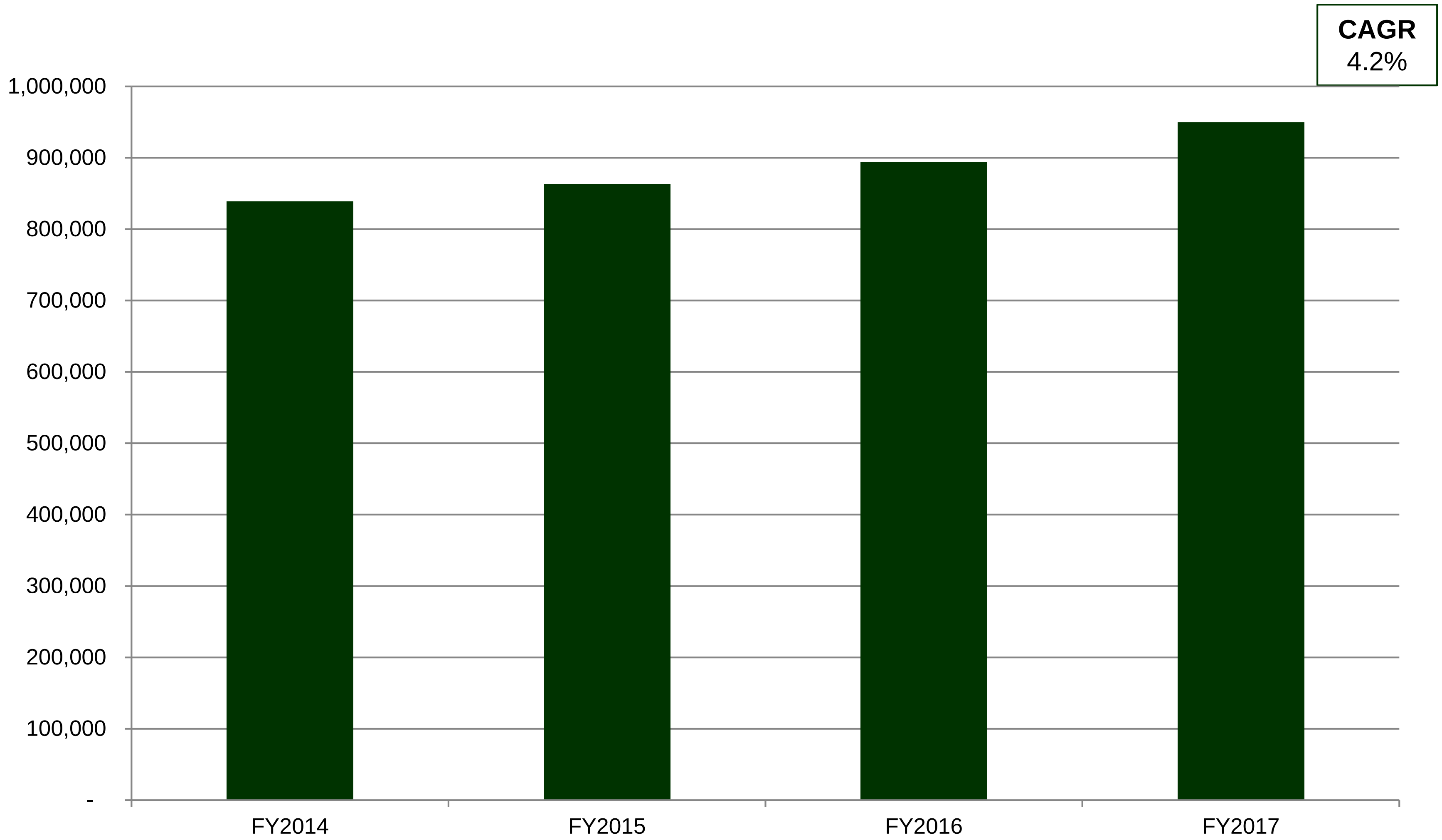
- Revenues & Expenses
- Assets, Liabilities & Net Position
- Cash Flows
- Financial Metrics/Ratios
- On the Horizon

# Four Year Revenue Trend (in thousands)

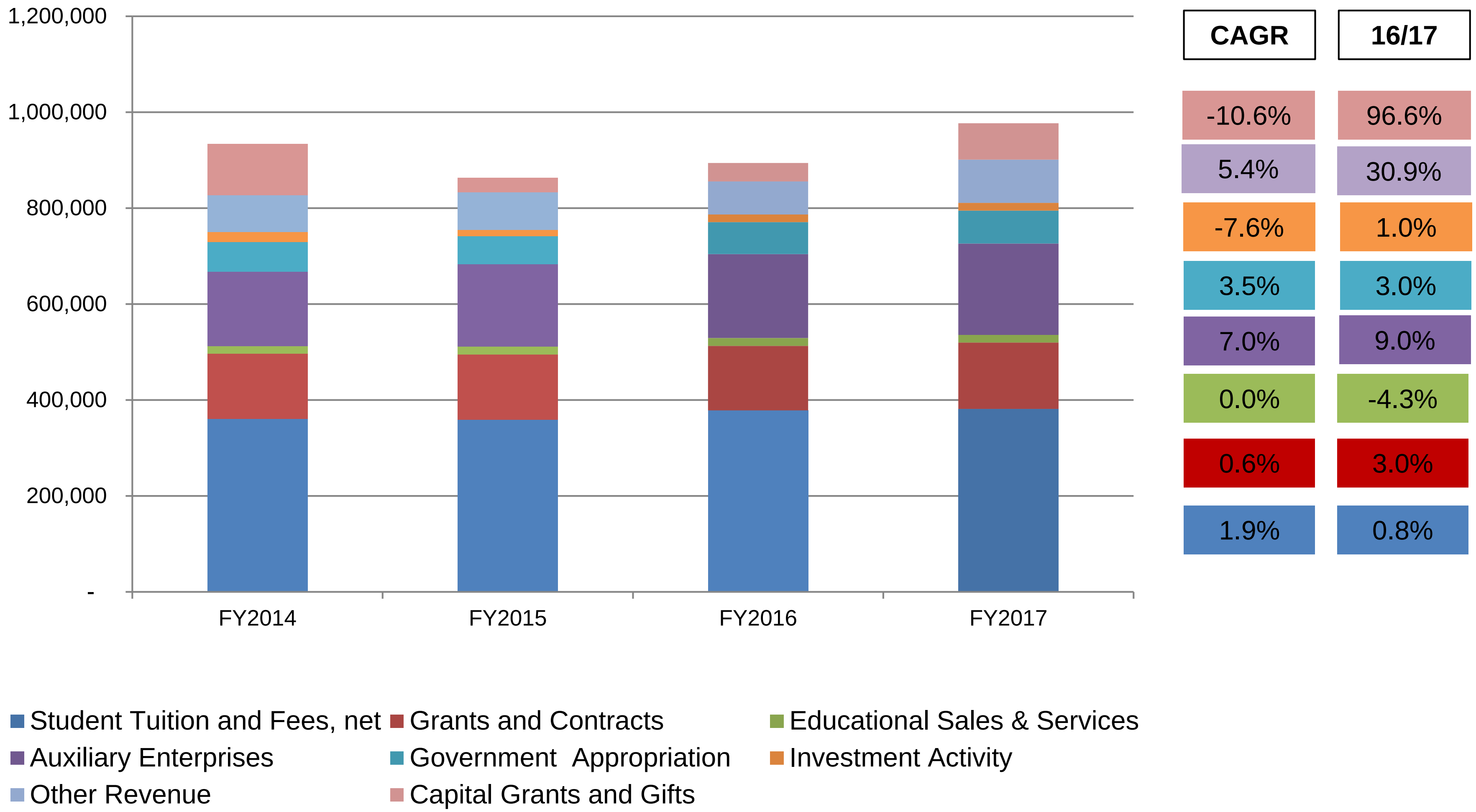



Note: FY2014 and FY2017 include extraordinary, non-cash gift revenue.

# Four Year Revenue Trend (in thousands) – Excluding Major Capital Gifts Hatfield-Dowlin Complex (2014) and MMSPC (2017)

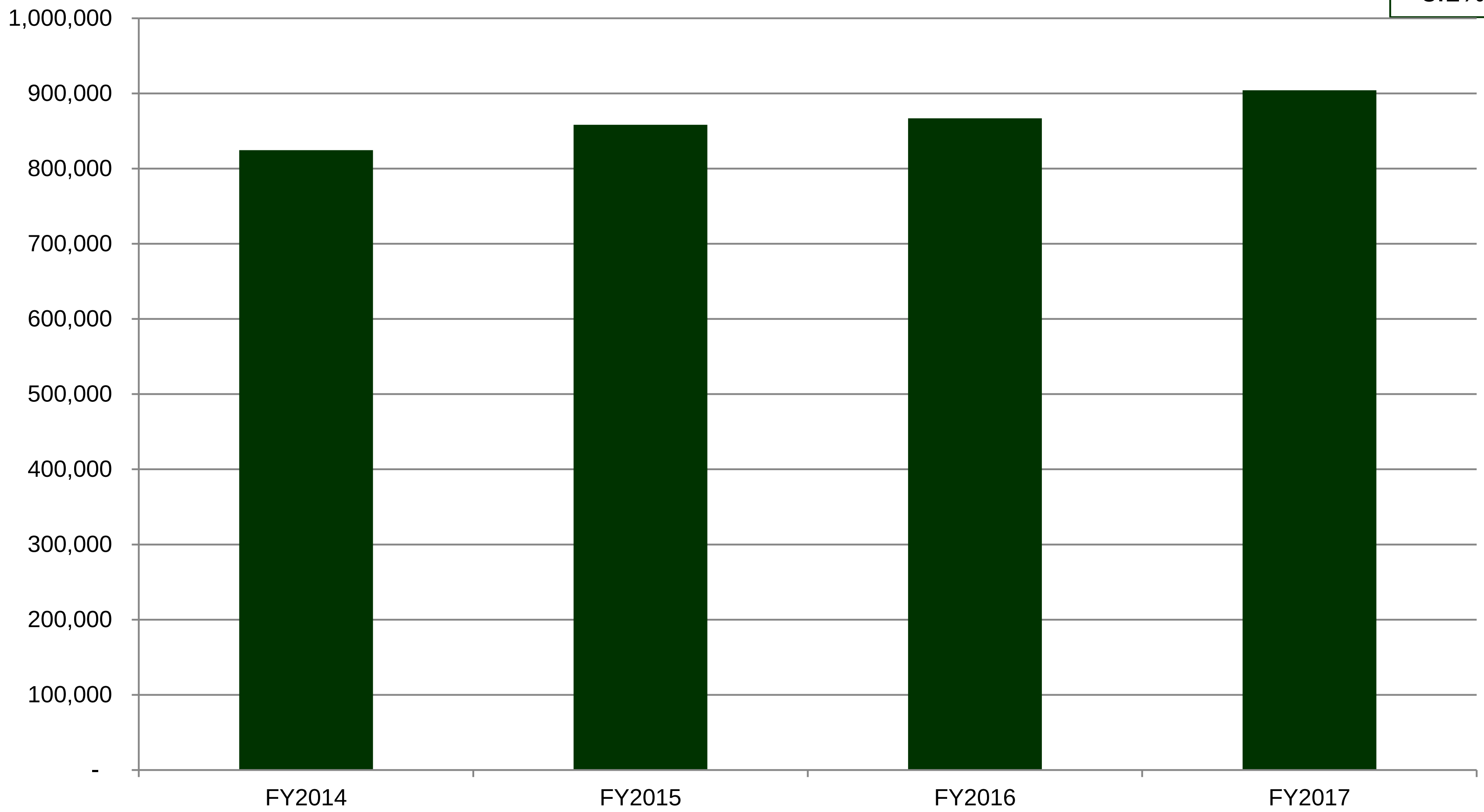


# Sources of Revenue (in thousands)

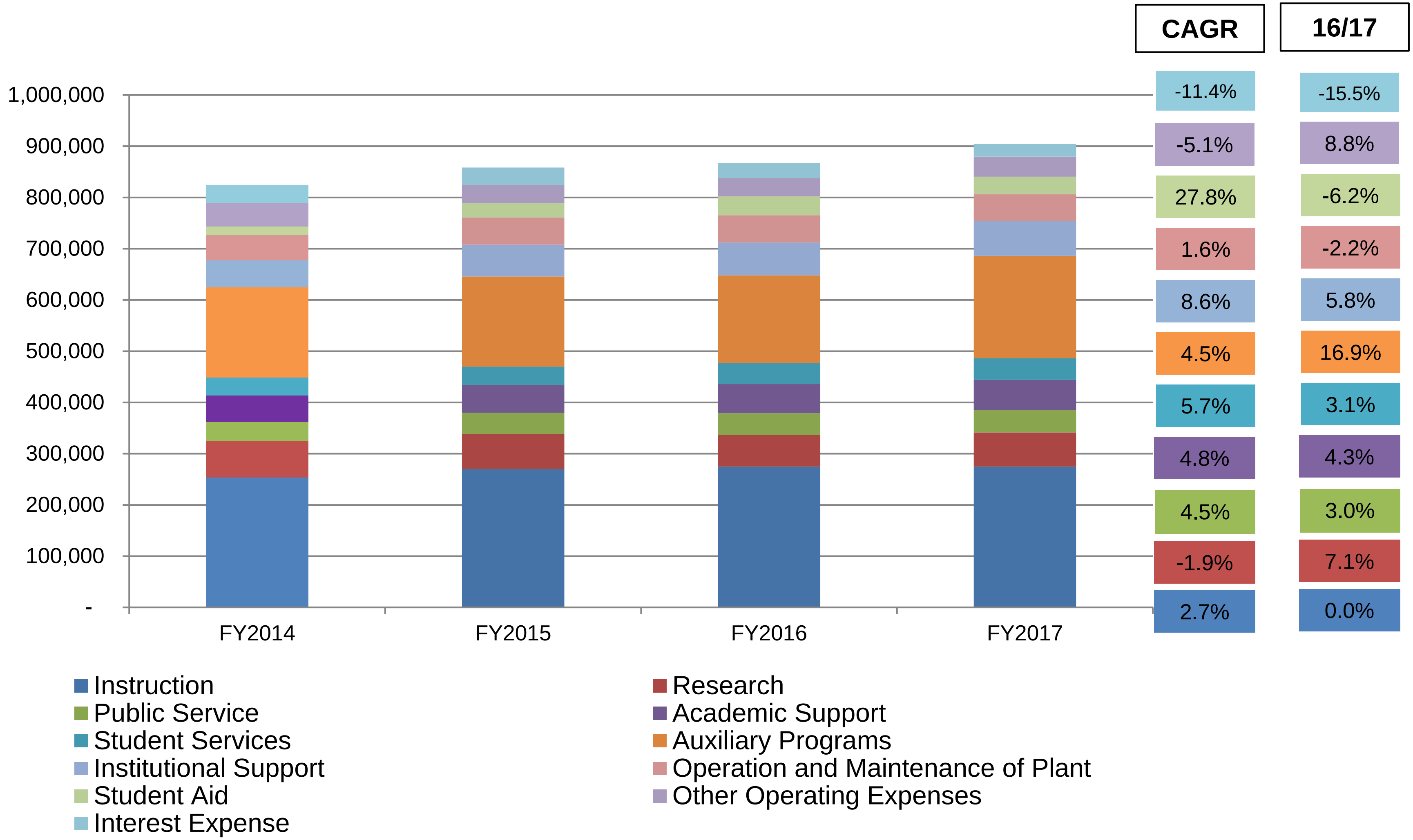


# Four Year Expense Trend
# (in thousands, excluding GASB 68 and Special Items)

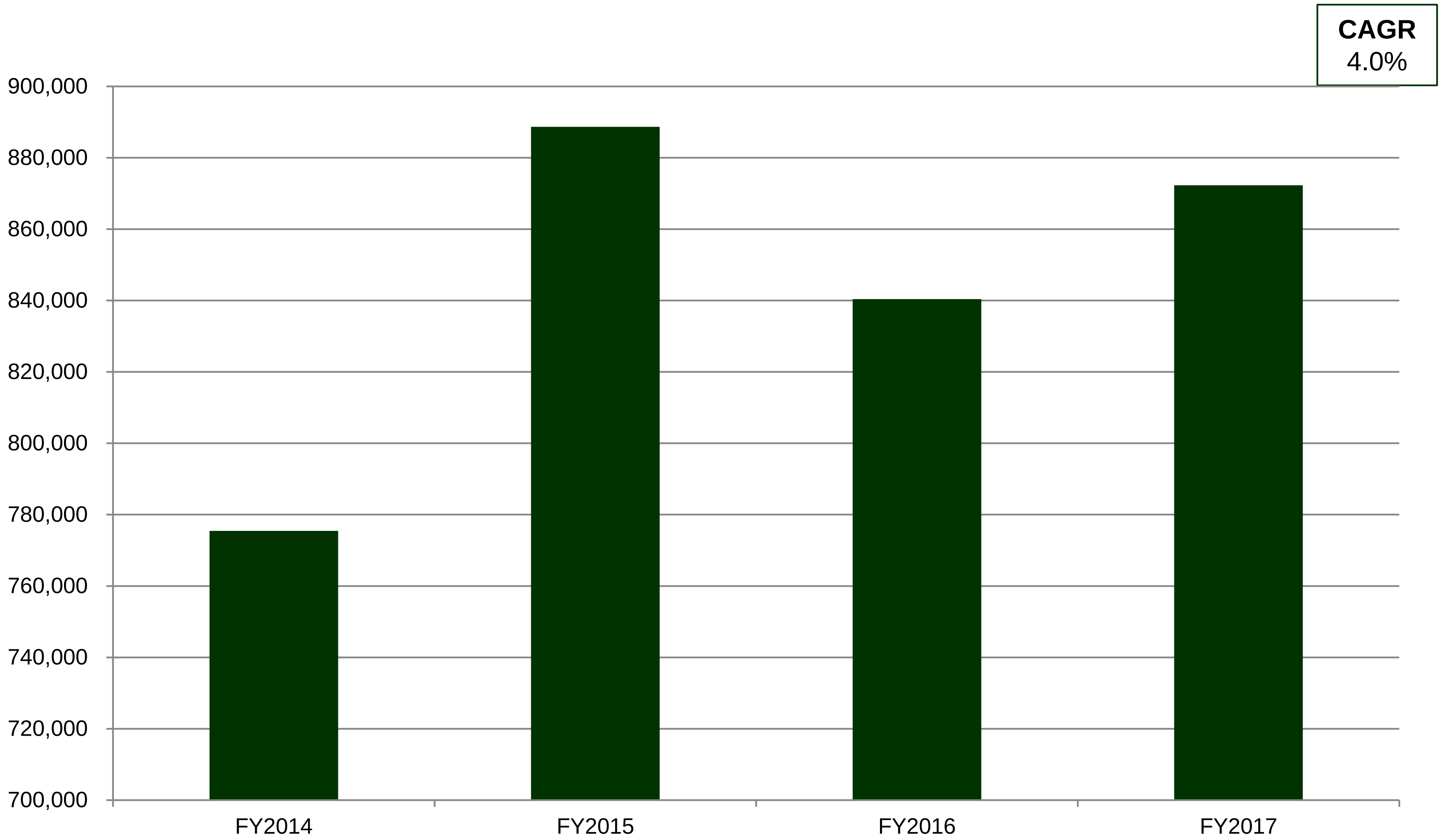
**CAGR**
3.1%



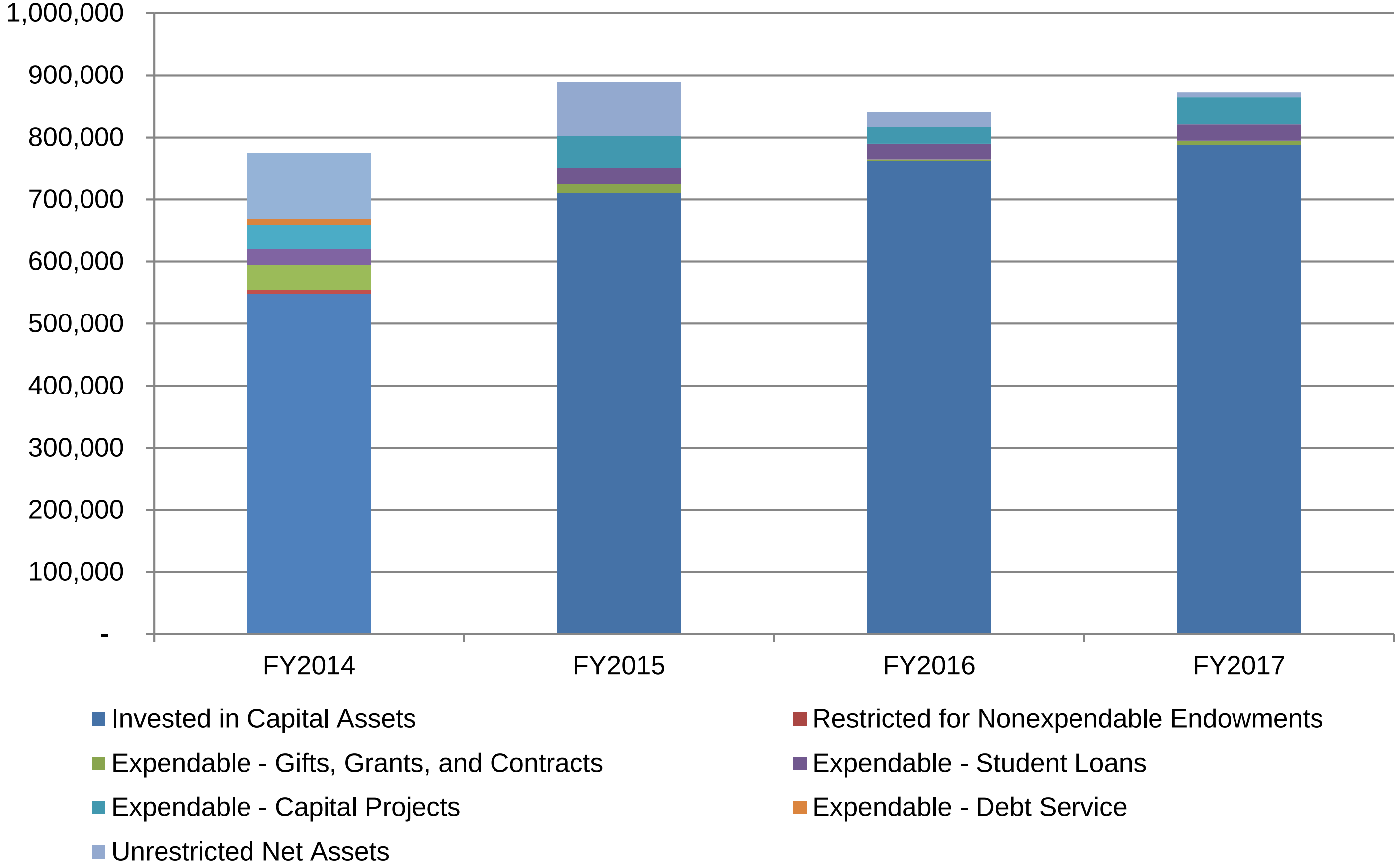
# Expenses by Programmatic Use
# (in thousands, excluding GASB 68 and Special Items)



# Growth in Net Assets (in thousands)



# Net Position by Category (in thousands)




| CAGR | 16/17 |
| --- | --- |
| -57.6% | -65.3% |
| -100.0% | 0.0% |
| 3.6% | 61.0% |
| -0.2% | 0.2% |
| -43.9% | 117.6% |
| -100.0% | 0.0% |
| 12.9% | 3.5% |

# Capital Assets (in thousands)

| | FY2014 | FY2015 | FY2016 | FY2017 |
|---|---|---|---|---|
| Equipment | 106,827 | 113,362 | 120,057 | 127,899 |
| Collections | 38,745 | 39,926 | 41,371 | 42,593 |
| Library | 126,893 | 128,621 | 130,459 | 131,877 |
| Buildings | 1,405,110 | 1,487,410 | 1,633,514 | 1,748,466 |
| Land | 88,013 | 89,593 | 96,961 | 100,240 |
| IOTB | 10,828 | 11,220 | 11,220 | 11,360 |
| Infrastructure | 47,900 | 50,391 | 52,377 | 53,445 |
| Intangible Assets | 15,314 | 15,314 | 15,365 | 15,844 |
| | 1,839,630 | 1,935,837 | 2,101,324 | 2,231,724 |
| Accumulated Depreciation | (598,824) | (643,442) | (694,876) | (753,276) |
| Net Capital Assets | 1,240,806 | 1,292,395 | 1,406,448 | 1,478,448 |
| Unspent Bond Proceeds | 71,784 | 61,165 | 83,398 | 28,723 |
| Capital Debt | (764,986) | (643,516) | (728,490) | (719,201) |
| Invested in Capital Assets | 547,604 | 710,044 | 761,354 | 787,970 |

# Four Year Cash Flow Trend (in thousands)

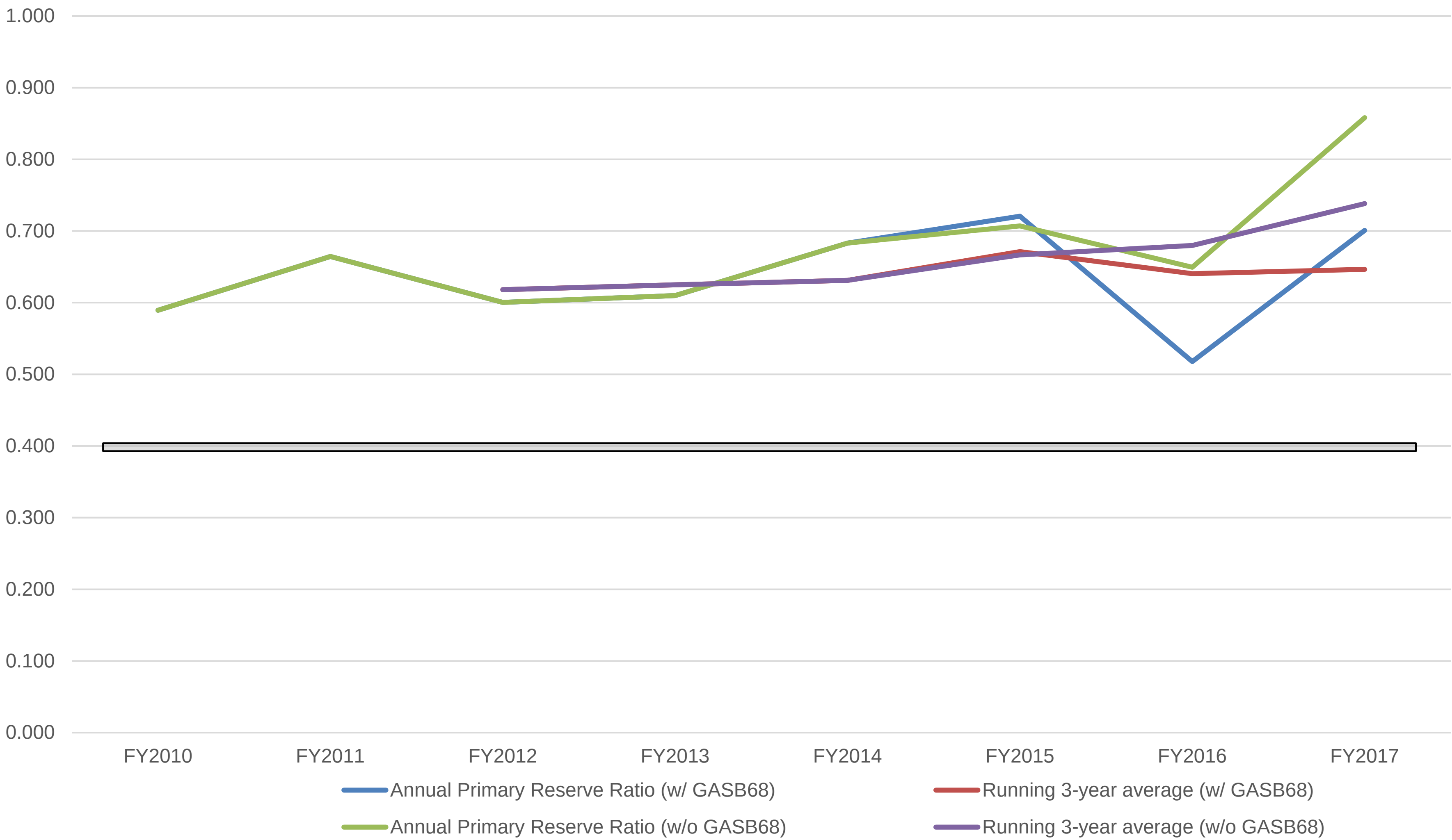
| | FY2014 | FY2015 | FY2016 | FY2017 |
|---|---|---|---|---|
| Beginning Cash Balance | 130,411 | 268,577 | 329,361 | 343,012 |
| Cash Flows from Operating Activities | (82,990) | (99,995) | (95,234) | (112,193) |
| Cash Flows from Non-Capital Financing Activities | 144,562 | 182,880 | 164,512 | 170,293 |
| Cash Flows from Capital and Related Financing Activities | 23,783 | (56,477) | (98,313) | (76,837) |
| Cash Flows from Investing Activities | 52,811 | 34,376 | 42,686 | (31,677) |
| Ending Cash Balance | 268,577 | 329,361 | 343,012 | 292,598 |

Note: Includes both Restricted and Unrestricted cash.

# Primary Reserve Ratio

- Compares expendable net assets to total expenses
- Expendable net assets:
  - Restricted-Expendable for Gifts, Grants, and Contracts
  - Restricted-Expendable for Student Loans
  - Restricted-Expendable for Capital Projects
  - Unrestricted Net Assets
  - UOF Unrestricted Net Assets
  - UOF Temporarily Restricted Net Assets
- Indicates how long the institution could function using its expendable reserves (including restricted monies for appropriate expenses) without relying on additional net assets generated by operations
- A threshold level of .40x is recommended

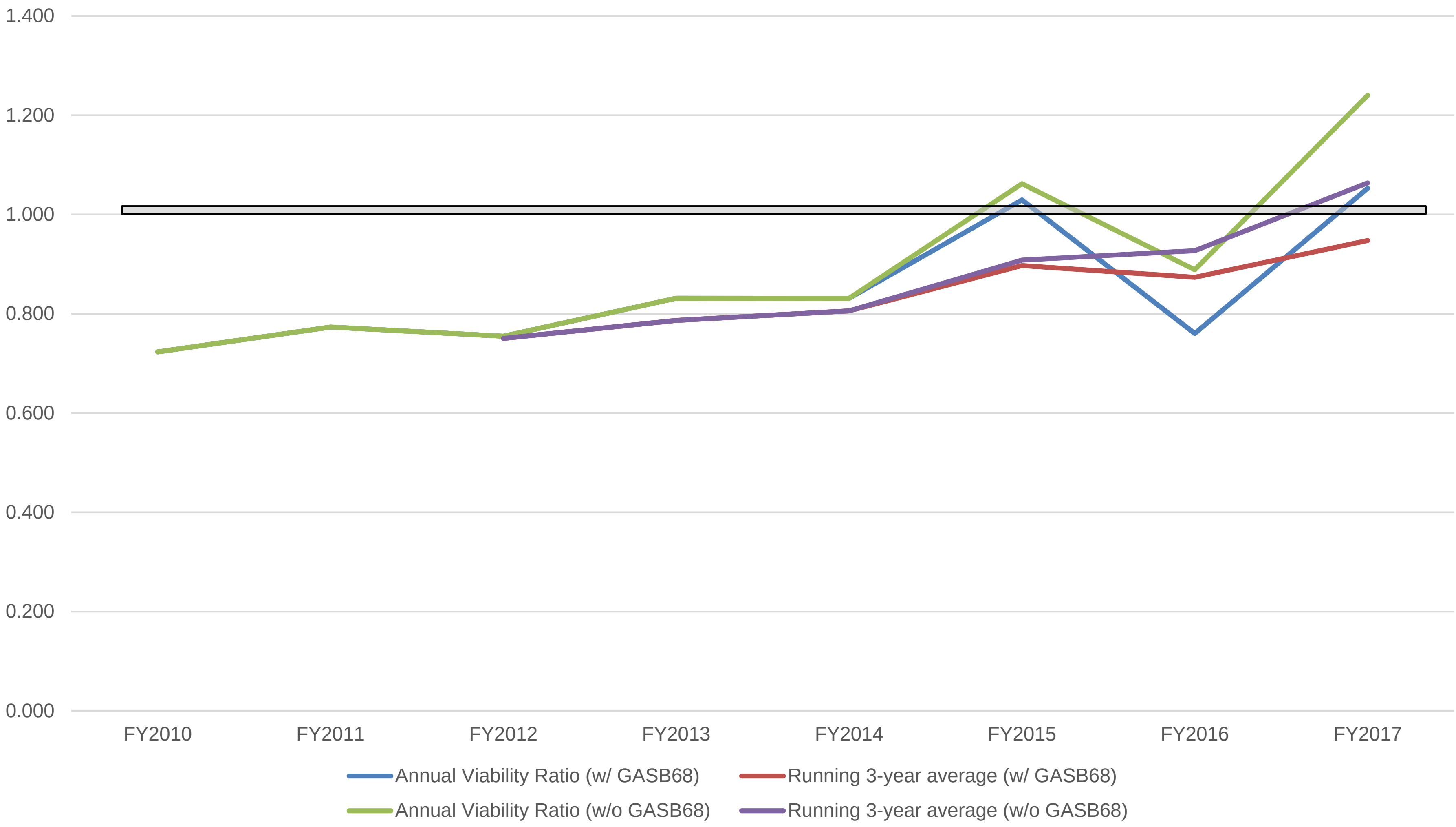
# Primary Reserve Ratio



# Viability Ratio

- Compares expendable net assets (UO and UOF) to plant-related debt
- Indicates ability to settle long-term obligations as of the balance sheet date
- A ratio of 1:1 means full ability to cover debts at a specific date, but is not necessarily a firm or recommended threshold

# Viability Ratio



## Return on Net Assets Ratio

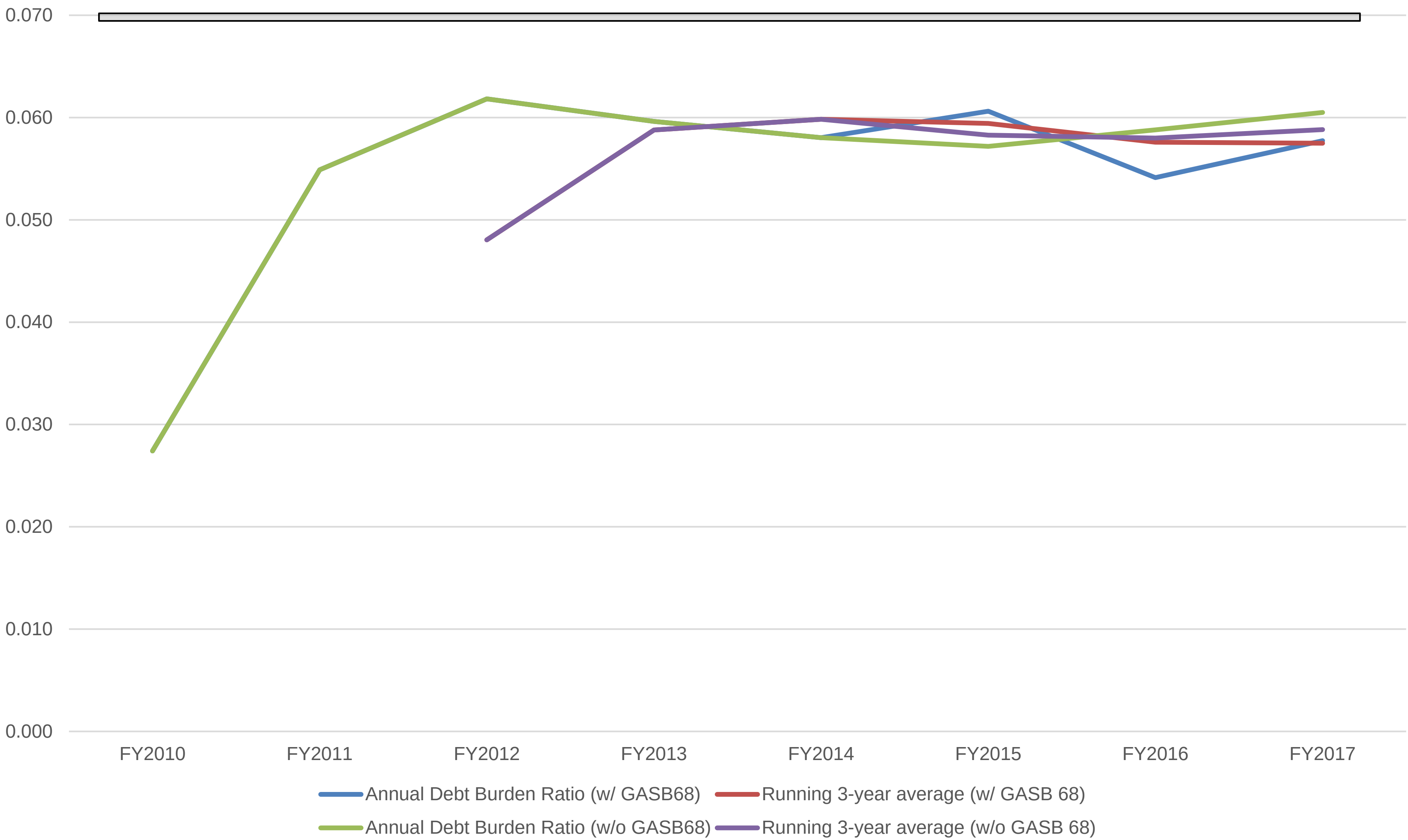
- Compares the annual change in net assets to the total net assets at the beginning of the year
- Indicates total economic return of the institution
- There is no industry-specific recommended threshold; rather, this ratio should be reviewed over an extended period and in terms of trend direction
- Includes net assets of both the UO and UO Foundation

# Return on Net Assets Ratio

# Debt Burden Ratio

- Compares debt service payments to total expenditures
- Measures affordability of debt, and the institution's reliance on debt to finance the mission
- The industry generally considers a ratio value of .07 as the long-term recommended threshold for this ratio
  - There are times the ratio may exceed .07 for strategic or mission-critical uses of debt

# Debt Burden Ratio



# On the Horizon

- Increase in statewide PERS Unfunded Actuarial Liability will mean greater impact on UO books due to GASB 68 reporting requirements
  - Statewide Net Pension Liability (6/30/2016) = $15.0 billion
  - UO Proportionate Share (6/30/2016) = $286.2 million (1.9% of total)
  - Assumed rate of return lowers from 7.5% to 7.2% (1/1/2018)
  - Preliminary UAL at (12/31/2016) = $25.3 billion (w/o side accounts)

- GASB 75 is effective with the FY2018 (current year) financial statements
  - Establishes new accounting/reporting requirements around "Other Post Employment Benefits" (OPEB); we are analyzing the potential impact

- GASB 87 will be effective with the FY2021 financial statements
  - Reclassifies all Operating Leases to Long-Term Financing

# Agenda Item #2

# Quarterly Finance and Treasury Reports

Enclosed Materials:

1. Quarterly Key Takeaways and Top-Level Information (1 page)
2. Quarterly Financial Reports (4 pages)
3. Quarterly Treasury Operations Report (1 page)
4. Quarterly Tier 3 Investment Reports (2 pages)
5. Annual Treasury Operations Report (3 pages)
6. Redlined Treasury Management Procedures (16 pages/remainder of section)
   --Note that sections without any substantive changes were redacted to save space

As a reminder, if you wish to see the full Treasury Management Policy, it is available at the link below or by request. No changes are proposed this year.

https://policies.uoregon.edu/vol-4-finance-administration-infrastructure/ch-3-treasury-investments/treasury-management-0

UNIVERSITY OF OREGON

# Finance Summary: Q1 FY2018

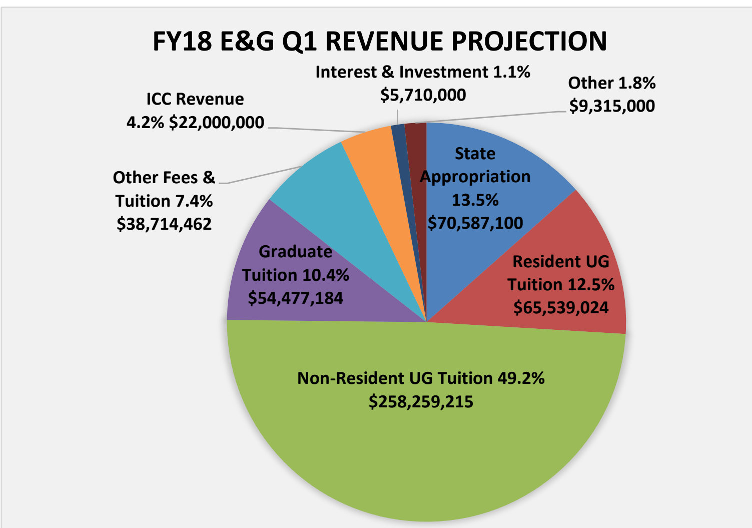
***CFO's Key Takeaways***

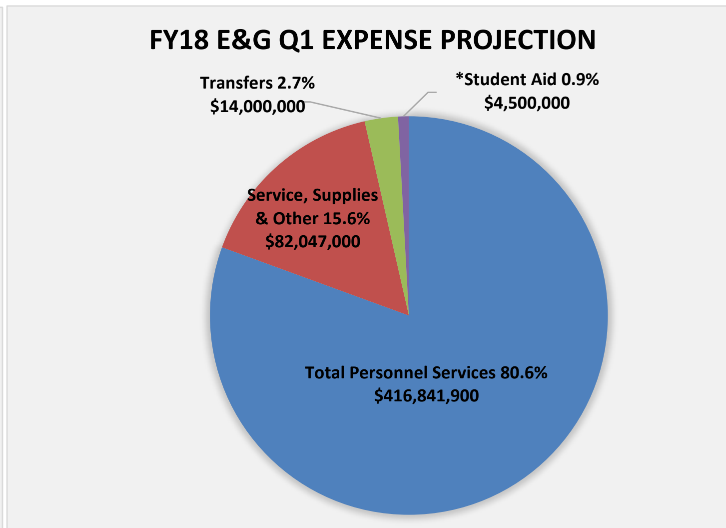
- - Based on first quarter data, the following E&G fund projection adjustments have been made:
    - o Tuition and fees: Q1 Revenue Projection reduced by $5.55M from initial estimates primarily due to lower international undergraduate enrollment.
    - o Personnel expenses: Due to implementation of blended OPE, Year over Year Q1 actuals are not directly comparable. Adjusted projection down $3.2M due to hiring patterns.
    - o Supplies and Services: Projection reduced by $1M due to revised forecasts from the Schools and Colleges.
- - Projected FY18 E&G Budget is more or less run rate even. Projected fund balance dropping from $71.7M to $71.4M.

**Education and General Fund - Q1 Projections vs Actuals**

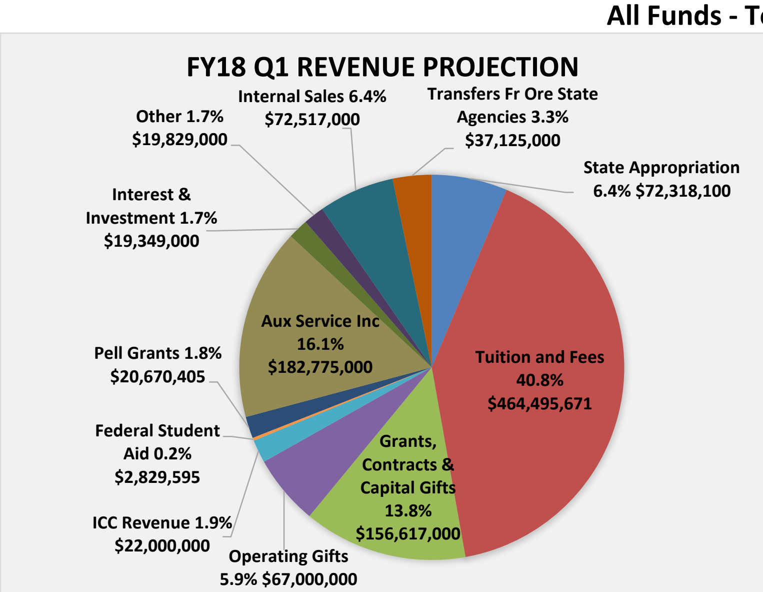
| Category | FY18 Initial Projection | FY18 Initial Projection vs FY17 Act | FY18 Q1 inc/(dec) fr FY17 Q1 | Status | Revised Proj vs FY17 | Notes |
|---|---|---|---|---|---|---|
| **State Appropriation** | $70,526,000 | 5.6% | 5.6% | ON TRACK | 5.7% | • Projection increased by $61K due to revised figures from HECC. |
| **Tuition and Fees** | $422,541,000 | 5.2% | 3.6% | DOWN | 3.8% | • Tuition revenue lower than projection primarily due to decrease in International Students. Projection reduced by $5.55M. |
| **ICC Revenue** | $22,000,000 | 0.5% | 5.3% | UP | 0.5% | • ICC revenue up due to increased Q1 grant activity. No adjustment to Q1 projections due to variability of grant activity. |
| **Personnel Services** | $420,054,000 | 6.1% | -0.1% | DOWN | 5.3% | • Year over Year Q1 actuals not directly comparable due to Blended OPE. Adjusted projection down $3.2M due to hiring patterns. |
| **Supplies & Services** | $103,637,000 | 1.8% | -0.2% | SLIGHTLY DOWN | 0.8% | • Projection reduced by $1M. |

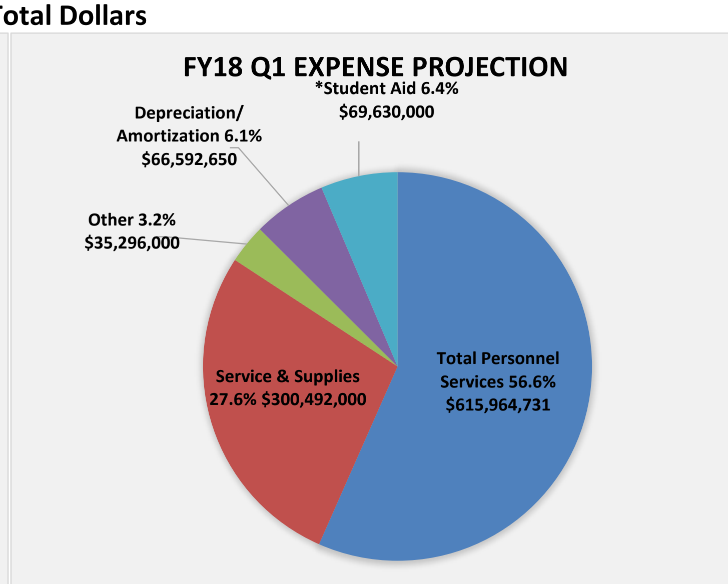
## Education & General Funds - Total Dollars




## All Funds - Total Dollars




* Student Aid does not include $44.5M of fee remissions awarded to students as they are booked as negative revenue.
Capital Expense not included

**FY17 Actuals Quarter 4 - DRAFT** **All Funds except Agency and Clearing**

| | Education and General | Designated Ops and Service Center | Auxiliaries | Grant Funds | Restricted Gift Funds | Other Funds | Plant Funds | Internal Bank | Total |
|---|---|---|---|---|---|---|---|---|---|
| State Appropriation | $ 66,801,344 | $ 1,216,024 | $ 468,650 | $ 46,350 | $ - | $ - | $ - | $ - | **$ 68,532,368** |
| Tuition and Fees | $ 401,585,095 | $ 4,677,944 | $ 40,127,316 | $ - | $ (71,837) | $ - | $ - | $ 3,175,333 | **$ 449,493,851** |
| Gifts Grants & Contracts | $ 310,800 | $ 5,639,671 | $ 47,426 | $ 109,491,341 | $ 67,100,717 | $ - | $ 60,580,398 | $ - | **$ 243,170,353** |
| ICC Revenue | $ 21,895,847 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | **$ 21,895,847** |
| Federal Student Aid | $ - | $ - | $ - | $ 23,414,554 | $ - | $ - | $ - | $ - | **$ 23,414,554** |
| Interest and Investment | $ 5,184,658 | $ 12,262,087 | $ 509,687 | $ 11,458 | $ 247,643 | $ 495,095 | $ 468,984 | $ 1,019,042 | **$ 20,198,653** |
| Internal Sales | $ 1,568,535 | $ 34,848,326 | $ 24,439,689 | $ - | $ 10,743 | $ - | $ - | $ 29,493,260 | **$ 90,360,553** |
| Sales & Services | $ 4,295,686 | $ 11,064,149 | $ 154,782,894 | $ 425,233 | $ 8,546 | $ - | $ - | $ - | **$ 170,576,509** |
| Other Revenues | $ 10,386,884 | $ 2,203,122 | $ 4,774,243 | $ - | $ (1,125) | $ - | $ 165,446 | $ - | **$ 17,528,569** |
| Transfers From Ore State Agencies | $ 11,111 | $ - | $ - | $ 8,258,760 | $ - | $ - | $ 11,401,964 | $ - | **$ 19,671,835** |
| **Total Revenue** | **$ 512,039,960** | **$ 71,911,322** | **$ 225,149,904** | **$ 141,647,696** | **$ 67,294,687** | **$ 495,095** | **$ 72,616,791** | **$ 33,687,635** | **$ 1,124,843,090** |
| | | | | | | | | | |
| Salaries and Wages | $ 256,363,605 | $ 19,440,085 | $ 57,691,645 | $ 40,515,758 | $ 16,408,594 | $ - | $ - | $ 222,243 | **$ 390,641,929** |
| OPE Health Benefits | $ 53,067,352 | $ 4,470,842 | $ 12,561,298 | $ 8,170,947 | $ 1,628,962 | $ - | $ - | $ 31,040 | **$ 79,930,441** |
| OPE Retirement | $ 43,685,075 | $ 3,491,533 | $ 7,743,892 | $ 6,083,162 | $ 2,085,679 | $ - | $ - | $ 34,793 | **$ 63,124,133** |
| OPE Other | $ 20,759,317 | $ 1,647,245 | $ 5,108,466 | $ 3,045,952 | $ 14,186,876 | $ - | $ - | $ 20,635 | **$ 44,768,491** |
| OPE GTF Remissions | $ 22,076,879 | $ 204,587 | $ 124,563 | $ 1,640,068 | $ 189,944 | $ - | $ - | $ - | **$ 24,236,040** |
| **Total Personnel Services** | **$ 395,952,228** | **$ 29,254,291** | **$ 83,229,863** | **$ 59,455,887** | **$ 34,500,054** | **$ -** | **$ -** | **$ 308,711** | **$ 602,701,034** |
| | | | | | | | | | |
| Service & Supplies | $ 101,773,239 | $ 19,898,041 | $ 100,749,317 | $ 23,613,272 | $ 14,100,962 | $ (11,317) | $ 4,446,629 | $ 24,032,991 | **$ 288,603,134** |
| Merchandise-Resale/Redistribution | $ 1,606 | $ 13,469,673 | $ 11,607,791 | $ - | $ - | $ - | $ - | $ - | **$ 25,079,070** |
| Internal Sales Reimbursements | $ (22,767,308) | $ (205,865) | $ (1,277,203) | $ (24,780) | $ (45,334) | $ - | $ - | $ - | **$ (24,320,490)** |
| Indirect Costs | $ 320,332 | $ 2,624,794 | $ 6,477,432 | $ 21,895,847 | $ - | $ 271,268 | $ - | $ - | **$ 31,589,673** |
| Depreciation/Amortization Expense | $ - | $ 4,357,290 | $ 29,191,247 | $ - | $ - | $ - | $ 28,606,164 | $ - | **$ 62,154,700** |
| Student Aid | $ 4,444,108 | $ 919,993 | $ 4,872,618 | $ 35,149,599 | $ 22,730,198 | $ 170,510 | $ - | $ - | **$ 68,287,026** |
| **Total General Expense** | **$ 83,771,976** | **$ 41,063,926** | **$ 151,621,202** | **$ 80,633,939** | **$ 36,785,826** | **$ 430,462** | **$ 33,052,793** | **$ 24,032,991** | **$ 451,393,114** |
| | | | | | | | | | |
| **Net Transfers Out/(In)** | **$ 20,542,861** | **$ 6,584,354** | **$ 2,797,420** | **$ 456,610** | **$ (283,058)** | **$ -** | **$ (30,098,188)** | **$ -** | **$ -** |
| | | | | | | | | | |
| **Total Expense** | **$ 500,267,065** | **$ 76,902,571** | **$ 237,648,485** | **$ 140,546,436** | **$ 71,002,823** | **$ 430,462** | **$ 2,954,605** | **$ 24,341,702** | **$ 1,054,094,149** |
| **Net before CapEx** | **$ 11,772,896** | **$ (4,991,249)** | **$ (12,498,581)** | **$ 1,101,260** | **$ (3,708,136)** | **$ 64,633** | **$ 69,662,186** | **$ 9,345,932** | **$ 70,748,942** |
| | | | | | | | | | |
| **Beginning Fund Balance** | $ 67,430,541 | $ 62,254,237 | $ 318,419,472 | $ 2,554,335 | $ 15,933,568 | $ 26,103,956 | $ 508,366,958 | $ (21,830,738) | **$ 979,232,330** |
| **Capital Expenditures** | $ (7,437,754) | $ (206,006) | $ (17,045) | $ (1,482,002) | $ (1,219,814) | $ - | $ (121,418,772) | $ (741) | **$ (131,782,133)** |
| **Net (from above)** | $ 11,772,896 | $ (4,991,249) | $ (12,498,581) | $ 1,101,260 | $ (3,708,136) | $ 64,633 | $ 69,662,186 | $ 9,345,932 | **$ 70,748,942** |
| **Fund Additions/Deductions*** | $ (50,000) | $ (1,058,372) | $ 37,650,081 | $ - | $ - | $ - | $ 68,295,341 | $ 28,704,333 | **$ 133,541,382** |
| **Ending Fund Balance** | **$ 71,715,684** | **$ 55,998,611** | **$ 343,553,927** | **$ 2,173,592** | **$ 11,005,619** | **$ 26,168,589** | **$ 524,905,713** | **$ 16,218,786** | **$ 1,051,740,520** |
| | | | | | | | | | |
| **Year-End Accounting Entries ****| TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | **TBD** |
| | | | | | | | | | |
| **Net Capital Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | **TBD** |
| **Other Restricted Net Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | **TBD** |
| **Unrestricted Net Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | **TBD** |
| **Total Net Assets** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** |

* - Due to Capital Improvements and Debt Accounting entries, Includes Elimination of State Paid Debt from UO Books

** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

**FY18 Initial Projection - All Funds except Agency and Clearing**

| | Education and General | Designated Ops and Service Center | Auxiliaries | Grant Funds | Restricted Gift Funds | Other Funds | Plant Funds | Internal Bank | Total |
|---|---|---|---|---|---|---|---|---|---|
| State Appropriation | $ 70,526,000 | $ 1,216,000 | $ 455,000 | $ 60,000 | $ - | $ - | $ - | $ - | **$ 72,257,000** |
| Tuition and Fees | $ 422,541,000 | $ 4,073,500 | $ 41,568,500 | $ - | $ - | $ - | $ - | $ 3,110,000 | **$ 471,293,000** |
| Gifts Grants & Contracts | $ 315,000 | $ 5,000,000 | $ 100,000 | $ 110,000,000 | $ 67,000,000 | $ 2,000 | $ 41,200,000 | $ - | **$ 223,617,000** |
| ICC Revenue | $ 22,000,000 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | **$ 22,000,000** |
| Federal Student Aid | $ - | $ - | $ - | $ 23,500,000 | $ - | $ - | $ - | $ - | **$ 23,500,000** |
| Interest and Investment | $ 5,710,000 | $ 12,216,000 | $ 50,000 | $ 14,000 | $ 546,000 | $ 503,000 | $ 200,000 | $ 110,000 | **$ 19,349,000** |
| Internal Sales | $ 3,000,000 | $ 35,686,000 | $ 24,299,000 | $ 13,000 | $ 18,000 | $ - | $ - | $ 33,300,000 | **$ 96,316,000** |
| Sales & Services | $ 4,400,000 | $ 9,894,000 | $ 154,613,000 | $ 1,350,000 | $ 10,000 | $ - | $ - | $ - | **$ 170,267,000** |
| Other Revenues | $ 1,100,000 | $ 2,523,000 | $ 3,863,000 | $ - | $ 387,000 | $ - | $ 165,000 | $ - | **$ 8,038,000** |
| Transfers From Ore State Agencies | $ - | $ - | $ - | $ 8,250,000 | $ - | $ - | $ 28,875,000 | $ - | **$ 37,125,000** |
| **Total Revenue** | **$ 529,592,000** | **$ 70,608,500** | **$ 224,948,500** | **$ 143,187,000** | **$ 67,961,000** | **$ 505,000** | **$ 70,440,000** | **$ 36,520,000** | **$ 1,143,762,000** |
| | | | | | | | | | |
| **Total Personnel Services** | **$ 420,054,000** | **$ 28,798,000** | **$ 86,461,000** | **$ 61,080,000** | **$ 22,463,000** | **$ -** | **$ -** | **$ 320,000** | **$ 619,176,000** |
| | | | | | | | | | |
| Service & Supplies | $ 103,637,000 | $ 20,200,000 | $ 96,000,000 | $ 23,500,000 | $ 21,000,000 | $ 100,000 | $ 5,000,000 | $ 32,055,000 | **$ 301,492,000** |
| Merchandise-Resale/Redistribution | $ 2,000 | $ 13,500,000 | $ 12,000,000 | $ 150,000 | $ 1,000 | $ - | $ - | $ - | **$ 25,653,000** |
| Internal Sales Reimbursements | $ (23,000,000) | $ (300,000) | $ (1,400,000) | $ (25,000) | $ (115,000) | $ - | $ - | $ - | **$ (24,840,000)** |
| Indirect Costs | $ 2,408,000 | $ 2,800,000 | $ 7,000,000 | $ 22,000,000 | $ - | $ 275,000 | $ - | $ - | **$ 34,483,000** |
| Depreciation/Amortization Expense | | $ 4,310,741 | $ 31,444,847 | $ - | $ - | $ - | $ 30,837,062 | $ - | **$ 66,592,650** |
| Student Aid | $ 4,500,000 | $ 1,300,000 | $ 5,000,000 | $ 35,500,000 | $ 23,205,000 | $ 125,000 | $ - | $ - | **$ 69,630,000** |
| **Total General Expense** | **$ 87,547,000** | **$ 41,810,741** | **$ 150,044,847** | **$ 81,125,000** | **$ 44,091,000** | **$ 500,000** | **$ 35,837,062** | **$ 32,055,000** | **$ 473,010,650** |
| | | | | | | | | | |
| **Net Transfers Out(In)** | **$ 14,000,000** | **$ 2,350,000** | **$ 8,000,000** | **$ 500,000** | **$ 425,000** | **$ -** | **$ (25,275,000)** | **$ -** | **$ -** |
| | | | | | | | | | |
| **Total Expense** | **$ 521,601,000** | **$ 72,958,741** | **$ 244,505,847** | **$ 142,705,000** | **$ 66,979,000** | **$ 500,000** | **$ 10,562,062** | **$ 32,375,000** | **$ 1,092,186,650** |
| **Net before CapEx** | **$ 7,991,000** | **$ (2,350,241)** | **$ (19,557,347)** | **$ 482,000** | **$ 982,000** | **$ 5,000** | **$ 59,877,938** | **$ 4,145,000** | **$ 51,575,350** |
| | | | | | | | | | |
| **Beginning Fund Balance** | $ 71,715,684 | $ 55,998,611 | $ 343,553,927 | $ 2,173,592 | $ 11,005,619 | $ 26,168,589 | $ 508,366,958 | $ (21,830,738) | **$ 997,152,241** |
| **Capital Expenditures** | $ (7,500,000) | $ (100,000) | $ (200,000) | $ (1,500,000) | $ (1,000,000) | $ - | $ (169,800,000) | $ - | **$ (180,100,000)** |
| **Net (from above)** | $ 7,991,000 | $ (2,350,241) | $ (19,557,347) | $ 482,000 | $ 982,000 | $ 5,000 | $ 69,662,186 | $ 9,345,932 | **$ 66,560,530** |
| **Fund Additions/Deductions*** | $ - | $ - | $ 1,000,000 | $ - | $ - | **$** - | $ 139,106,600 | $ - | **$ 140,106,600** |
| **Ending Fund Balance** | **$ 72,206,684** | **$ 53,548,370** | **$ 324,796,580** | **$ 1,155,592** | **$ 10,987,619** | **$ 26,173,589** | **$ 547,335,744** | **$ (12,484,806)** | **$ 1,023,719,371** |
| | | | | | | | | | |
| **Year-End Accounting Entries **** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD |
| | | | | | | | | | |
| **Net Capital Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD |
| **Other Restricted Net Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD |
| **Unrestricted Net Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD |
| **Total Net Assets** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** |

* - Due to Capital Improvements and Debt Accounting entries

** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

**FY18 Actuals Quarter 1 Report** **All Funds except Agency and Clearing**

| | Education and General | Designated Ops and Service Center | Auxiliaries | Grant Funds | Restricted Gift Funds | Other Funds | Plant Funds | Internal Bank | Total |
|---|---|---|---|---|---|---|---|---|---|
| State Appropriation | $ 25,494,331 | $ 292,696 | $ 113,300 | $ 15,450 | $ - | $ - | $ - | $ - | **$ 25,915,777** |
| Tuition and Fees | $ 167,560,876 | $ 2,167,724 | $ 15,789,852 | $ - | $ - | $ - | $ - | $ 1,304,461 | **$ 186,822,913** |
| Gifts Grants & Contracts | $ 10,977 | $ 544,110 | $ 2,585 | $ 31,354,032 | $ 15,790,922 | $ - | $ 7,790,225 | $ - | **$ 55,492,850** |
| ICC Revenue | $ 6,401,323 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | **$ 6,401,323** |
| Federal Student Aid | $ - | $ - | $ - | $ 7,002,561 | $ - | $ - | $ - | $ - | **$ 7,002,561** |
| Interest and Investment | $ 1,352,287 | $ 2,949,867 | $ 9,848 | $ (663) | $ 54,057 | $ 126,355 | $ 75,783 | $ 293,075 | **$ 4,860,610** |
| Internal Sales | $ 1,514,997 | $ 7,718,174 | $ 2,962,842 | $ (462) | $ 12,825 | $ - | $ - | $ 6,598,780 | **$ 18,807,157** |
| Sales & Services | $ 507,925 | $ 2,922,417 | $ 36,629,550 | $ 69,542 | $ 21,005 | $ - | $ - | $ - | **$ 40,150,439** |
| Other Revenues | $ 122,107 | $ 153,848 | $ 430,466 | $ - | $ - | $ - | $ 1,300 | $ - | **$ 707,721** |
| Transfers From Ore State Agencies | $ - | $ - | $ - | $ 2,778,368 | $ - | $ - | $ - | $ - | **$ 2,778,368** |
| **Total Revenue** | **$ 202,964,823** | **$ 16,748,836** | **$ 55,938,444** | **$ 41,218,828** | **$ 15,878,808** | **$ 126,355** | **$ 7,867,308** | **$ 8,196,315** | **$ 348,939,719** |
| **Total Personnel Services** | **$ 69,244,246** | **$ 6,965,102** | **$ 19,676,412** | **$ 16,616,608** | **$ 4,472,166** | **$ -** | **$ -** | **$ 82,408** | **$ 117,056,942** |
| Service & Supplies | $ 25,175,489 | $ 5,635,769 | $ 14,495,185 | $ 5,580,619 | $ 6,006,779 | $ 15,108 | $ 1,645,257 | $ 1,202,852 | **$ 59,757,059** |
| Merchandise-Resale/Redistribution | $ - | $ 1,688,757 | $ 1,422,680 | $ - | $ - | $ - | $ - | $ - | **$ 3,111,437** |
| Internal Sales Reimbursements | $ (4,222,705) | $ (28,309) | $ (474,908) | $ - | $ (18,910) | $ - | $ - | $ - | **$ (4,744,831)** |
| Indirect Costs | $ 49,354 | $ 791,043 | $ 1,389,337 | $ 6,401,323 | $ - | $ - | $ - | $ - | **$ 8,631,057** |
| Depreciation/Amortization Expense | $ - | $ 1,080,664 | $ 7,508,744 | $ - | $ - | $ - | $ 7,371,676 | $ - | **$ 15,961,084** |
| Student Aid | $ 4,907,938 | $ 215,884 | $ 770,839 | $ 11,547,766 | $ 8,958,124 | $ 21,703 | $ - | $ - | **$ 26,422,253** |
| **Total General Expense** | **$ 25,910,075** | **$ 9,383,808** | **$ 25,111,877** | **$ 23,529,707** | **$ 14,945,994** | **$ 36,812** | **$ 9,016,933** | **$ 1,202,852** | **$ 109,138,058** |
| **Net Transfers Out/(In)** | **$ 3,389,818** | **$ (1,302,838)** | **$ (4,479,881)** | **$ 216,051** | **$ 4,539,801** | **$ 3,175** | **$ (3,473,877)** | **$ 1,107,751** | **$ -** |
| **Total Expense** | **$ 98,544,140** | **$ 15,046,071** | **$ 40,308,408** | **$ 40,362,366** | **$ 23,957,960** | **$ 39,987** | **$ 5,543,056** | **$ 2,393,011** | **$ 226,195,000** |
| **Net before CapEx** | **$ 104,420,684** | **$ 1,702,765** | **$ 15,630,036** | **$ 856,462** | **$ (8,079,152)** | **$ 86,368** | **$ 2,324,252** | **$ 5,803,304** | **$ 122,744,719** |
| **Beginning Fund Balance** | $ 71,715,684 | $ 55,998,611 | $ 343,553,927 | $ 2,173,592 | $ 11,005,619 | $ 26,168,589 | $ 524,905,713 | $ 16,218,786 | **$ 1,051,740,520** |
| **Capital Expenditures** | $ (576,981) | $ (394,514) | $ (2,092) | $ (943,143) | $ (360,526) | $ - | $ (11,074,272) | $ - | **$ (13,351,529)** |
| **Net (from above)** | $ 104,420,684 | $ 1,702,765 | $ 15,630,036 | $ 856,462 | $ (8,079,152) | $ 86,368 | $ 2,324,252 | $ 5,803,304 | **$ 122,744,719** |
| **Fund Additions/Deductions*** | $ - | $ 360,688 | $ (1,929,624) | $ - | $ - | $ - | $ 4,009,316 | $ - | **$ 2,440,380** |
| **Ending Fund Balance** | **$ 175,559,386** | **$ 57,667,549** | **$ 357,252,247** | **$ 2,086,911** | **$ 2,565,940** | **$ 26,254,958** | **$ 520,165,009** | **$ 22,022,090** | **$ 1,163,574,090** |
| **Year-End Accounting Entries ****| TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | **TBD** |
| **Net Capital Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | **TBD** |
| **Other Restricted Net Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | **TBD** |
| **Unrestricted Net Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | **TBD** |
| **Total Net Assets** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** |

* - Due to Capital Improvements and Debt Accounting entries, Includes Elimination of State Paid Debt from UO Books

** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

**FY18 Actuals Quarter 1 Report** **Education and General**

| | FY18 Projection | FY18 Actual Q1 | FY18 Q1 Actual as % of Proj | FY17 Actual Q1 | FY18 Q1 inc/(dec) from FY17 Q1 | FY17 Total Actual | FY18 Proj vs FY17 Total as % | FY18 Updated Projection | FY18 Updated Proj vs FY17 Total as % |
|---|---|---|---|---|---|---|---|---|---|
| State Appropriation | $ 70,526,000 | $ 25,494,331 | 36.1% | $ 24,136,204 | 5.6% | $ 66,801,344 | 5.6% | $ 70,587,100 | 5.7% |
| Tuition and Fees | $ 422,541,000 | $ 167,560,876 | 39.7% | $ 161,809,166 | 3.6% | $ 401,585,095 | 5.2% | $ 416,989,886 | 3.8% |
| Gifts Grants & Contracts | $ 315,000 | $ 10,977 | 3.5% | $ 854 | 1185.4% | $ 310,800 | 1.4% | $ 315,000 | 1.4% |
| ICC Revenue | $ 22,000,000 | $ 6,401,323 | 29.1% | $ 6,080,768 | 5.3% | $ 21,895,847 | 0.5% | $ 22,000,000 | 0.5% |
| Federal Student Aid | $ - | $ - | - | $ - | - | $ - | - | $ - | - |
| Interest and Investment | $ 5,710,000 | $ 1,352,287 | 23.7% | $ 951,861 | 42.1% | $ 5,184,658 | 10.1% | $ 5,710,000 | 10.1% |
| Internal Sales | $ 3,000,000 | $ 1,514,997 | 50.5% | $ 51,032 | 2868.7% | $ 1,568,535 | 91.3% | $ 3,500,000 | 123.1% |
| Sales & Services | $ 4,400,000 | $ 507,925 | 11.5% | $ 522,212 | -2.7% | $ 4,295,686 | 2.4% | $ 4,400,000 | 2.4% |
| Other Revenues | $ 1,100,000 | $ 122,107 | 11.1% | $ (264,082) | -146.2% | $ 10,386,884 | -89.4% | $ 1,100,000 | -89.4% |
| Transfers From Ore State Agencies | $ - | $ - | - | $ - | - | $ 11,111 | -100.0% | $ - | -100.0% |
| **Total Revenue** | **$ 529,592,000** | **$ 202,964,823** | **38.3%** | **$ 193,288,014** | **5.0%** | **$ 512,039,960** | **3.4%** | **$ 524,601,986** | **2.5%** |
| | | | | | | | | | |
| **Total Personnel Services** | **$ 420,054,000** | **$ 69,244,246** | **16.5%** | **$ 69,310,876** | **-0.1%** | **$ 395,952,228** | **6.1%** | **$ 416,841,900** | **5.3%** |
| | | | | | | | | | |
| Service & Supplies | $ 103,637,000 | $ 25,175,489 | 24.3% | $ 25,221,029 | -0.2% | $ 101,773,239 | 1.8% | $ 102,637,000 | 0.8% |
| Merchandise-Resale/Redistribution | $ 2,000 | $ - | 0.0% | $ 16 | -100.0% | $ 1,606 | 24.5% | $ 2,000 | 24.5% |
| Internal Sales Reimbursements | $ (23,000,000) | $ (4,222,705) | 18.4% | $ (4,613,963) | -8.5% | $ (22,767,308) | 1.0% | $ (23,000,000) | 1.0% |
| Indirect Costs | $ 2,408,000 | $ 49,354 | 2.0% | $ 107,526 | -54.1% | $ 320,332 | 651.7% | $ 2,408,000 | 651.7% |
| Depreciation/Amortization Expense | $ - | $ - | - | $ - | - | $ - | - | $ - | - |
| Student Aid | $ 4,500,000 | $ 4,907,938 | 109.1% | $ 4,067,127 | 20.7% | $ 4,444,108 | 1.3% | $ 4,500,000 | 1.3% |
| **Total General Expense** | **$ 87,547,000** | **$ 25,910,075** | **29.6%** | **$ 24,781,736** | **4.6%** | **$83,771,976** | **4.5%** | **$ 86,547,000** | **3.3%** |
| | | | | | | | | | |
| **Net Transfers Out(In)** | **$ 14,000,000** | **$ 3,389,818** | **24.2%** | **$ 1,795,454** | **88.8%** | **$ 20,542,861** | **-31.8%** | **$ 14,000,000** | **-31.8%** |
| | | | | | | | | $ - | |
| **Total Expense** | **$ 521,601,000** | **$ 98,544,140** | **18.9%** | **$ 95,888,066** | **2.8%** | **$ 500,267,065** | **4.3%** | **$ 517,388,900** | **3.4%** |
| **Net before CapEx** | **$ 7,991,000** | **$ 104,420,684** | **1306.7%** | **$ 97,399,949** | **7.2%** | **$ 11,772,896** | **-32.1%** | **$ 7,213,086** | **-38.7%** |
| | | | | | | | | | |
| **Beginning Fund Balance** | $ 71,715,684 | $ 71,715,684 | 100.0% | $ 67,430,541 | 6.4% | $ 67,430,541 | 6.4% | $ 71,715,684 | 6.4% |
| **Capital Expenditures** | $ (7,500,000) | $ (576,981) | 7.7% | $ (613,167) | -5.9% | $ (7,437,754) | 0.8% | $ (7,500,000) | 0.8% |
| **Net (from above)** | $ 7,991,000 | $ 104,420,684 | 1306.7% | $ 97,399,949 | 7.2% | $ 11,772,896 | -32.1% | $ 7,213,086 | -38.7% |
| **Fund Additions/Deductions*** | $ - | $ - | - | $ - | - | $ (50,000) | -100.0% | $ - | -100.0% |
| **Ending Fund Balance** | **$ 72,206,684** | **$ 175,559,386** | **243.1%** | **$ 164,217,323** | **6.9%** | **$ 71,715,684** | **0.7%** | **$ 71,428,770** | **-0.4%** |
| | | | | | | | | | |
| **Year-End Accounting Entries ** ** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | |
| | | | | | | | | | |
| **Net Capital Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | |
| **Other Restricted Net Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | |
| **Unrestricted Net Assets** | TBD | TBD | TBD | TBD | TBD | TBD | TBD | TBD | |
| **Total Net Assets** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | **TBD** | |

* - Due to Capital Improvements and Debt Accounting entries

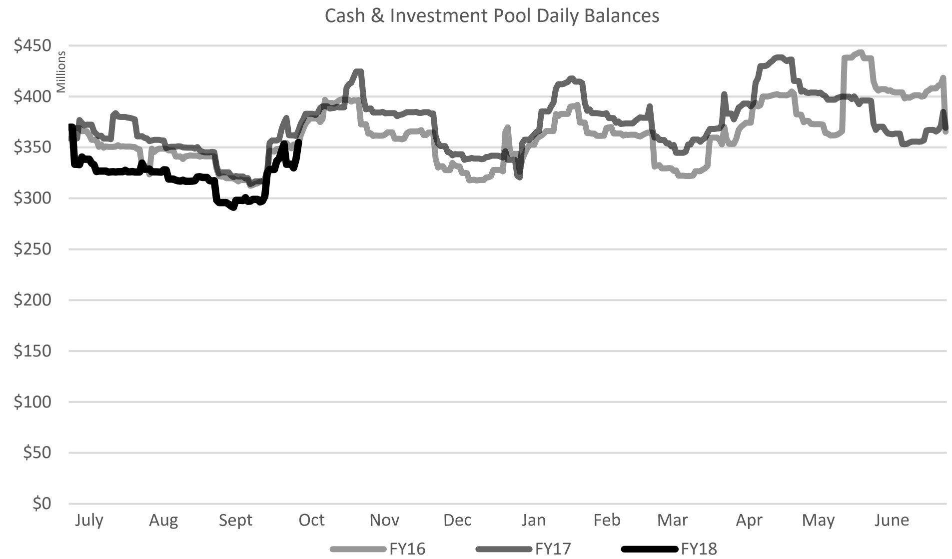
** - Year-End Accounting - e.q. Allocate Pension Liability, Reclass Cash to Investments, Allocate Debt

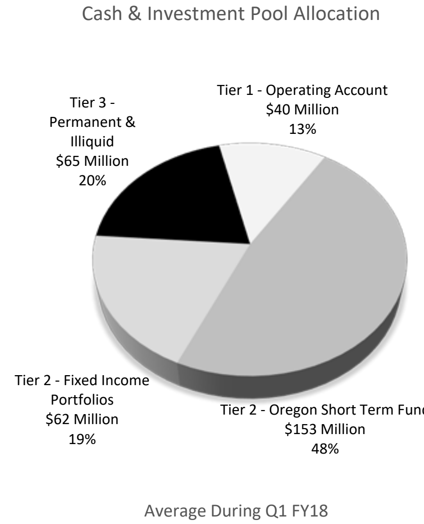
**FY18 Actuals Quarter 1 Report**
**Total All Fund Groups**

| Personnel Services | Total Dollars FY2017 | Total Dollars FY2018 | Yr/Yr % Inc | Benefits as a % of Total Salary & Leave FY2017 | Benefits as a % of Total Salary & Leave FY2018 |
|---|---|---|---|---|---|
| Salary & Wages | $70,964,397 | $73,221,309 | 3.2% | | |
| Personnel Leave | $6,600,956 | $7,285,074 | 10.4% | | |
| Medical Insurance | $14,325,759 | $15,420,137 | 7.6% | 18.5% | 19.2% |
| Total Retirement | $12,711,939 | $15,819,345 | 24.4% | 16.4% | 19.6% |
| Total Other OPE | $6,076,695 | $6,315,765 | 3.9% | 7.8% | 7.8% |
| **Total OPE** | **$33,114,392** | **$37,555,247** | **13.4%** | **42.7%** | **46.6%** |
| ***Total Personnel Services** | **$110,679,746** | **$118,061,630** | **6.7%** | | |

* Data excludes OPE GE Remissions, OPE GE Health Benefits & LTD Bus Pass charge

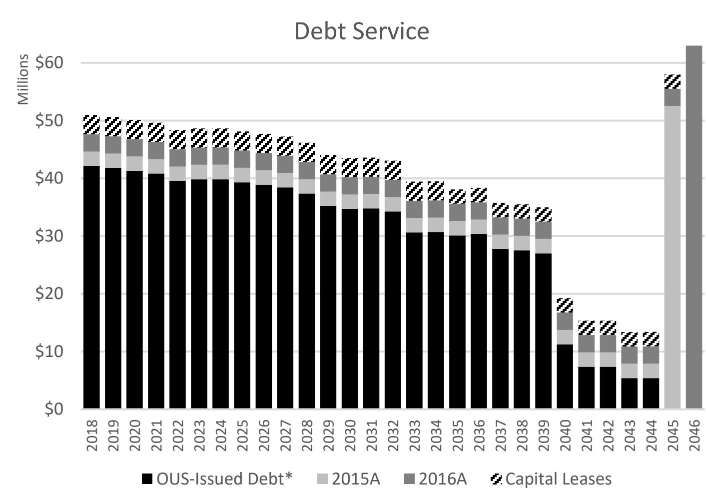
## Cash & Investment Pool




- The cash and investment pool averaged $321 million during Q1 FY18, which is $30 million less than last year. The difference is largely due to unspent bond proceeds in FY17.
- Estimated average accounting yield for Q1 FY18 was 1.69%.
- Placed $60 million of tier 2 funds in July with outside investment managers, which completes the initial investment initiatives.

## Debt Activities




*OUS-issued Debt includes SELP but is net of expected SELP appropriations and BAB subsidies.

### Significant Projects Funded Using Debt & Capital Leases

**Capital Leases**
- White Stag (Portland)
- 1600 Riverfront

**UO 2016A**
- Kalapuya Ilihi Hall
- Pacific Hall
- Klamath Hall, 3rd Floor

**UO 2015A**
- Erb Memorial Union

**OUS-Issued Debt**
- Autzen Stadium
- Central Power Station
- Erb Memorial Union
- Family Housing Projects
- Ford Alumni Center
- Global Scholars Hall
- Knight Law Center
- Living Learning Center
- Parking Projects
- Student Rec Center
- Matthew Knight Arena
- Williams Bakery Land

- No new debt was incurred during Q1 FY18. We anticipate UO's next revenue bond sale will occur in January 2018. The bulk of the proceeds will be used to renovate Bean Hall.
- During the 2017 legislative session, the state authorized $50 million in XI-G bonds to be sold in 2019 for the Knight Campus.
- The current principal balance of outstanding debt, including capital leases, is approximately $702 million.
- 2015A/2016A bond proceeds are loaned internally for capital projects but all associated loans repay their borrowings prior to the bullet payments, ensuring the Internal Bank will have sufficient cash for the bullet payments due in 2045 and 2046.

## T3 Portfolio

UNIVERSITY OF OREGON FOUNDATION

### Strategy Summary

The University of Oregon Board of Trustees has fiduciary responsibility for university fund management and has delegated oversight to the Treasurer's office. Funds are currently divided into three separate tranches with distinct purposes for each. The portion of funds deemed unnecessary for current needs and so available for riskier, long-term investment to earn a higher rate of return is designated Tier-3 (T3). The long-term objective is to try to generate at least a 4% real net return over rolling five-year periods using a prudent level of risk. It is understood that these funds will be subject to short-term market volatility and risk of loss in pursuit of long-term appreciation. The UO currently employs the UO Foundation, who is not charging a fee for its services, for management of its T3 Funds.

### Fund Return Summary

| | |
|---|---|
| Portfolio Value | $62.4MM |
| Invested Capital* | $46.6MM |
| CASH | $15.8MM |
| DISTRIBUTIONS YTD (#1) | $305,000 |

### Relative Performance

| | QTR | ITD* | 1 YR | 3 YR | 5 YR | 10 YR | Std. Dev. | Sharpe |
|---|---|---|---|---|---|---|---|---|
| T3 Invested Capital | 3.8% | 7.1% | N/A | N/A | N/A | N/A | N/A | N/A |
| 60/40 Blended Benchmark | 3.4% | 7.2% | 11.4% | 5.7% | 7.0% | 4.4% | 5.2% | 0.56 |
| (CPI-U + Dist% + 1%)Benchmark | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

### Portfolio Commentary

Capital was fully deployed October 1st (beginning of the next reporting cycle for these quarterly reports) with the last of three quarterly subscriptions to equity managers. All managers continue to perform well. One caveat though is that as markets trade higher, and valuations get even more extended, our value managers are finding it increasingly difficult to find new investments with suitable risk-return profiles. Because they invest with a multi-year time frame, and preservation of capital is job one, cash or portfolio hedges become the default "investment" until suitable opportunities can be found. Because we are managing capital with the perspective of a perpetual timeframe, it is essential to view these results through the lens of multi-year performance (the signal) and not quarter to quarter volatility (the noise).

*Fund inception date is March 1, 2017. Returns and percentage weights are on invested capital. Funds will be fully deployed October 1,2017.

# T3 Portfolio

UNIVERSITY OF OREGON FOUNDATION

## Estimated Portfolio Details*

### Policy Weights

| | Target | Range | Actual |
|---|---|---|---|
| Equity | 70% | 50-75% | 69% |
| Fixed Income | 30% | 25-50% | 31% |

### Sector — Net Exposure

| | |
|---|---|
| Consumer | 19% |
| Power | 7% |
| Financials | 10% |
| Healthcare | 3% |
| Industrials | 12% |
| Info Tech & Telecom | 25% |
| Real Estate | 0% |
| Sovereign Debt | 3% |
| Other | 1% |

### Commitment Schedule

| Commitment | Capital Called | Distributions | Market Value |
|---|---|---|---|
| $4,000,000 | $0 | $0 | $0 |

### Security Type — T3 Portfolio

| | Long | Short | Gross | Net |
|---|---|---|---|---|
| **Global Equity** | **60%** | **-5%** | **65%** | **55%** |
| *Long Only* | 31% | 0% | 31% | 31% |
| *Long Short* | 29% | -5% | 35% | 24% |
| **Debt** | **27%** | **-4%** | **31%** | **23%** |
| *Sovereign* | 3% | 0% | 3% | 2% |
| *Corporate* | 24% | -4% | 28% | 21% |
| ***Total T3 Portfolio*** | ***87%*** | ***-9%*** | ***96%*** | ***78%*** |

### Geography — Net Exposure

| | |
|---|---|
| United States | 33% |
| Developed, Non-US | 27% |
| Emerging Markets | 18% |
| Frontier Markets | 0% |

### Market Cap — Net Exposure

| | |
|---|---|
| Large | 20% |
| Mid | 32% |
| Small | 23% |
| Sovereign Debt | 3% |

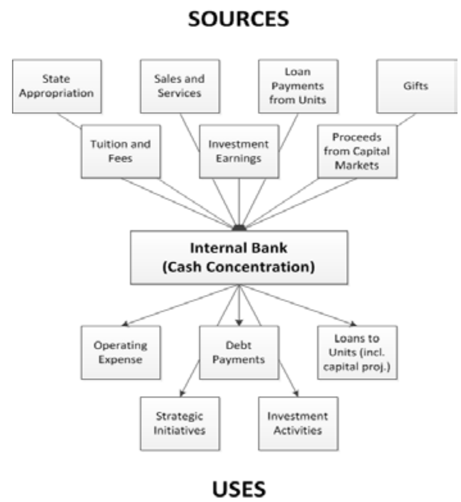
* All numbers are based on invested capital. Portfolio will be fully invested as of October 1st.

UNIVERSITY OF OREGON

# TREASURY OPERATIONS ANNUAL REPORT

**Provided December 2017**

## Internal Bank Functional Responsibilities




There have been no changes made to the functional responsibilities of Treasury Operations or the Internal Bank during the past year. The Internal Bank continues to:

1. Manage the short-term cash position so the university can meet its obligations.
2. Manage long-term investments and long-term debt of the university.
3. Provide funding to capital projects that need to borrow funds and raise capital.
4. Manage banking relationships.
5. Guide payment system processes.

The Treasurer attests to the following policy-required items:

- There have been no policy exceptions.
- The Board authorized all financing transactions in excess of $5 million.
- A copy of the Treasury Management Procedures has been made available for your information. New sections and some clarifications have been added. There was a material change which was discussed with the Finance Chair prior to implementation in which the final maturity of investments in the Tier 2 portfolio was extended from five years to ten years and the Tier 2 portfolio duration was extended from three years to four years. This was done in consultation with two different outside investment advisors.
- The Treasury Management Procedures makes no change to the internal bank borrowing rate of 5.25%.

## Update on Activities

Cash and Investment Pool

- Placed Tier 2 funds totaling $60,000,000 with investment managers in 0-10 year fixed income portfolios.
- Placed Tier 3 ‘quasi-endowment’ funds totaling $60,000,000 with the UO Foundation.
- Sold investments from existing Tier 2 fixed income portfolio in July 2016 & July 2017 for realized gains.

Debt Activities

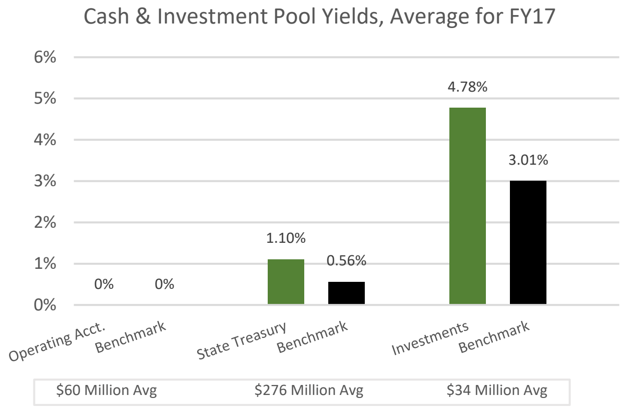
- Updated debt management agreement with the state, yielding improvements related to allocation of administrative fees on state-issued bonds and interest earnings on debt payments held by the state.
- As of August 31, 2017: 99% of 2015A revenue bond proceeds have been expended; 61% of 2016A proceeds have been expended. The remaining unspent proceeds have been allocated and will be spent on various projects, including the new residence hall, Pacific Hall, and Klamath Hall.
- Refundings of state-issued debt during the year will result in long-term interest savings, including $5.5 million saved over 20 years on XI-F debt and $430,000 saved over 15 years on SELP debt.
- Visited Moody’s, S&P, and a key investor in November 2016 to discuss the University’s updated financial position, including the recent Knight Campus gift.
- Preparing to issue revenue bonds in early 2018.

## Treasury Procedures

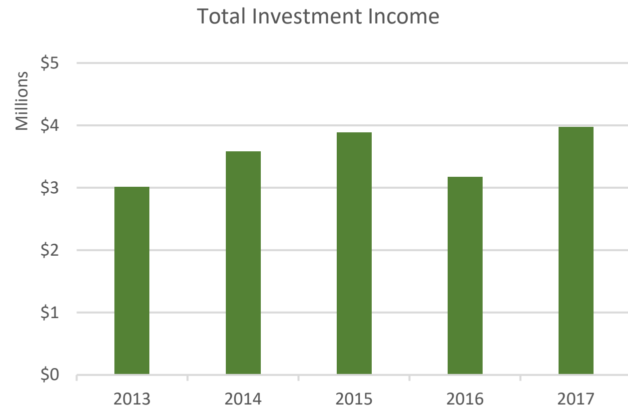
The procedures, which can be found at http://pages.uoregon.edu/baoforms/web/pdf/TreasuryManagementProcedures-11-2017.pdf, contain the following updates:

- Clarified central bank loan procedures during construction, including periodic advances and interest payments (p. 3)
- Incorporated investment parameters given to outside managers and clarified certain points or terms for their use:
  - Highlighted importance of liquidity in tier 2 portfolio and authorized 144A investments (p. 8)
  - Extended final maturity of Tier 2 from 5 years to 10 years and extended duration from 3 years to 4 years (p. 8)
  - Use of a composite approach when determining average rating of a Tier 2 portfolio is acceptable (p. 8)
  - Removed performance ranking expectation from Tier 3 portfolio benchmark (p. 9)
  - Added collateralized debt/loan obligations to prohibited investments (p. 10)
- Added notations to reflect board discussion and activity:
  - Board statement on environmental, social, and governance investment principals (pp. 10 & 21)
  - Board’s December 2016 approval of hedging derivatives by Foundation for UO assets under management (p. 10)
- Outlined use of interest earnings on unspent bond proceeds to first be used for project expenses, then debt service (p. 11)
- Clarified that if investment securities are received they will generally be immediately liquidated (p. 11)
- Added and clarified procedures surrounding debt issuance matters, as recommended by bond counsel. Steps that were updated include initial disclosure documents, ongoing training, and continuing disclosure (pp. 12-15)

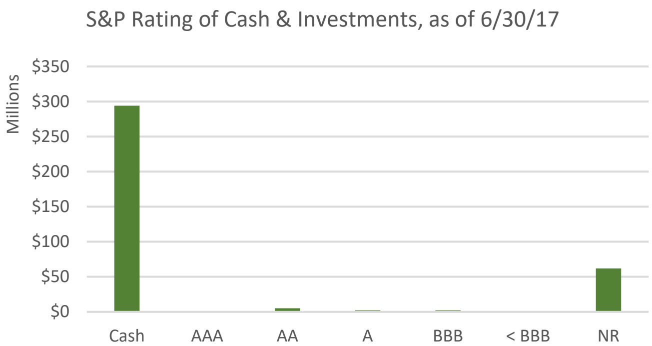
## Cash and Investment Pool Characteristics

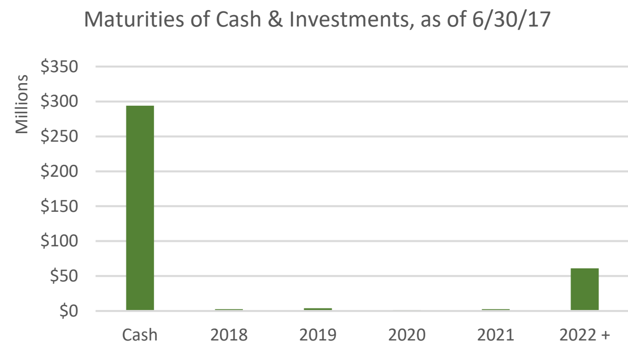



Benchmark for State Treasury is 3 month US Treasury.
Benchmark for investments is BAML US Corporate 5-7 Year.




Investment income includes interest earnings, realized gains/losses, and unrealized gains/losses on illiquid investments.

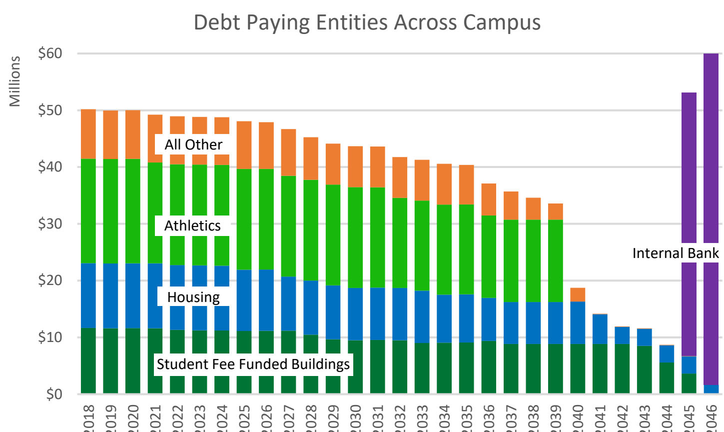


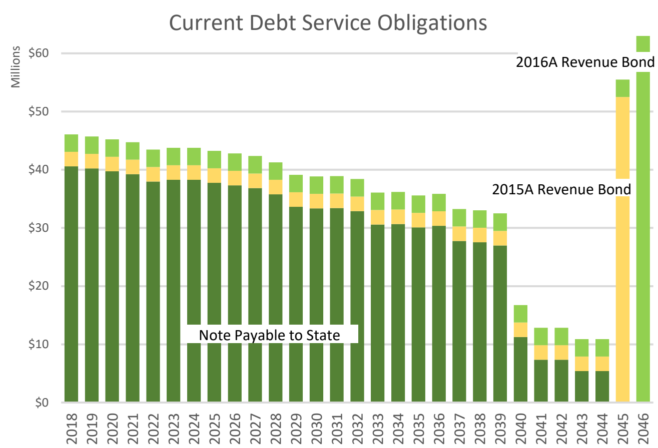




The tier 3 quasi-endowment with the foundation is an open-ended agreement and categorized above as "2022+", however the portfolio does contain liquid investments.

## Debt Characteristics

*As of 6/30/17*

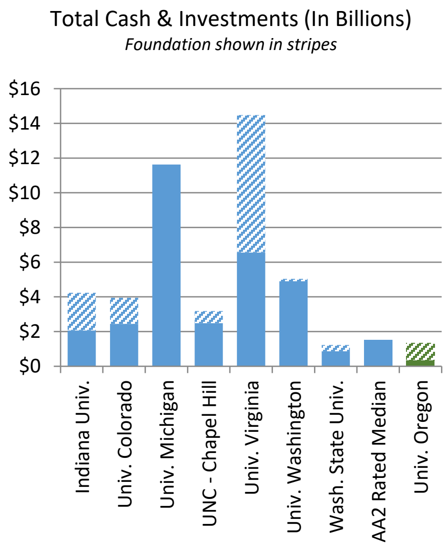


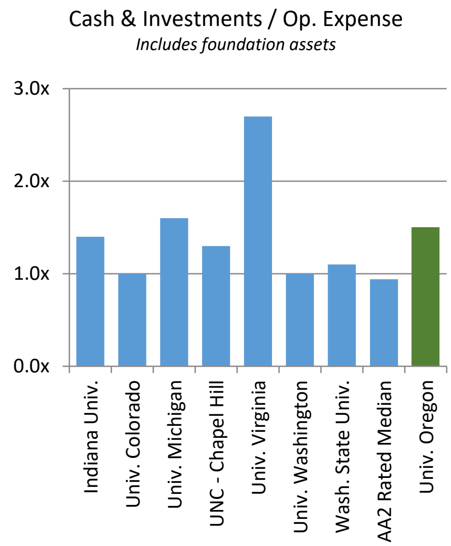



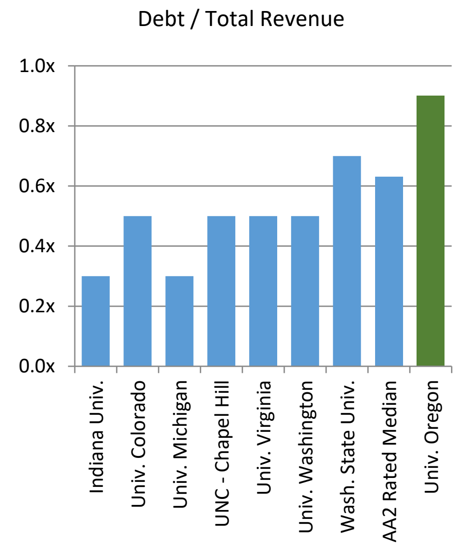

*Excludes obligations without a revenue pledge, such as State Energy Loan Program and capital leases.*

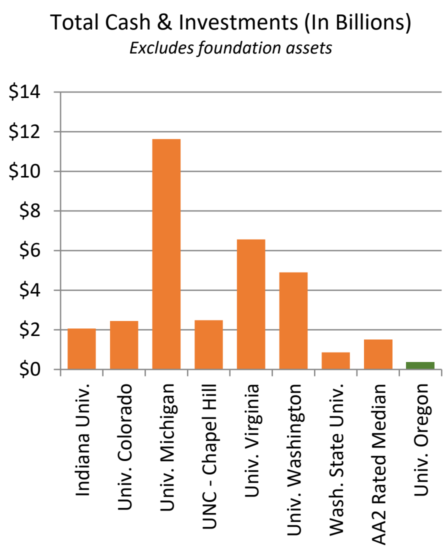
- All debt issued at a fixed rate; no floating rate
- Future debt could be bullet or amortizing or a custom structure
- S&P rating affirmed in May 2017 (AA-) and Moody's in April 2016 (Aa2), additional positive commentary from Moody's regarding fundraising.
- UO revenue bonds have a 10-year par call and most of the debt is tax-exempt.

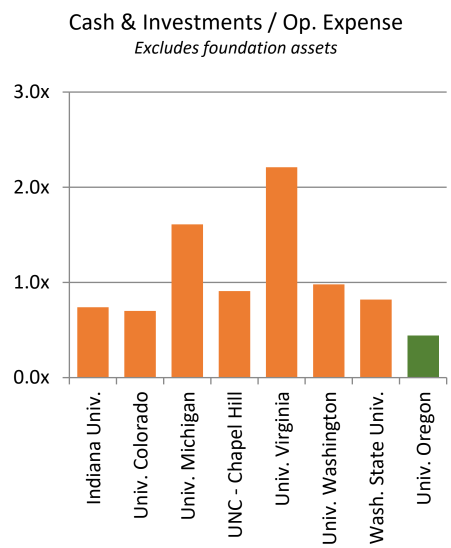
## Peer Comparisons



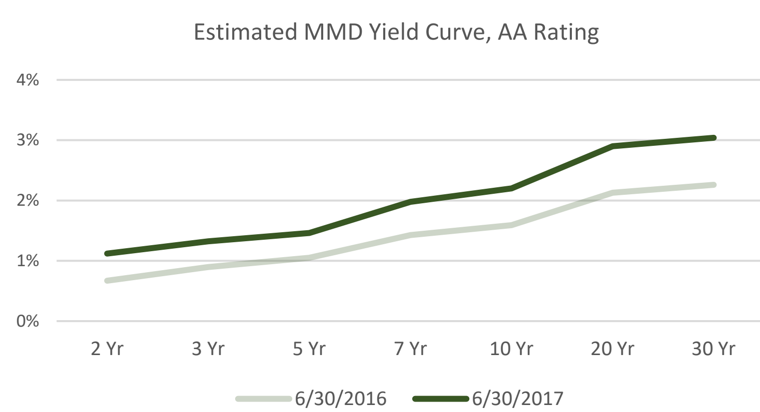




Source: Moody's FY 2016 data

## External Factors

- The federal government is working on debt-related tax code revisions that if passed, would negatively impact the university. These include elimination of the ability to refund tax-exempt bonds in advance of the call date, the inability to issue bonds for 501(c)(3) purposes, and the elimination of the Build America Bond subsidy.
- Rating agencies continue to consider how unfunded actuarial pension liabilities should impact credit rating methodology
- The IRS issued updated revenue procedures regarding management contracts, in response to industry concerns.
- Bond rates have risen since historic lows in July 2016, but have slowly declined in 2017.



# CENTRAL BANK PROCEDURES

*Redline Changes - Pages with no proposed changes or only grammatical corrections are redacted*
*Full procedures are available at:*
*http://pages.uoregon.edu/baoforms/bao_drupal_6/sites/ba.uoregon.edu/files/pdf/tmp-procedures_11-2016.pdf*

## Roles and Responsibilities

[Redacted: no changes]

## Liquidity Management

[Redacted: no changes]

## Treasury Risk Management

[Redacted: no changes]

## Central Bank Loans

Loan Application

Upon approval of a funding source for a capital project, the sponsoring department or functional area may obtain a loan from the central bank. The borrower will be asked to provide several documents including:

1. Evidence that the project's funding has been appropriately authorized
2. A description of the project
3. The project's budget
4. A schedule detailing funding requirements by month or quarter
5. An analysis showing the source, timing, and adequacy of the funds available to repay the loan
6. A private business use survey for the structure(s) involved
7. Loan agreements require the signature of the responsible Dean or Vice President

Permitted Loan Terms

- The term of the borrowing will be commensurate with the life of the underlying capital asset but will not exceed 30 years
- Loans will generally have level annual payments that are paid in semi-annual installments during the fiscal year
- As of July 1, 2014, the central bank loan rate is 5.25% inclusive of any fees for 100% tax-exempt projects
- The rate may increase depending on the level of taxable debt required

Expectations

1. Borrowers will sign a ~~loan~~ financing agreement that states the terms of the loan.
2. Accounting for the expenditures of the project will be done in a manner to ensure compliance with IRS requirements for tax-exempt institutions.
3. Borrowers are expected to spend ~~moneys~~funds as indicated on the loan application but may work with the central bank to see if changes can be accommodated.
4. Borrowers will make payments as scheduled.
5. Borrowers will inform the central bank of~~if~~ any change in use of the financed building is contemplated. Changes in use include leasing or selling any ~~all or a~~ portion of the facility to a third party, permitting unrelated uses in the ~~structure~~facility, ~~or~~ entering into a management contract, or demolition of any portion of the facility.
6. Prepayments may be negotiated with the central bank and, if possible, will generally be accommodated.
~~6.~~7. For capital projects with a construction period, a funding schedule will be prepared that shows funds advanced quarterly based on the expected construction schedule. Interest owed is computed according to this funding schedule and borrowers will generally make semi-annual interest-only payments during the construction period. Occasionally, capital construction may need to alter this funding schedule based on actual construction of the project. We will notify the borrower if there are significant changes to the funding schedule. After construction is completed, a financing agreement will be signed for the entire loan amount and semi-annual loan payments consisting of principal repayments and interest payments will begin. ~~During the funding period (AKAi.e. construction) amounts will be advanced to the appropriate plant fund at regular intervals, preferably quarterly. Once the funds are advanced to the plant fund, iInterest begins to accrue as of the date on the financing agreement and during this period borrowers will generally pay the interest the interest semi-annually to keep the interest current on the loan.~~

**Commented [KL1]:** This clarification documents our current practices. Note that interest accrues from the date we expect to fund the project. We do this to create a predictable payment for the borrower even though in practice we may actually advance a little more or a little less and we may make advances on dates convenient to capital construction and not always on the first of each quarter.

**Management of the Central Bank**

- The central bank will model the loans and related debt over their respective lifetimes to create an analysis which shows any potential mismatches.
- The Treasurer may change the borrowing rate for loans, if the analysis indicates that such an action is warranted

## UNIVERSITY OF OREGON

## CASH & INVESTMENT OPERATIONAL PROCEDURES

### Selection of Broker/Dealers, Investment Managers and Depository Banks

[Redacted: no changes]

### Custody/Trust and Administration

[Redacted: no changes]

### General Roles and Responsibilities Related to Investment Management

[Redacted: no changes]

### Permitted investments – Tier 1

[Redacted: no changes]

### Permitted Investments – Tier 2

***Any investment eligible to be held in Tier 1***

***Federal Agency Obligations*** - Bonds, notes, and other obligations of the United States, and securities issued by any federal government agency or instrumentality or government sponsored enterprise that has a rating no less than the rating on U.S. Government debt.

***Asset-Backed Securities*** – High quality asset-backed securities with a rating of at least Aa2 by Moody's Investors Service, Inc., or a rating of at least AA by Standard and Poor's, Inc. If the security's rating is based on insurance, the counter-party must be evaluated before the security may be purchased. This category includes all asset-backed securities including non-agency mortgage-backed securities (MBS) and commercial mortgage-backed securities (CMBS).

***Corporate debt and municipal securities*** will generally be of high quality (Aa2 by Moody's Investor Services, Inc., or AA by Standard and Poor's, Inc.). Lower grade bonds of investment quality (down to BBB-) may also be held but are limited to not more than 20% of the Tier 2 portfolio.

**The portfolio should be liquid and consist of readily saleable securities; 144A investments are permitted.**

**Commented [KL2]:** Clarification added at the request of external Tier 2 fund managers.

### Permitted Investments – Tier 3

[Redacted: no changes]

**Portfolio Risk Management**

***Interest Rate Risk***

Tier 1: Maximum duration of 9 months, maximum stated maturity of 3 years

Tier 2: Maximum duration of ~~3~~ 4 years, maximum stated maturity of ~~10~~5 years

Tier 3: Portfolio is expected to be invested as Funds Functioning as Endowment or Quasi-Endowment and, consequently has no duration nor maturity limits

**Commented [KL3]:** These significant changes were discussed with the Chair of the Finance and Facilities Committee prior to implementation by outside investment managers.

***Credit Risk***

Tier 1: As provided above under Permitted Investments. In the event of a split rating, the lowest rating should be considered when determining the appropriate rating category.

Tier 2: As provided above under Permitted Investments. In the event of a split rating, the lowest rating should be considered when determining the appropriate rating category. When determining the average rating of an entire portfolio, it is permissible to use a composite approach that takes into account all ratings. Unrated securities are not permitted in this portfolio.

Tier 3: No credit limitations

**Portfolio Benchmarks**

The returns earned by the university's Cash & Investment Pool will be compared on a quarterly basis to a benchmark with similar risk/return characteristics. The applicable benchmarks for each of the university's three Portfolio Tiers are listed below:

Tier 1 - A benchmark will be established that reflects the risk tolerances of the portfolio as it develops.

Tier 2 - A benchmark will be established that reflects the risk tolerances of the portfolio as it develops.

Tier 3 - A custom benchmark will be developed reflecting the return objectives and risk tolerances as the portfolio develops. In addition, the portfolio's performance will be compared to other higher-ed endowment portfolios of comparable size using the annual NACUBO-Commonfund Study of Endowments. ~~The Tier 3 portfolio will be expected to rank at the 33rd percentile or higher over a five-year period.~~

**Commented [KL4]:** This sentence had been intended to provide a minimum benchmark. Since two other benchmarks were developed, this backup benchmark is no longer relevant.

**Portfolio Diversification**

The Cash & Investment Pool's investments shall be diversified by security type and institution. Concentrations in individual securities, industries, geographies, and economic sectors should not be so high as to subject the Cash & Investment Pool to undue risk.

The maximum percentage of the asset allocation and issuer limit permitted in each eligible security shall be as follows:

[Table Redacted: no changes]

The sector and issuer limits shall be applied to each Portfolio at the date of acquisition. For all pooled investments, with the exception of pools managed by the Foundation or the Oregon State Treasury, the university's holdings must represent no more than 10 percent of the net assets of the pool.

***Subsequent Events*** - The limitations established by this Investment Policy will apply at the time a security is purchased (settlement date) and will be based on the then-current book value. Should a subsequent event cause a security or the investment portfolio to no longer meet the specifications of the Investment Procedures, the Treasurer will determine the appropriate course of action and report this activity to the Finance & Facilities Committee. There is no requirement that a security be sold prior to maturity if it no longer meets the criteria set forth in these Investment Procedures. Further, any security held by the university at the time these Investment Procedures was adopted may be held to its maturity.

**Prohibited Investments and Investment Practices**
The university is expressly prohibited from the following investments and investment practices in the Tier 1 and Tier 2 Portfolios:

a) Borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing unless specifically authorized by the Board or its designated Committee;
b) Speculative trading (repetitive buying and selling of the same or similar securities for the purpose of capital gains);
c) Investment in complex derivatives such as range notes, dual index notes, inverse floating rate notes and deleveraged notes, or notes linked to lagging indices or to long-term indices
d) Investment in non-federal agency collateralized mortgage ~~or debt~~ obligations (CMOs ~~and CDOs~~);
e) Investment in collateralized debt or loan obligations (CDOs and CLOs); and
~~e)~~f) Investing in any security not specifically permitted by this Policy.

Commented [KL5]: Change suggested by PFM to clarify that securities issued by entities such as FNMA are permitted

**Board Statement on Investment Philosophy**
At its meeting June 2017, the Executive and Audit Committee of the Board adopted a resolution stating its general investment principles specifically regarding ESG investing. The resolution, in its entirety, is incorporated into these procedures (see ~~Appendix 1~~Exhibit B) and investment managers (excluding the State of Oregon) who ~~to~~ manage any portion of the University's funds are required to read and acknowledge receipt of the Board's resolution.

**Special Note on Derivative Activity**
Treasury Management policy statement 2.11 states that "The Board must approve the University's use of investment hedging instruments and other derivatives."

- At its meeting June 2014, the Board authorized the university to enter into forward foreign currency contracts in an aggregate amount not to exceed $7.5 million (USD) at any time.
- At its meeting December 2016, the Board authorized the UO Foundation and any fund managers it engages to enter into derivative contracts for the purpose of hedging risk exposures for assets under management held in the name of the University of Oregon. The resolution forbids the use of derivative contracts for speculative purposes.

Commented [KL6]: Documenting board action.

## Investment Parameter Examples

The preceding investment guidelines will be clearly communicated to all outside investment managers;~~,~~ examples of such communications are shown in Exhibits C & D.

## Investment Income Distributions

### Legally Restricted Interest Income

Funds that have legally restricted interest ~~or are separately invested~~ for any reason ~~will only be placed in either Tier 1 or Tier 2 and~~ will earn interest based on how they are specifically invested. Separately invested funds include:

- Unspent bond proceeds are placed in the Oregon Short Term Fund (OSTF) and earn ~~that~~ the corresponding OSTF rate of interest. Capital expenditures are paid from the university's operating account which is reimbursed monthly with a draw from the OSTF. Interest earned on unspent bond proceeds are to be treated as additional bond proceeds and will be spent in accordance with IRS guidelines. The earnings will be credited back to unallocated proceeds and used for eligible project expenses until the monthly earnings become sufficiently small that it is not feasible to pay for project expenses. At this time any additional earnings will be used to pay debt service on the corresponding bonds.

### Other Distributions of Interest Income

The Treasurer may authorize other funds to also receive interest ~~income~~ distributions and set the rate of interest that will be paid by the ~~internal~~ central bank. That rate is currently set at 1.35% per annum based on the average daily cash balance computed ~~from~~ by the Banner accounting system. If the average daily cash balance is negative, the fund will be charged 1.35% per annum.

### Nonconsolidated Cash Balances

Cash balances not consolidated into the cash and investment pool are not eligible to receive investment income from the pool. Holders of nonconsolidated cash balances must pay any incremental costs related to the nonconsolidated cash balances. All nonconsolidated cash balances must be approved by the Controller and are generally discouraged. Nonconsolidated accounts may include:

- Unlent Perkins Loan funds
- ~~Monies~~ Funds used to make confidential payments to human research subjects
- ~~Monies~~Funds used to support study abroad programs

## Other Operational Matters

As a general r~~t~~ule, any funds~~gifts~~ received in the form of investment securities will be liquidated upon receipt and the proceeds forwarded to the appropriate unit. If the investment securities are~~gift is~~ unable to be readily liquidated at a reasonable value the Treasurer, or his/her designee, will review the situation on a case-by-case to determine how best to value the securities.~~work with the donor to achieve a mutually agreeable process and valuation for the gift.~~

## LIABILITY MANAGEMENT PROCEDURES

### General Considerations

Debt, or other capital financing, may be used for any purpose that furthers the mission of the university.

The university is not restricted to traditional municipal debt instruments. Other instruments such as mortgages, long-term leases, and other funding mechanisms that may emerge over time may also be considered.

When capital financing is being contemplated, the Treasurer will evaluate:

- How the funds raised will achieve the university's strategic objectives
- Alternative sources of funding and cost of funds
- How the financing affects the university's ability to meet its existing obligations
- The feasibility and appropriateness of the source of repayment
- How the financed project will affect the future fiscal health of the university

The base case assumption for all debt issuances is for tax-exempt, fully amortizing, fixed-rate, level debt service that matches the life of the underlying capital projects with a 10-year par call. Any structural deviations considered will be compared to this base case.

If variable rate debt is being considered, interest costs will be estimated using a range of two standard deviations based on historical volatility.

The university will use a professional financial advisor to provide advice on all contemplated debt and debt-related transactions.

Refundings of any outstanding debt may be pursued in order to achieve cost savings. Refunding savings in excess of 5% or $1 million/year should be captured as quickly as possible unless advised otherwise. Should it be desirable and beneficial to the university, tax exempt bonds may be refunded as taxable bonds.

### Initial Disclosure Documents

Treasury Operations staff will consult with subject matter experts to ensure that all information contained in offering documents is materially complete and accurate. Treasury Operations staff or the university's financial advisor ~~schedules~~will schedule one or more meetings ~~or conference calls~~ of the financing team working group (which includes Treasury Operations staff, the university's financial advisor (if used), General Counsel, Disclosure Counsel/Bond Counsel, the underwriter (if used) and their counsel, and other parties relevant to the financing), and will circulate and discuss new drafts of the offering documents ~~are circulated and discussed~~. During this part of the process, there is substantial contact among Treasury Operations staff and other members of the financing

Commented [KL7]: This entire section was expanded on the advice of bond counsel who subsequently read through the section to ensure it meets their needs and will be defendable if needed.

team to discuss issues that may arise to determine the materiality of particular items and ascertain the prominence in which the items should be disclosed.

~~At a minimum, d~~Disclosure documents will be reviewed by the following staff and officials, who are of sufficient seniority such that it is reasonable to believe that, collectively, they are in possession of material information relating to the university and its finances:

- Director of Treasury Operations for a cover-to-cover review and to ensure that each section is assigned to an appropriate subject matter expert for review
- Controller for financial reporting integrity and to obtain any auditor reviews needed
- CFO/Treasurer for a cover-to-cover review and to ensure new developments are disclosed
- Institutional Research for enrollment and staffing information
- General Counsel's office for cover-to-cover review
- [The State of Oregon for information related specifically to the state such as updates related to PERS]

Prior to distributing a preliminary offering document to potential investors, there ~~is~~will be one or more formal meetings or calls which includes Treasury Operations staff ~~involved in the preparation of the offering document~~ and the underwriters and their counsel, during which the offering document is reviewed in its entirety, page by page or section by section, to obtain final comments and to allow the underwriters to ask questions of the university's officials and staff. This is referred to as a "due diligence" meeting or call.

As a matter of practice, comments are routinely sought on all sections of the disclosure documents and the ~~list~~ steps above ~~is~~ are merely meant to represent the ~~minimum required~~ process of review. It is the practice of Treasury Operations to have all ~~every~~ numbers and ~~facts~~ statements confirmed by a source outside of Treasury Operations. The university's Treasurer, with guidance from General Counsel, will attest to the material accuracy and completeness of the disclosure documents during due diligence~~.~~ and in a closing certificate.

Financial statements, when included, will be audited. ~~[~~Preliminary financial statements, or interim period financial information, also may be included if necessary for material completeness and accuracy of the audited financial information.~~]~~

~~[~~The following principles govern the work of the respective staffs that contribute information to the offering document:

- Treasury Operations staff involved in the disclosure process ~~is~~are responsible for being familiar with federal securities laws as they relate to disclosure. Treasury Operations staff
- ~~Treasury Operations staff involved in the disclosure process~~ should ~~be instructed to~~ err on the side of raising issues when preparing or reviewing information for disclosure.
- Officials and staff are encouraged to consult with General Counsel and/or Disclosure Counsel if there are questions regarding whether an issue is material.

- Care should be taken not to shortcut or eliminate any steps outlined in these procedures on an ad hoc basis. However, these procedures are not necessarily intended to be a rigid list of procedural requirements, but instead to provide guidelines for disclosure review. From time to time, the university will consider revisions to these procedures, as warranted by experience during financings or because of additional Securities and Exchange Commission (“SEC”) pronouncements or other reasons.
- Any concerns regarding the accuracy of an Official Statement should be immediately reported to the General Counsel and ~~, [~~Bond Counsel or Disclosure Counsel.~~].~~

**Ongoing Training**

Commented [KL8]: New section added at the request of bond counsel and subsequently reviewed by them. Treasury Operations staff attend several trainings each year. In addition, shared services puts on an annual session each summer and we invite staff from around the university (on a rotating basis) to attend this specific training session.

~~*[Training.*~~ The university will provide training for the staff involved in the preparation of offering documents, which will be coordinated ~~by~~with the General Counsel. ~~[with the assistance of Bond and/or Disclosure Counsel].~~ Training will be provided at least annually. The training sessions shall be provided to assist staff members involved in identifying relevant disclosure information to be included in offering documents. The training sessions also provide an overview of federal laws relating to disclosure, situations in which disclosure rules apply, the purpose of offering documents, a description of previous SEC enforcement actions and a discussion of recent developments in the area of state and municipal disclosure.~~]~~

**Continuing Disclosure**

University-issued bonds require annual and ad hoc continuing disclosure. The university will update all required schedules and post them on the Electronic Municipal Market Access (“EMMA”) web site no later than the date stipulated in the ~~official statement of~~continuing disclosure undertaking for each bond issuance. Details of what must be posted are outlined in the continuing disclosure undertaking included in the official statement of each university-issued bond issuance. In addition, if any of the following “notice events” occurs, the university will also post notice of the event to EMMA within 10 business days:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- Modifications to rights of security holders, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the securities, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the university;
- The consummation of a merger, consolidation, or acquisition involving the university or the sale of all or substantially all of the assets of the university, other than in the ordinary course

of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; ~~and~~ or

- Appointment of a successor or additional trustee or the change of name of the trustee, if material.

~~*[Ongoing Procedures.*~~ Treasury Operations staff~~he~~ shall enroll on the EMMA website for ~~annual~~ email ~~remainders~~reminders of ~~annual~~ filing deadlines. Treasury operations staff shall also attend training on securities law issues relative to ongoing disclosure when available. Further, prior to each new bond issue, the university will search EMMA for its continuing disclosure filings to confirm proper filings have been made.~~]~~

**Post-Issuance Compliance for Tax-Advantaged Bonds**
The university is committed to ensuring that bondholders continue to receive the tax benefits of holding tax-advantaged bonds and follows a rigorous compliance program. Whether such bonds were issued by the State of Oregon for the benefit of the university or issued directly by the university, the same post-issuance compliance procedures are followed. For the convenience of the State of Oregon their preferred procedures are shown in Exhibit C of the Debt Payment Service Agreement signed by this university in 2014 and are included in this document. ~~[what follows is the entire contents of the current draft of Exhibit C]~~The current draft of the preferred procedures are included in this document as exhibit A.

**EXHIBIT ~~C~~A**
**FORM OF POST-ISSUANCE COMPLIANCE POLICIES**

[Redacted: no changes]

~~Appendix 1~~Exhibit B

**Statement of Investment Principles**
**Board of Trustees of the University of Oregon**

The University of Oregon's investment philosophy is anchored in the following core principle, which is fundamental and constant. Assets controlled by the University[1] must be managed in accordance with this principle, regardless of the ebbs and flows likely to arise due to markets, politics, and personalities.

**The primary principle** guiding the University's investments is the consideration of financial impact(s) on current and future elements of the university. This manifests itself through investment practices that generate the greatest possible return, subject to an appropriate amount of risk, to support the institution's mission of teaching, research and service. In fulfilling this vision, only advisors and investment managers with appropriate institutional sophistication and an understanding of best practices will be considered. The Board of Trustees maintains ultimate responsibility for monitoring the performance of various pools of university assets and related returns.

Within the context of this primary principle, the University must consider a holistic view of risk that accounts for various factors which could modify a return/risk objective. These include:

- Maintaining appropriate levels of liquidity for the university's operational needs;
- Mitigating downside financial risks;
- Understanding and appropriately managing reputational risk or legal liability; and,
- Protecting university assets from politically-motivated pressures.

Additionally, academic research supports the practice of incorporating environmental, social, and governance ("ESG") factors with other conventional financial analytical tools when evaluating investment opportunities as these factors may help identify potential opportunities and risks which conventional tools miss. The UO encourages its advisors and managers to include ESG factors in their analytical processes. However, ESG considerations are only one factor in analyses and should not be used as exclusionary screens to eliminate specific entities or sectors from consideration. Relevant ESG factors will vary by industry and should be applied appropriately to help assess both risk and return.

*Adopted by the Executive and Audit Committee on June 1, 2017.*

[1] These principles do not apply to University of Oregon funds held by the Oregon State Treasury.

**Exhibit C**
**Basic UO Investment Parameters**
**Separately Managed Tier 2 Funds**

Commented [KL9]: These are the actual investment parameters that were given to the two outside managers of our Tier 2 funds. These were reviewed with the Chair of the Finance and Facilities Committee prior to being finalized.

**Allowable Types of Investments**

- U.S. Treasury Obligations 100%
- Collateralized Bank Deposits 10%
- Certificates of Deposit 20%
- Bankers' Acceptances 35%
- Commercial Paper 20%
- Repurchase Agreements 50%
- Money Market Mutual Funds 50%
- Federal Agency Obligations 100%
- Corporate Debt 80%
- Asset-Backed Securities 50% (includes mortgage-backed, commercial mortgage-backed, and collateralized mortgage obligations)
- Municipal Obligations 20%

**Prohibited Investments and Investment Practices**

The University is expressly prohibited from the following investments and investment practices:

a) Borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing unless specifically authorized by the Board or its designated Committee;
b) Speculative trading (repetitive buying and selling of the same or similar securities for the purpose of capital gains);
c) Investment in complex derivatives such as range notes, dual index notes, inverse floating rate notes and deleveraged notes, or notes linked to lagging indices or to long-term indices
d) Investment in collateralized debt or loan obligations (CDOs and CLOs); and
e) Investing in any security not specifically permitted by this Policy.

**Credit Risk – Tier 2**

- Asset-Backed securities - Must be rated AA or better by at least one Nationally Recognized Statistical Rating Organization (NRSRO). When a security is rated by more than one agency the lower rating will prevail.
- Securities rated below BBB- are not permitted.
- Unrated securities are not permitted.
- Average credit rating of the managed portfolio will be AA- or better. It is permissible to use a composite approach that takes into account all ratings by NRSROs when assessing average credit rating of a portfolio.

**Concentration Risk**

- Investment managers will consider geographic concentrations when selecting investments and provide geographic dispersion of risk.
- No single non-U.S. government issuer can be more than 5% of the portfolio.

**Interest Rate Risk – Tier 2**

- Maximum duration of 4 years
- Maximum stated maturity of 10 years

**Other**

- 144A investments are permitted
- The portfolio should be liquid and consist of readily saleable securities

**Subsequent Event**

Investment parameters apply at the time of purchase (settlement). If a subsequent event causes a compliance issue the issue will be promptly brought to the UO Treasurer's (or their designee) attention to determine what, if any, action should be taken. There is no requirement that a security be sold prior to maturity if it no longer meets the criteria but noncompliance is required to be reported to the University.

**Exhibit D**
**Basic UO Investment Parameters**
**Quasi-Endowment Tier 3 Funds**

Commented [KL10]: These are actual parameters given to UOF. They were reviewed with the Chair of the Finance and Facilities Committee prior to being finalized.

T3 GUIDING PRINCIPLES AND OBJECTIVES

- T3 contains monies that are not permanently restricted and represent deep core assets of the University. T3 is expected to operate in perpetuity as a quasi-endowment for the general benefit of the university, but, as noted in the contract, the university reserves the right to liquidate its position in T3 by giving proper notice to UOF and in such a situation, would work with UOF to ensure orderly liquidation of T3, which would be expected to take time.
- In making investment strategy decisions for T3, the focus shall be on the long-term investment horizon and encompass complete business cycles which are often five- to seven-year cycles. Due to the long-term nature of the investment pool it is understood that a large portion of the pool may be illiquid. It is further understood that the pool will be subject to short-term market volatility and risk of loss.
- The primary investment objective of T3 is to generate the maximum rate of return given a prudent level of risk with an emphasis on capital appreciation over long periods of time since the T3 will operate in perpetuity. Achievement of this objective shall be done in a manner that provides investment returns that, over a long-term planning horizon, will meet the spending rate established in this document and maintains the purchasing power of the principal.
- The long-term objective, measured over rolling five-year periods is to generate at least 4% real net return in order to protect the purchasing power of the distribution policy. Real net return is defined as the sum of dividends, interest and capital appreciation (loss), less all manager fees and investment expenses, less inflation as measured by CPI-U plus 1%.
- The UO Board has fiduciary responsibility over these funds and has delegated to the university's Treasurer all authority necessary to oversee the management of the university's funds. The UO Board may adopt future policies that will be applied to these funds.

ASSET ALLOCATION GUIDELINES

- The fund shall be diversified among investment options in varying proportions depending on market conditions and valuations with an underlying strong commitment to an actively-managed equity-like portfolio. Opportunities may be sought in alternative investments that provide additional portfolio diversification, reduce the volatility of investment returns, and hedge against inflation and deflation.
- The UO Treasurer will periodically review relevant capital market information and make appropriate modifications to long-term allocation targets within the long-term allocation ranges. Medium- or short-term allocation targets may deviate from the long-term targets based on asset class valuations and risk/return opportunities.
- Asset Allocation – Ranges and Targets

| **Asset Class** | **Low Range** | **Target** | **High Range** |
|---|---|---|---|
| Growth Assets | 50% | 70% | 75% |
| US Equity | | | |
| International Equity | | | |
| Private Equity | | | |
| Diversifying Assets | 25% | 30% | 45% |
| Fixed Income Cash | | | |
| Inflation Hedging | 0% | 0% | 15% |
| Real Assets | | | |

REBALANCING GUIDELINES

- UOF is authorized to allocate/rebalance among existing investments toward investment targets as deemed appropriate. Liquidity issues and asset valuations will always be considered.
- To rebalance the portfolio or meet distribution requirements, it is expected that assets may need to be liquidated or transferred among managers. Prior to liquidating assets, UOF may, at its discretion, ask if the university has capacity to add cash to the pool.

RISK GUIDELINES

- This portfolio is expected to be a long-term portfolio seeking high real rates of return with limited liquidity. The most important risk to be mitigated is the permanent loss of capital. Managers should be identified who employ a margin of safety in their investment activities and preference will be given to managers who have their own capital at risk. In addition, cash flows and liquidity will be monitored to provide adequate liquidity to fund the distribution plan and minimize the risk of having to sell assets at depressed values to meet liquidity needs.
- T3 is expected to be diversified with respect to industry, geography, and other typical risks.
- On a cost basis, not more than 20% of the pool may be allocated to a single manager.
- In the event of severe market dislocations that cause liquidity or valuation concerns, UOF may temporarily suspend asset allocation targets and ranges and other guidelines to preserve capital while providing sufficient time to understand the changing circumstances and modify the targets as appropriate.

PERFORMANCE BENCHMARKS

- The primary objective is to maintain and grow long-term real purchasing power as measured over five-year rolling periods at the distribution rate plus inflation (CPI-U core plus 1%).
- Actual performance will also be compared to a passive policy benchmark that is weighted 60% MSCI ACWI Equity Index and 40% Barclays Aggregate Bond Index to measure added value versus a passively-managed portfolio over five-year rolling periods.

PROHIBITED ACTIVITIES AND OTHER LIMITATIONS

- May not collect any soft dollar commissions or credits, from mutual funds or others, in exchange for services provided
- Not more than $10 million of the market value of any investment fund will be invested in any single issuer or security
- No direct ownership of real property
- No artwork or other collectibles
- No borrowing of funds in the name of the University of Oregon

# Agenda Item #3

# Multi-Sport Apparel Agreement

# MULTI-SPORT APPAREL AGREEMENT

**Summary of Requested Action**

**Background**

The University of Oregon's ("UO") Department of Intercollegiate Athletics ("Athletics") has a long-standing multi-sport apparel agreement with Nike, Inc. ("Nike"). The agreement contains a variety of provisions relating to product allotments, branding and marketing partnership and royalties.

The current agreement is set to expire on June 30, 2018, the end of this fiscal year. The UO and Nike have reached agreement on a new agreement that will last through May 31, 2028 and which contains some modified terms from the current agreement with an effective date of July 1, 2017. A summary of key provisions is below; the proposed agreement is attached in full.

**Board Approval**

Board of Trustees' approval is sought in accordance with the UO's delegation of authority policy, requiring Board approval for contracts where the anticipated value to the university exceeds $5,000,000.

**Key Provisions**

Contract Term: July 1, 2017 through May 31, 2028 (11 year agreement)

Internships: Two guaranteed summer internships for UO students (previously one)

Licensing Royalties: Royalty rate increases from 12% to 15%; royalty rate for footwear remains at 5% (*Note: royalties are split 50/50 between Athletics and Central Administration*)

Signing Bonus: $3,000,000

Annual Guarantees:

| | **Cash** | **Product Allotment** |
|---|---|---|
| 2017-18 | $2,000,000 | $5,000,000 |
| 2018-19 | $2,000,000 | $5,100,000 |
| 2019-20 | $2,000,000 | $5,200,000 |
| 2020-21 | $2,000,000 | $5,300,000 |
| 2021-22 | $2,000,000 | $5,400,000 |
| 2022-23 | $2,000,000 | $5,500,000 |
| 2023-24 | $2,500,000 | $5,600,000 |
| 2024-25 | $2,500,000 | $5,700,000 |
| 2025-26 | $2,500,000 | $5,800,000 |
| 2026-27 | $2,500,000 | $5,900,000 |
| 2027-28 | $2,500,000 | $6,000,000 |

**Finance and Facilities Committee**
**Board of Trustees of the University of Oregon**

**Resolution: Approval of Multi-Sport Apparel Agreement for Oregon Athletics**

Whereas, the University of Oregon Department of Intercollegiate Athletics (Oregon Athletics) wishes to extend its multi-sport apparel agreement ("Agreement") with Nike, Inc. ("Nike"), currently set to expire on June 30, 2018;

Whereas, the proposed agreement (attached hereto as Exhibit A) is for a period of eleven (11) years, through May 31, 2028, and stipulates certain cash distributions and product allotments from Nike to Oregon Athletics effective July 1, 2017;

Whereas, such agreements provide revenue to Oregon Athletics to help offset the cost of the institution's intercollegiate athletics program; provide product allotments for all intercollegiate sports, thus alleviating expense burdens on individual programs; and provide the University of Oregon with additional cash revenues due to an agreement to share royalty payments equally between Oregon Athletics and the UO's central administration;

Whereas ORS 352.087(c) authorizes the Board of Trustees of the University of Oregon ("Board") to make any and all contracts and agreements it deems necessary or appropriate;

Whereas, section 1.7.8 of the University's Policy on the Retention and Delegation of Authority requires Board approval of the execution of an instrument where anticipated value to the University of Oregon exceeds $5 million, which this agreement does; and,

Whereas, the Board's Policy on Committees authorizes the Finance and Facilities Committee to submit matters to the Board as a seconded motion.

NOW, THEREFORE, the Finance and Facilities Committee of the Board of Trustees of the University of Oregon hereby submits the following to the Board of Trustees as a seconded motion, recommending passage:

> RESOLVED, the Board of Trustees hereby authorizes the President, or his designee(s), to enter into the multi-sport apparel agreement between Oregon Athletics and Nike attached hereto as Exhibit A. The Board of Trustees also hereby ratifies all prior actions taken on behalf of the University related to the negotiation and execution of the aforementioned agreement.

Moved: ______________ Seconded: ___________

| NAME | VOTE | NAME | VOTE |
|---|---|---|---|
| Bragdon | | Kari | |
| Colas | | Murray | |
| Gonyea | | Schill | |

Record here if no roll call vote was taken: ___________________

Date: ________________ Recorded: ___________________

Exhibit A (the Agreement) has been added as a supplemental document at the end of this packet (updated 11/30/17).

Agenda Item #4

Capital Planning Annual Report

# University of Oregon
# 10 Year Capital Plan

## December 7, 2017

Presentation to the Board of Trustees

Michael Harwood, FAIA
AVP for Campus Planning and Facilities Management

# Agenda

- Project Dashboard
- Capital Plan Criteria and Overview
- Capital Plan Category Description
- Additional Considerations

# Project Dashboard

| Project Name | Substantial Completion Date | BOT /Legislature Approved Budget | Current Project Budget | Project Square Footage | Cost per Square Foot | Budget Comparison to BOT/Legislature Budget Status | Schedule performance | Meets Program Needs | Unanticipated Deferred Maintenance Issues | LEED Certification | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Student Rec Expansion | Jan 2015 | $ 50,250,000 | $ 52,888,017 | 139,434 | $ 379.31 | 🟢 | 🟡 | 🟢 | 🟡 | Platinum | Added replacement of Turf Field #2 |
| Straub Hall Deferred Maintenance | Mar 2015 | $ 20,790,300 | $ 21,519,000 | 52,161 | $ 412.55 | 🟡 | 🟢 | 🟢 | 🟢 | Gold | 1715 Lease Costs not forecasted. |
| Straub Hall Addition | Mar 2015 | $ 22,000,000 | $ 22,000,000 | 59,570 | $ 369.31 | 🟢 | 🟢 | 🟢 | 🟢 | Gold | Added classroom scope (skylights, etc.) |
| Central Kitchen / Woodshop | Mar 2016 | $ 8,500,000 | $ 8,890,240 | 21,592 | $ 411.74 | 🟡 | 🔴 | 🟡 | 🟢 | Targeting Gold | Cost Control included removal of emergecny generator. Schedule delay impacted by failed initial Design/Build RFP process. |
| Jane Sanders Stadium | Mar 2016 | $ 16,590,000 | $ 17,199,549 | 20,415 | $ 842.50 | 🟡 | 🟢 | 🟢 | 🟢 | Targeting Gold | Square Footage Calculation does not include Field Area. Impacts cost/sf. |
| EMU Renovation & Addition | Jun 2016 | $ 95,000,000 | $ 98,762,185 | 209,943 | $ 470.42 | 🟢 | 🟢 | 🟢 | 🟢 | Platinum | Added significant work at the Ballroom and other rooms on the third floor. |
| Price Science Commons | Jun 2016 | $ 16,750,000 | $ 19,733,490 | 44,300 | $ 445.45 | 🟡 | 🟡 | 🟢 | 🔴 | Targeting Gold | Added work associated with the Visualization Lab and Furniture. Significant amounts of deferred maintenance to major HVAC, Electrical and Structural systems impacted this project. |
| Berwick Hall | Jul 2017 | $ 8,725,000 | $ 8,787,000 | 9,419 | $ 932.90 | 🟢 | 🟢 | 🟢 | 🟢 | Targeting Gold | |
| New Residence Hall | Jul 2017 | $ 45,000,000 | $ 45,000,000 | 136,653 | $ 329.30 | 🟢 | 🟢 | 🟢 | 🟢 | Targeting Gold | |
| Chapman Hall | Jan 2018 | $ 10,700,000 | $ 10,850,000 | 23,388 | $ 463.91 | 🟢 | 🟢 | 🟢 | 🟢 | Targeting Gold | |
| Pacific Hall * | Feb 2018 | $ 16,900,000 | $ 22,120,000 | 32,500 | $ 680.62 | 🔴 | 🟡 | 🟢 | 🔴 | N/A - Partial Reno | Added Computing Center Help Desk to original project. Enrollment Management reorganizational adjustments also |
| Oregon Hall Renovations | Jan 2019 | $ 9,500,000 | $ 10,900,000 | 56,400 | $ 193.26 | 🟢 | 🟡 | 🟢 | 🟢 | N/A - Partial Reno | Added Computing Center Help Desk to original project. Enrollment Management reorganizational adjustments which added scope |
| Tykeson Hall | Jun 2019 | $ 34,300,000 | $ 45,550,000 | 64,000 | $ 711.72 | 🔴 | 🔴 | 🟢 | 🟢 | Targeting Gold | Additional scope was added with basement and 4th floor build out. |
| Bean Hall Renovation and Addition | Aug 2019 | $ 44,000,000 | $ 48,000,000 | 174,540 | $ 275.01 | 🟢 | 🟢 | 🟢 | 🟢 | Targeting Gold | Additional funds were for Administrative Addition added to the original renovation scope. |
| Knight Campus | Jan 2020 | $ 225,000,000 | $ 225,000,000 | 160,000 | $ 1,406.25 | 🟢 | 🟢 | 🟢 | 🟢 | Targeting Gold | Cost per SF is high because it is not calculating in garage or bridge in SF#. |
| Klamath Hall - 3rd Floor | Mar 2020 | $ 18,700,000 | $ 22,900,000 | 25,000 | $ 916.00 | 🟡 | 🔴 | 🟡 | 🔴 | N/A - Partial Reno | Delayed start and significant unanticipated infrastructure / deferred maintenance issues. |
| University Health and Counseling | TBD | TBD | $ 17,800,000 | 35,000 | $ 508.57 | TBD | TBD | TBD | TBD | Targeting Gold - Addition | Conceptual Design and Programming underway. |
| | | | | | | | | | | | |
| Key to colors | | | | | | | | | | | |
| 🟢 | N/A | N/A | N/A | | | Budget within 3% of BOT / LEG or above 3% based upon program driven increases AND are under BOT approval levels | On Schedule | Program Maintained | All DM Issues Anticipated | | |
| 🟡 | N/A | N/A | N/A | | | Additional funds above 3% (Not for Program Enhancements) but not to BOT approval level | 1-3 month delay | Minor loss of Program | Less than 5% Scope Increase due to unanticipated DM issues | | |
| 🔴 | N/A | N/A | N/A | | | Additional funding requiring BOT Approval | 3 month or greater delay | Major loss of Program | More than 5% Scope Increase due to unanticipated DM issues | | |

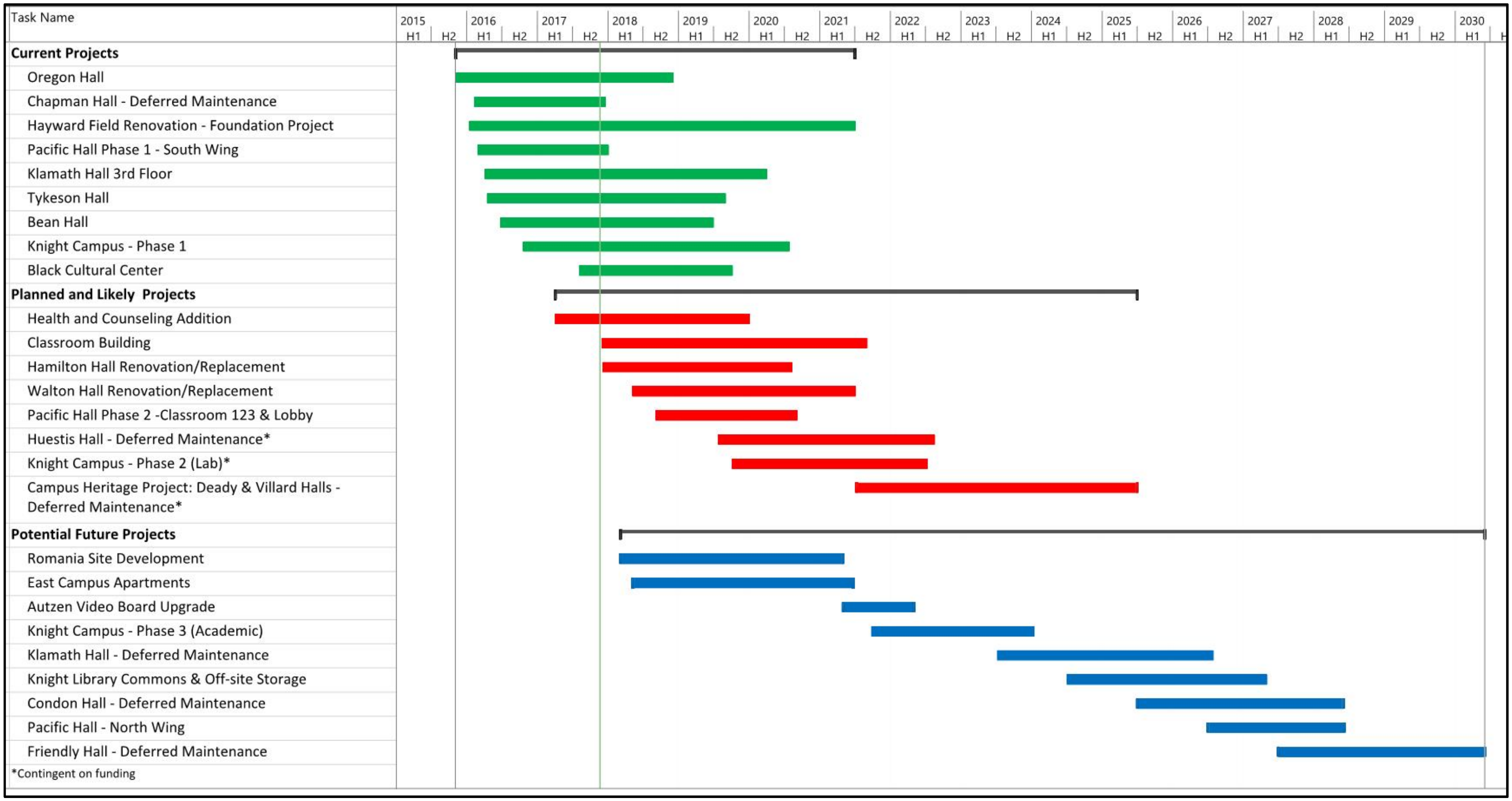
* Phase 1 Only Estimate

*A larger print-out will be provided at the meeting*

# Capital Plan Decision Criteria

- Supports the
  - University Mission
  - Academic Plan
  - Research Priorities
- Informed by
  - Building Condition Assessments

# Overview of Capital Development Plan



# Overview of Capital Development Plan

Current Projects

Planned Projects

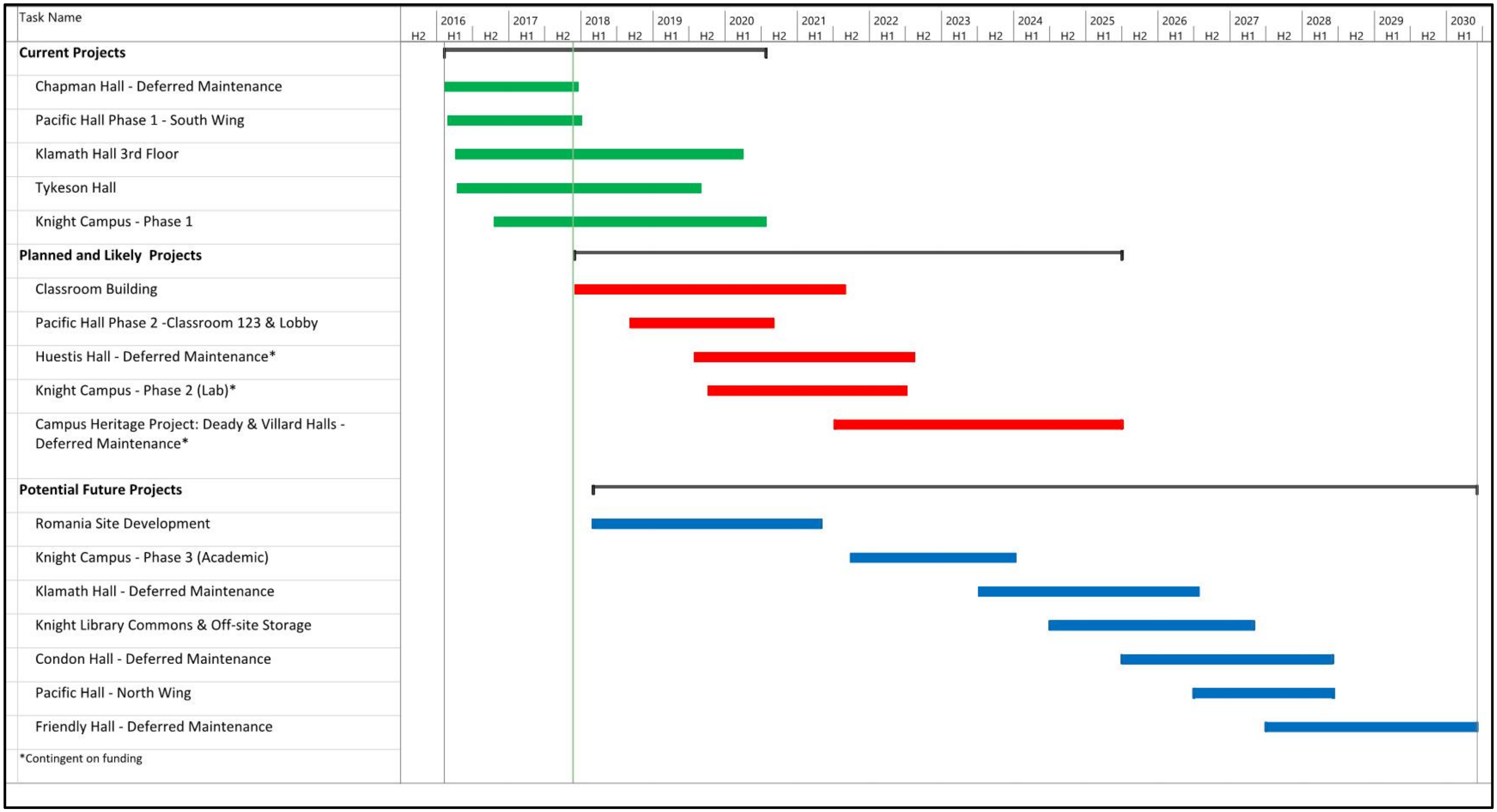
Potential Future Projects

# Breakdown of Project Types

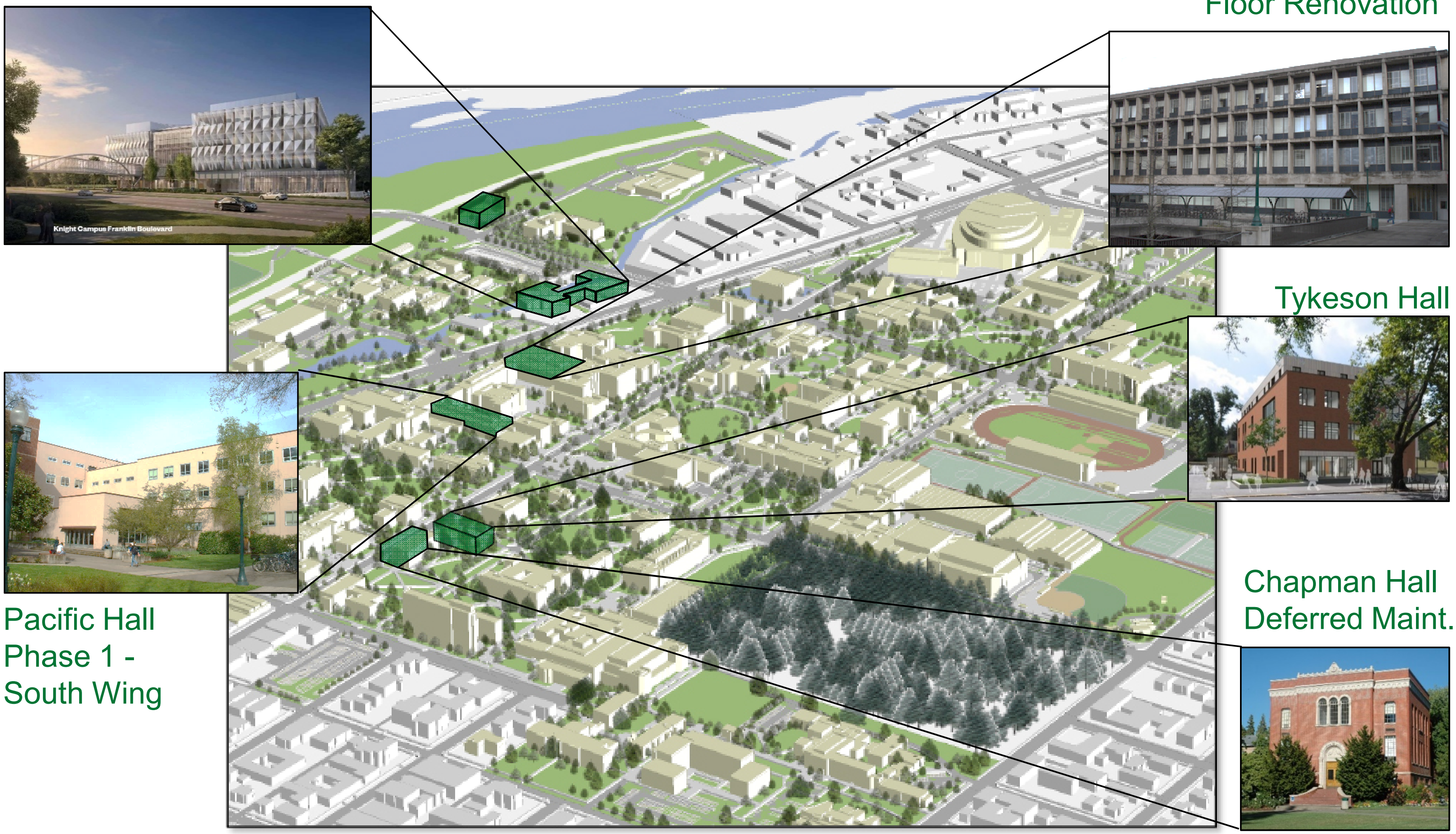
Project Types

- Academic Projects
- Housing Projects
- Student Services and Centers
- Athletics Projects

# Academic Project Breakdown

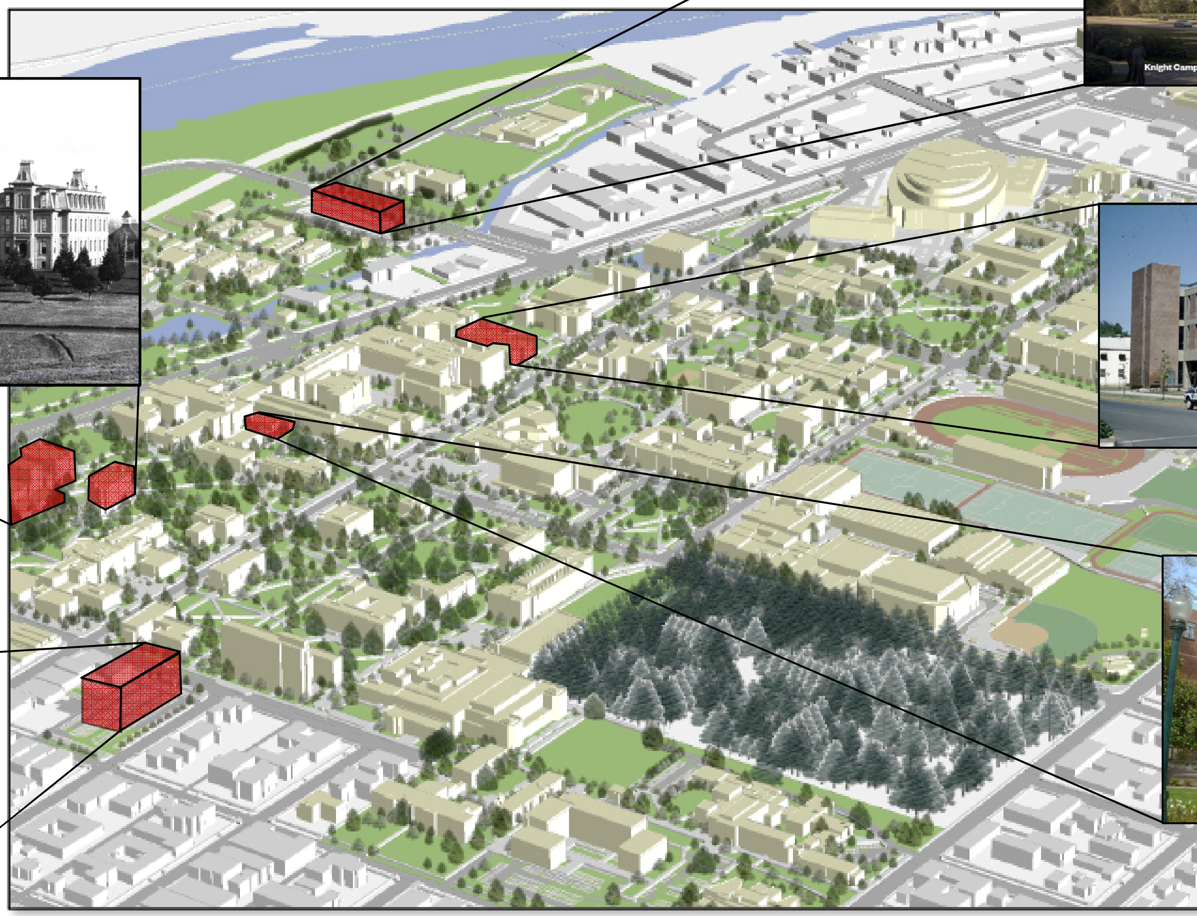


# Current Academic Project Breakdown



# Planned and Likely Academic Project Breakdown

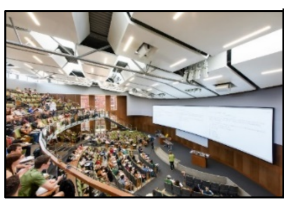
Campus Heritage Project – Deady and Villard Hall Deferred Maint.




Knight Campus Phase 2 Lab

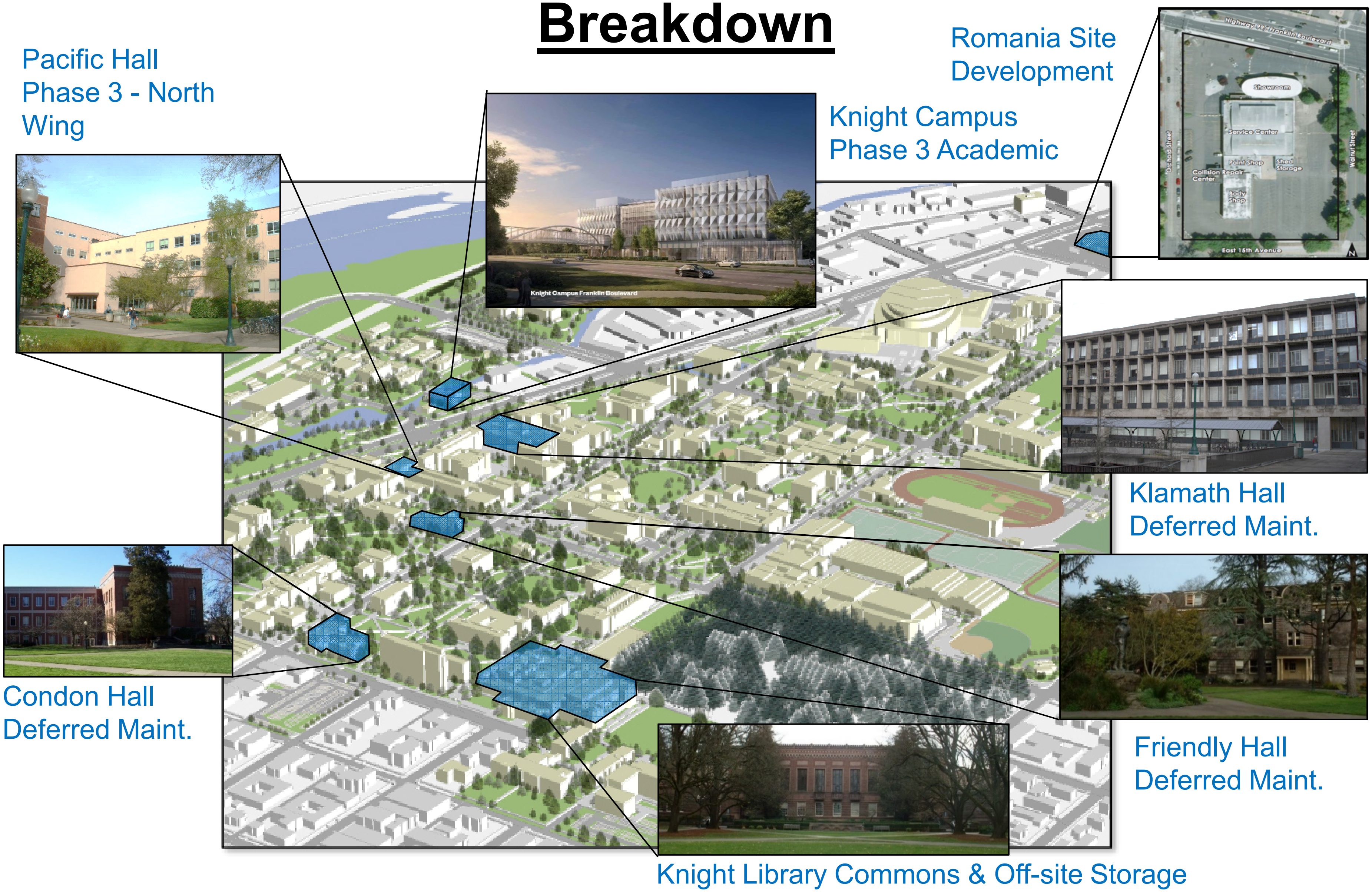
Huestis Hall Deferred Maint.

Pacific Hall Phase 2 Classroom 123 & Lobby

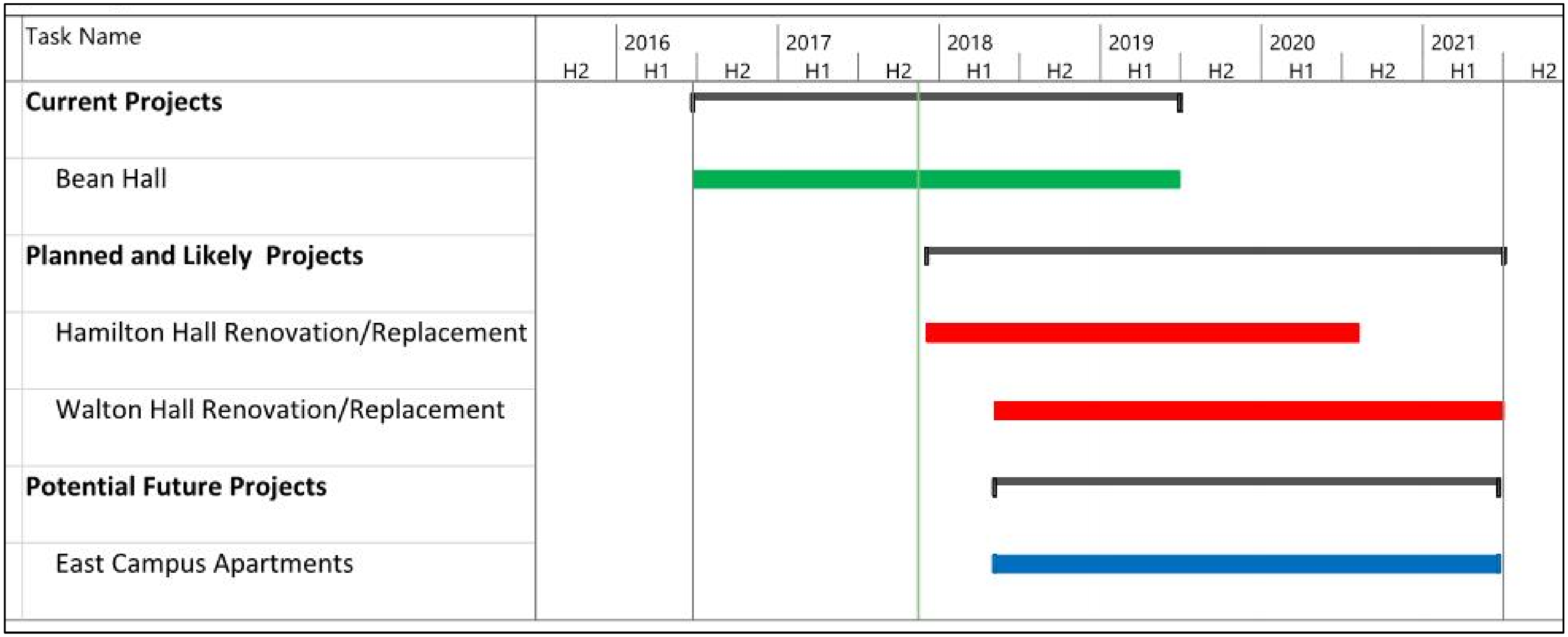


Classroom Building

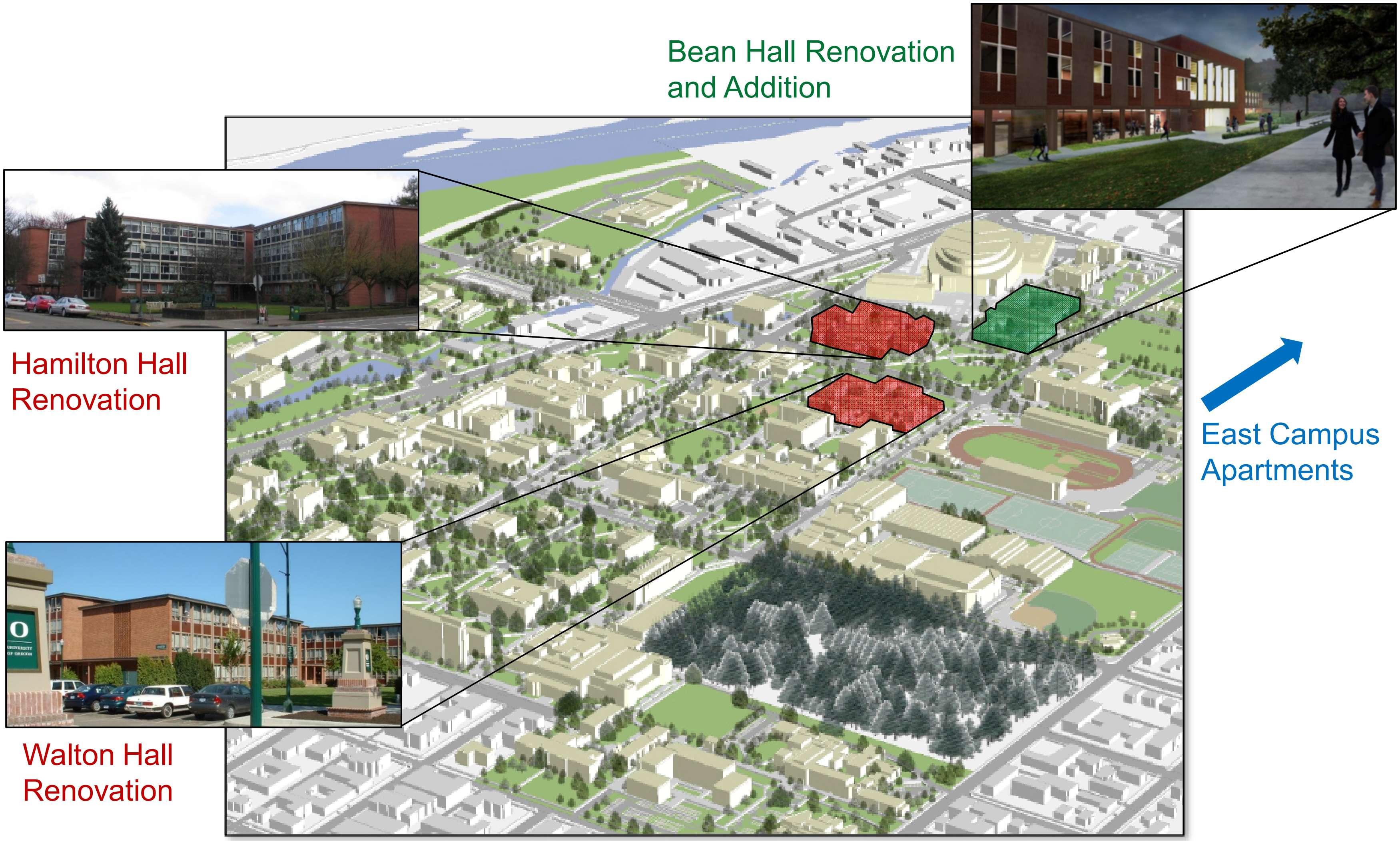
# Potential Future Academic Project Breakdown



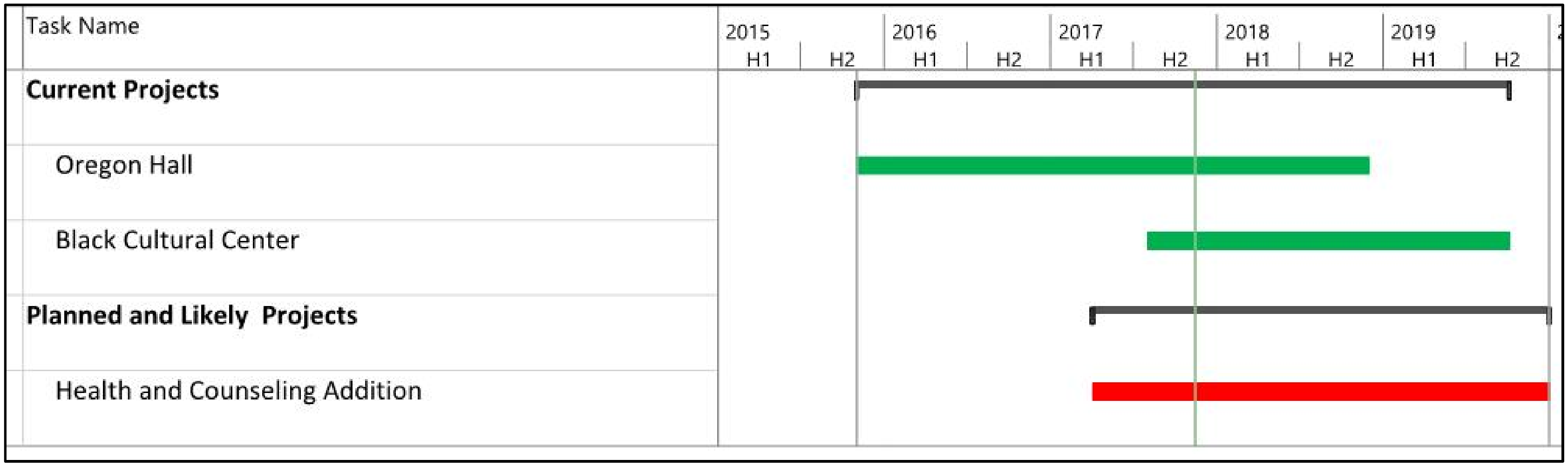
# Housing Project Breakdown



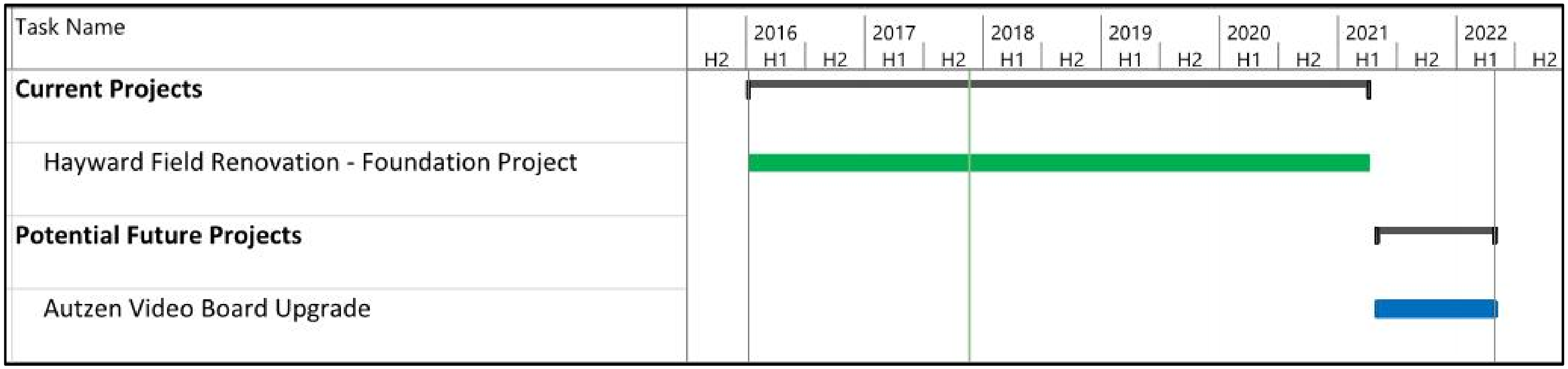
# Housing Project Breakdown



# Student Services and Centers Project Breakdown



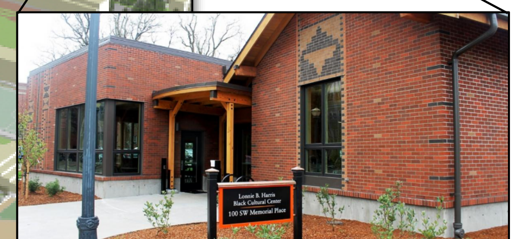

# Athletics Project Breakdown



# Student Services and Centers Project Breakdown

University Health and Counseling Addition

Oregon Hall Renovation



Black Cultural Center

# Athletics Project Breakdown

Autzen Stadium Video Board

Hayward Field

# Additional Considerations

- Funding Sources
  - Current Projects
  - Planned/Likely Projects
- University Debt

# Major Funding Sources – Current Projects

| | Board Approval | Gifts | State-Paid Bonds | Revenue Bonds | Cash |
|---|---|---|---|---|---|
| **CURRENT PROJECTS** | | | | | |
| Chapman Hall | Approved | ✓ | ✓ | | |
| Pacific Hall – South | Approved | ✓ | ✓ | ✓ | |
| Hayward Field | Approved | ✓ | | | ✓ |
| Oregon Hall | Approved | | ✓ | ✓ | |
| Bean Hall Renovation | Approved | | | ✓ | ✓ |
| Tykeson Hall | Approved | ✓ | ✓ | ✓ | |
| Klamath Hall 3rd | Approved | | ✓ | ✓ | |
| Knight Campus Phase 1 | Approved | ✓ | ✓ | | |
| Black Cultural Center | N/A | ✓ | | | |

# Major Funding Sources – Planned / Likely Projects

| | Board Approval | Gifts | State-Paid Bonds | Revenue Bonds | Cash |
|---|---|---|---|---|---|
| **PLANNED / LIKELY PROJECTS** | | | | | |
| Hamilton Hall Renovation | | | | ✓ | |
| Walton Hall Renovation | | | | ✓ | |
| Knight Campus Ph. 2 Lab | | ✓ | | | |
| Classroom Building | | ✓ | | ✓ | |
| Health & Counseling | | | | ✓ | ✓ |
| Huestis Hall<br>Deferred Maintenance | | | ✓ | | |
| Campus Heritage Project<br>Deady & Villard Halls DM | | | ✓ | | |
| Pacific Hall Ph2<br>Classroom 123 & Lobby | | ✓ | | ✓ | |

# Impacts on UO's Debt Profile

- Portions of the plan rely on state-paid bonds for funding but funding may also come from philanthropy, creative partnerships, or UO-paid debt.
- To ensure the plan remains affordable, UO-paid debt is expected to be issued at a pace that keeps the debt burden ratio between 5.8% to 6.2%.
- This range is higher than the current 5.8% level but remains below the industry's commonly accepted limit of 7.0%.

# Summary of Projects

## CURRENT PROJECTS

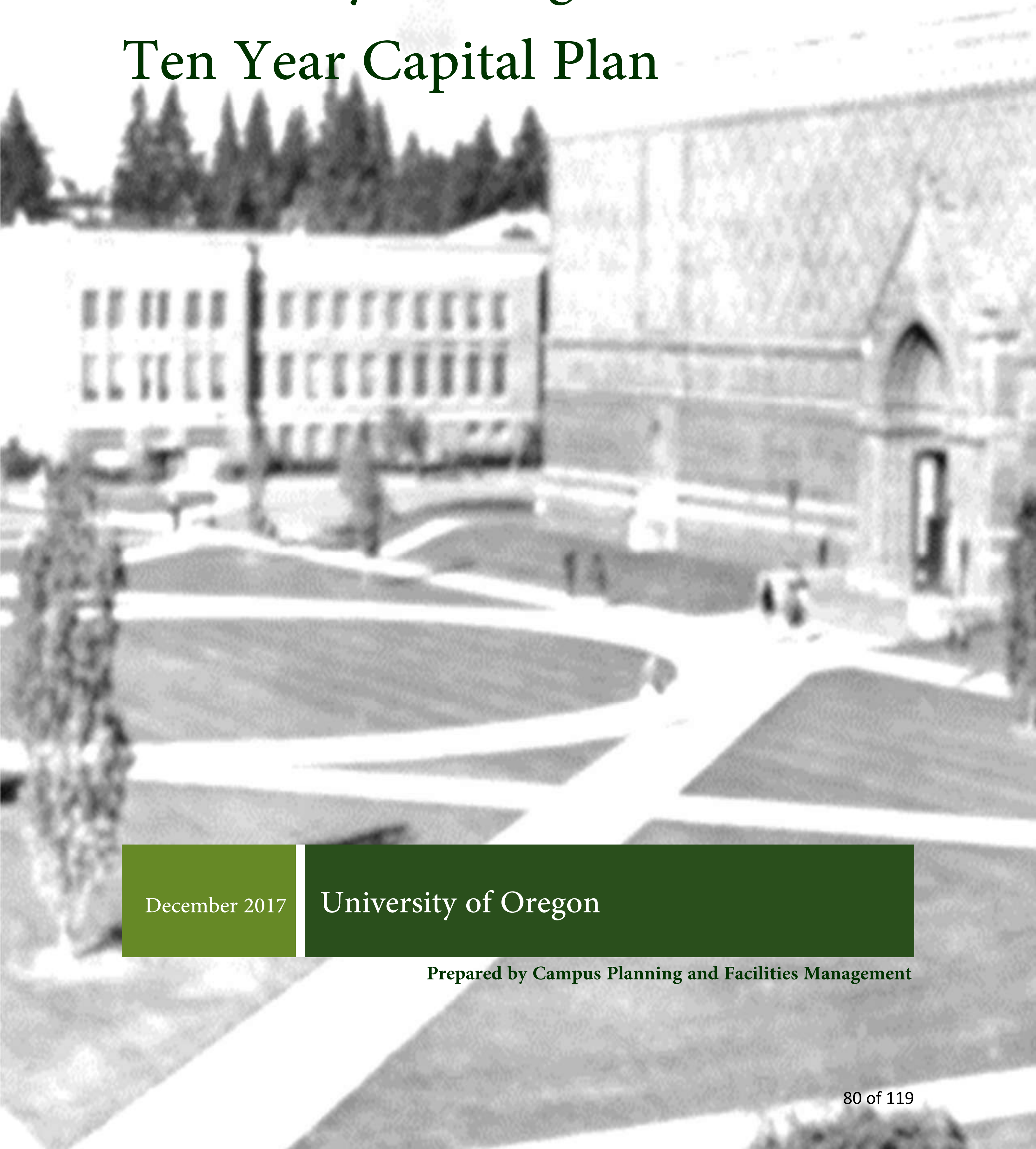
| | Project Name | New (sf) | Renovated (sf) | Project Budget |
|---|---|---|---|---|
| • | Chapman Hall DM | | 23,388 | $ 10.85M |
| • | Pacific Hall – South Wing | | 32,500 | $ 22.12M |
| • | Hayward Field Renovation | -- | -- | $ 1.25M (Util. Tunnel) |
| • | Oregon Hall | | 56,400 | $ 10.9M |
| • | Bean Hall Renovation | 26,327 | 148,213 | $ 48.0M |
| • | Tykeson Hall | 64,000 | | $ 45.55M |
| • | Klamath 3rd Floor | | 25,000 | $ 22.9M |
| • | Knight Campus Phase 1 | 160,000 | | $225.0M |
| • | Black Cultural Center | 3,500 | | $ 2.3M |
| | Totals | 253,827 | 285,501 | $389.35M |

# Summary of Projects

## PLANNED / LIKELY PROJECTS

| Project Name | New (sf) | Renovated (sf) | Anticipated Budget |
|---|---|---|---|
| • Health & Counseling Center | 20,000 | 15,000 | $ 17.8M |
| • Classroom Building | 60,000 | | $ 45.0M |
| • Hamilton Hall | | 113,035 | TBD |
| • Knight Campus Phase 2 (Lab) | 75,000 | | $100.0M |
| • Pacific Hall Phase 2 – 123 & Lobby | 2,500 | 4,500 | $ 6.0M |
| • Walton Hall | | 185,800 | TBD |
| • Huestis Hall Deferred Maintenance | | 53,850 | $ 53.7M |
| • Campus Heritage Project | | 96,616 | $ 50.7M |
| Totals | 157,500 | 468,801 | $273.2M |

# University of Oregon
# Ten Year Capital Plan



December 2017

University of Oregon

Prepared by Campus Planning and Facilities Management

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# University of Oregon Capital Plan Master Schedule

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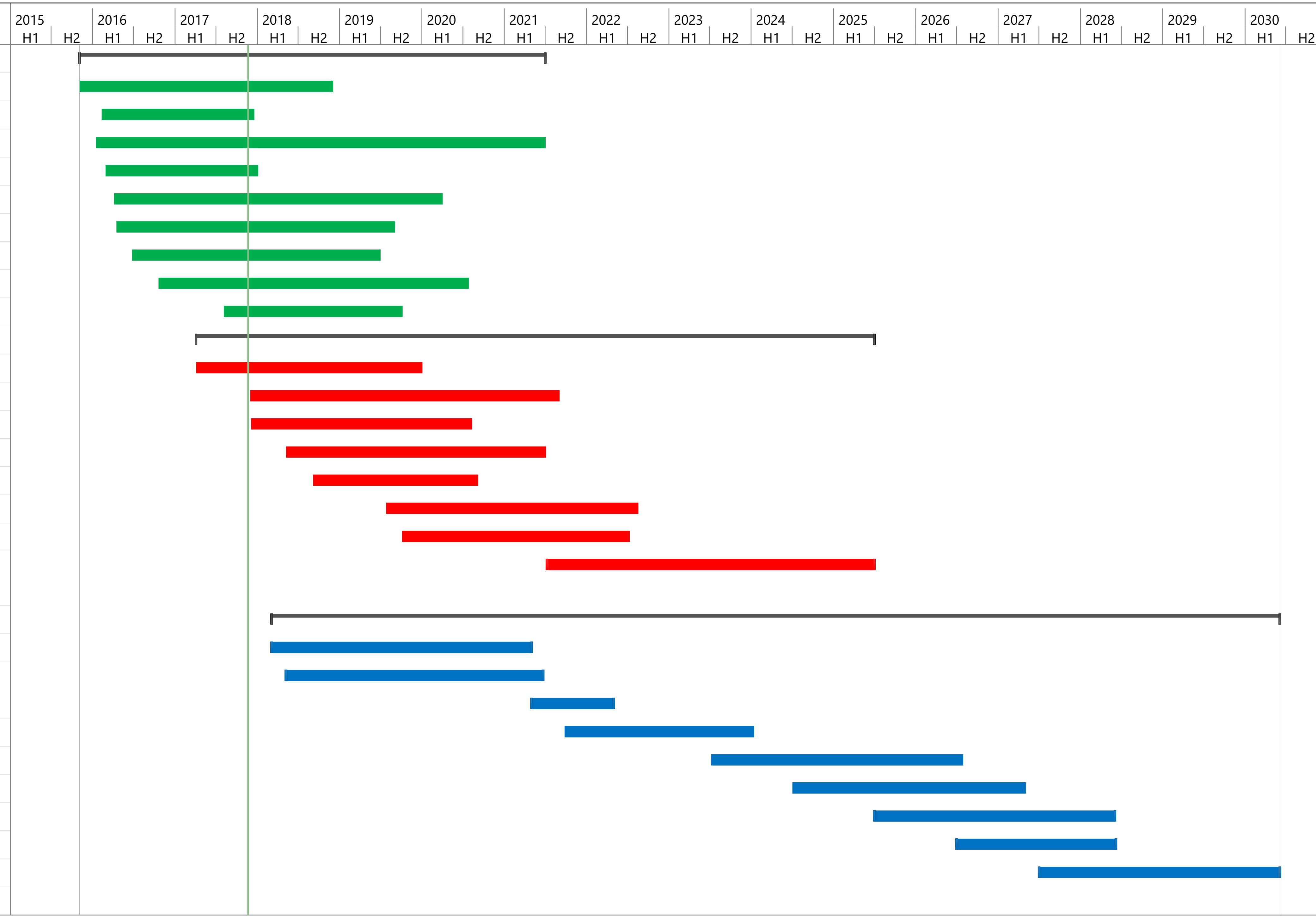


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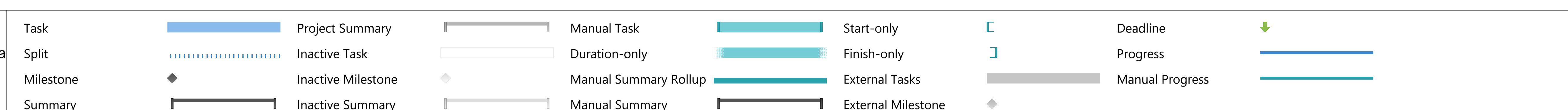


# Academic Projects

# Chapman Hall Deferred Maintenance

PROJECT DESCRIPTION

CURRENT PROJECT

Chapman Hall is one of the last campus buildings designed by University of Oregon architect Ellis Lawrence. The 23,388SF building was constructed in 1939. Its original uses included the campus bookstore on the ground floor, the English Department on the second floor, and the Modern Home Economics Department on the third floor. As the program needs changed over the years, interior partition walls were added and removed to create offices and classrooms for various other departments, yet the exterior and several key interior elements remain intact. Although not a listed property, it is considered eligible for listing in the National Register of Historic Places.

## Objectives

- Improve the safety and performance of this important historic campus building.
- Refine the student, faculty, and staff experience of the Clark Honors College and the university general pool classrooms.

## Design and Construction Scope

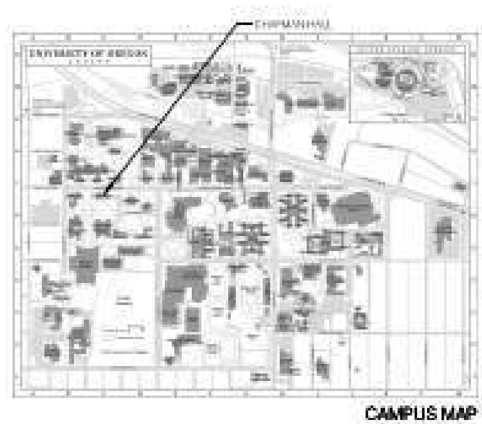
The scope of the renovation is limited to the interior and will address current programmatic needs and deficiencies identified during a study completed in 2015. The renovation will also address deferred maintenance and building system upgrades, including a seismic upgrade. The replacement of the existing heating, ventilation, electrical, plumbing, and lighting systems with more energy efficient systems will reduce the operational costs of the facility and improve overall comfort for the occupants. The extension of the existing historic staircase from the first floor to the second floor landing will promote vertical connectedness in this currently bifurcated building.

Reconfigurations of interior spaces with new partitions and access will right-size the spaces and improve connections within the building. Additional improvements will include improved accessibility throughout the facility, including the installation of a new elevator with mezzanine and basement access.

## Project Status

This project is being commissioned and approaching occupancy

PROJECT STATS




**Project Type**: Renovation

**Space Type**: General Office, Classrooms

**Square Footage:** 23,388

**Project Budget**: $10.85M

**Funding Source(s)**:
$2.5M Gift Funds
$2.5M G Bonds
$5.85M Q Bonds

**Completion Date**: Winter 2017

# Tykeson Hall

## New Building

PROJECT DESCRIPTION | CURRENT PROJECT

Tykeson Hall will be located in the heart of campus facing the 13th Avenue axis and the Memorial Quad between Chapman Hall, Johnson Hall, and the Johnson Lane Axis.

The building will be a 64,000 SF four-story structure with a full basement. The envelope is a combination of brick, terracotta cladding, and glass.

The College of Arts and Sciences, the Career Center, the Division of Equity and Inclusion, and Undergraduate Studies will reside in Tykeson Hall.

### Objectives

- Integrate academic study, academic advising, and career support services.
- Create a hub for both academic success and for success beyond the university.

### Design and Construction Scope

This project will design and construct a flagship building that truly enhances the student experience while achieving the institutional constructability goals of sustainability, LEED, and thoughtful integration into the campus fabric.

### Project Status

The project has just entered the Construction Documents design phase and is slated to start construction this December. Detailed estimates performed by both the contractor and our third-party estimator have been reconciled to the current budget.

PROJECT STATS


**Project Type**: New Building

**Uses**: Student Support, College of Arts and Sciences Administration, Student Advising, Career Center, Equity and Inclusion, Undergraduate Studies

**Square Footage:** 64,000

**Current Budget**: $45.55M
(Includes $3M of deferred maintenance to vacated spaces)

**Funding Source(s)**:
$22.06M Gifts
$6.49M Revenue Bonds
$17.0M State G Bonds

**Grand Opening**: Fall 2019

# Pacific Hall South Wing Laboratory Renovations

PROJECT DESCRIPTION

CURRENT PROJECT

PROJECT STATS

Pacific Hall is one of our core science and research buildings. It is located at the far edge of the science complex, immediately to the west of Onyx Bridge. Built in 1950, this building has largely original mechanical, electrical, and plumbing, which also need to be replaced in the south wing to provide appropriate support for the renovated labs.

## Objectives

- Creates 15 new research lab modules which will aid in the recruitment and retention of faculty, while facilitating interdisciplinary collaboration.

## Design and Construction Scope

Renovate three floors of the South wing of Pacific Hall to result in 16 flexible, interdisciplinary research lab modules (15 new and one existing), along with associated principal investigator offices, shared meeting and collaborative spaces, open graduate student seating areas, and shared support rooms. Core building systems on the south wing will also be replaced.

## Project Status

This project is under construction

**Project Type**: Renovation

**Space Type**: Laboratory

**Square Footage:** 32,500

**Project Budget**: $22.12M

**Funding Source(s)**:
$3.5M Q Bonds
$7M Gift Funds
$11.62M Revenue Bonds

**Target Completion Date**: Spring 2018

# Klamath Hall
## 3rd Floor Renovation

PROJECT DESCRIPTION | CURRENT PROJECT

Klamath Hall was built in 1967 and is a poured concrete building in the Brutalist architecture style. This building is integral to the science complex and is also connected to Onyx Bridge, Willamette Hall, Streisinger Hall, and the Price Science Commons and Research Library at the basement level.

### Objectives

- Upgrade synthetic chemistry labs to modern standards
- Support recruitment and retention of principal investigators
- Improve lab safety for research and students.

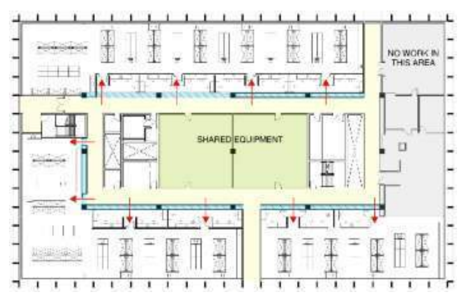
### Design and Construction Scope

Renovation of 25,000SF which will house research labs for seven principal investigators within the department of Chemistry and Biochemistry, safe student write-up rooms and shared instrument space. In order to increase fume hood capacity and to provide effective environmental controls, a redesign of the mechanical systems serving the third floor is necessary. Other critical elements of this project include upgrades to the electrical system serving the third floor, plumbing systems, and work to achieve daylight optimization and overall energy efficiency.

### Current Project Status

End of schematic design

PROJECT STATS




**Project Type**: Renovation

**Space Type**: Research Laboratories

**Square Footage:** 25,000

**Project Budget**: $22.9M

**Funding Source(s)**:
$6.0M Q Bonds
$6.25M G Bonds
$6.25M Revenue Bonds
$2.712M Gift Funds
$1.7M Plant Funds (existing)

**Target Completion Date**: Fall 2020


# Knight Campus
## Phase One

PROJECT DESCRIPTION | CURRENT PROJECT | PROJECT STATS

The Knight Campus for Accelerating Scientific Impact is a new initiative to expand the University of Oregon's strengths in interdisciplinary scientific research and training, with a specific focus on facilitating innovation and accelerating the pace of societal benefit and impact of this research. This major expansion in the research capacity of the university will change the profile of the University of Oregon in perpetuity. This effort therefore needs to be supported by physical infrastructure that similarly elevates the university to new heights.

### Objectives

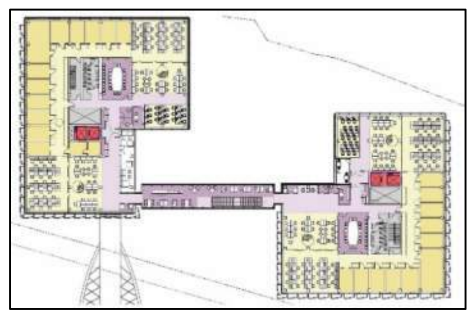
- Incorporate flexible design to support a wide variety of potential research, ranging from engineering to molecular biology to chemistry.
- Construct a building that is architecturally significant and inspires those working within it.
- Create research areas that are also flexible in terms of allocation and reconfiguration of space.

### Design and Construction Scope

This new construction includes a 160,000 SF Research Building, a parking structure and a bridge crossing Franklin Boulevard that connects to the rest of the University of Oregon science community through the Lewis Integrative Science Building. The project will be delivered through a CM/GC construction delivery method.

### Current Project Status

Design Development Phase



**Project Type**: New Construction

**Space Type**: Research Laboratories

**Square Footage:** 160,000 + Parking Garage + Bridge

**Project Budget**: $225M

**Funding Source(s)**:

$100M G Bonds
   $50M Currently Authorized

$125M Gift Funds

**Target Completion Date**: July 2020

# Classroom Building
## New Building

PROJECT DESCRIPTION | PLANNED PROJECT

This project will provide necessary classroom seats (approximately 1200 new seats) and faculty offices to meet existing capacity challenges and also to enable the university to add student enrollment in the coming years.

**Objectives**

- Add classroom seats to facilitate more robust scheduling options for students.
- Incorporate faculty offices allowing the university to properly house faculty currently assigned to inadequate spaces (some share offices and some are in temporary quarters off campus).
- Create the opportunity for planned and necessary new hires to be housed on campus.

**Design and Construction Scope**
The aim of this project is to design and construct a 60,000 SF classroom building that supports the teaching initiatives of the university.

**Project Status**
The project is in the programming phase

PROJECT STATS

**Project Type**: New Building

**Space Type**: Classroom

**Square Footage:** Approx. 60,000

**Anticipated Budget**: $45M

**Funding Source(s)**:
Revenue Bonds
Gifts

**Project Duration**: 3.5 years

# Pacific Hall Classroom 123 and Lobby Addition & Renovation

PROJECT DESCRIPTION — PLANNED PROJECT

Pacific Hall is one of our core science and research buildings. It is located at the far edge of the science complex, immediately to the west of Onyx Bridge. Built in 1950, it is currently undergoing a major renovation to the south wing. In addition to housing major research laboratory facilities, this building also contains a 200-seat classroom which supports the academic mission of the science programs. This classroom is in need of significant renovation. Additionally, the lobby entrance to the building, which is adjacent to this classroom lacks ADA-compliant access for the building, appropriate staging for the classroom, and does not support the function of the building.

**Objectives**

- Upgrade classroom 123 to meet current academic standards for classroom use, including ADA compliance, improved audiovisual technology, new seating, energy efficient lighting and improved acoustics.
- Renovate and expand the west lobby in order to provide an ADA compliant entrance and improve functions of the space to support the building needs.

## Design and Construction Scope

The proposed project consists of renovating a 200-seat classroom and expanding/improving the lobby on the West side of the building.

## Project Status

The project is in pre-planning

PROJECT STATS

**Project Type**: Addition and Renovation

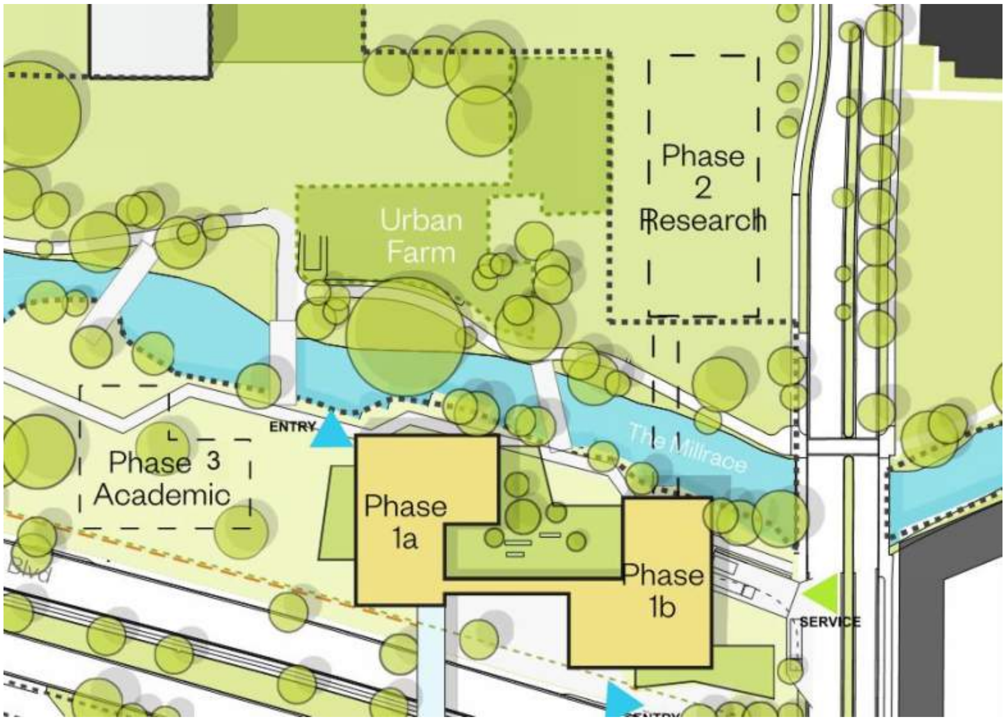
**Space Type**: Classroom and Public

**Square Footage:**
Addition: 1500
Renovation: 3800

**Anticipated Budget**: $6M

**Funding Source(s)**:
Revenue bonds
Gift Funds

**Project Duration:** 30 Months




# Knight Campus Phase 2 – Laboratory Research Building

PROJECT DESCRIPTION | PLANNED PROJECT

The Knight Campus for Accelerating Scientific Impact has planned for a Phase 2 research facility that will provide an opportunity to expand the breadth of research potential through the development of additional laboratories and associated support spaces.

**Objectives**

- Expand the range of research activities available within Knight Campus.
- Build a bridged connection to the Knight Campus Phase 1 building to continue the interconnectivity of the research community.

**Design and Construction Scope**

Development of this facility will further define an open space framework and enhance the campus presence north of Franklin Boulevard.

**Project Status**

The project is in pre-planning

PROJECT STATS

**Project Type**: New Construction

**Space Type**: Research

**Square Footage:** 120,000 -150,000

**Anticipated Budget**: $100M

**Funding Source(s)**: Gift Funds

**Expected Project Duration**: 3 Years

# Huestis Hall Deferred Maintenance

PROJECT DESCRIPTION    PLANNED PROJECT

Huestis Hall was constructed in the early 1970s. The raw concrete façade and repetitive windows are features typical of the Brutalist architecture style popular during the time. The four-story building is part of the science complex and is connected to Streisinger Hall. The Lokey Laboratories expansion is beneath Huestis Hall.

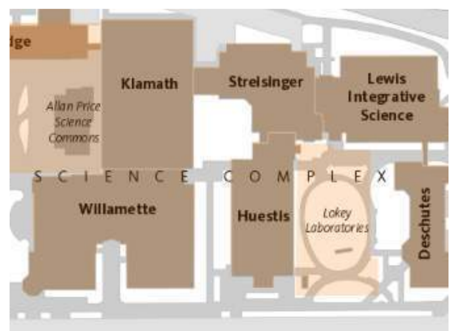
## Objectives

- Replace the original building mechanical, electrical, and plumbing systems and equipment
- Create modular lab spaces by revising layouts and equipping them with casework systems designed to adapt to a changing environment
- Modernize the circulation corridors and shared public areas.
- Reduce the energy and maintenance costs
- Update the fire alarm, notification, and sprinkler system
- Renew the network infrastructure and pathways
- Increase the program square footage in the basement by relocating mechanical equipment from the basement to the roof (750 SF gain)
- Incorporate the roof slope and penthouse to fully address the building leaks that have plagued the facility
- Retrofit the seismic lateral-force-resisting system to achieve current life safety performance levels

## Project Status

A building assessment has been completed

PROJECT STATS




**Project Type**: Building Renovation

**Space Type**: Laboratory and Classroom

**Project Square Footage:** 53,850

**Anticipated Budget**: $53.7M

**Funding Source(s)**: Q Bonds

**Expected Project Duration**: 3 years

# Campus Heritage Project: Deady/Villard - Deferred Maintenance

PROJECT DESCRIPTION POTENTIAL PROJECT

Deady and Villard Halls are the two founding buildings of the University of Oregon. In 1876 Deady Hall was the first building constructed. Villard Hall followed in 1885. Both are listed on the National Register for Historic Places. Both buildings are designated National Historic Landmarks.

Deady Hall encompasses multiple math classrooms supporting approximately 17,000 students annually. The building also contains faculty and staff offices. Villard Hall is currently the home of the Theater Arts Department and the Comparative Literature Program supporting approximately 5,000 students in a typical academic year.

## Objectives

- Revitalize building spaces to meet current campus standards and improve the student experience. Improvements to the building interior environment will include finishes, lighting, and quality of space to meet campus standards.
- Improve building exterior envelope conditions, including historic preservation treatments as well as energy efficiency improvements.
- Provide corrective life/safety and accessibility measures to the building.
- Replace all building systems (mechanical, electrical, plumbing, fire protection, computer network, access controls, and security). These new systems will meet energy performance requirements of the Oregon Model for Sustainable Development and LEED Gold certification.
- Upgrade the building structural systems to comply with current building code to ensure a structurally sound building in a seismic event.
- Provide corrective improvements to building utility systems (storm water, sanitary sewer, domestic water, fire protection water, and natural gas), and capitalize on the connection to the Central Power Station.
- Improve the south entrance to Villard Hall as it has become the primary entrance to the building. This in turn will improve accessibility both entering and navigating the building.
- Improve the south parking lot to provide a link between Deady and Villard Halls and to enrich the pedestrian experience.

## Project Status

Building assessments have been completed

PROJECT STATS

**Project Type**: Renovation, Restoration and Deferred Maintenance

**Space Type**: Classrooms, Offices, Theater and Theater Support Functions

**Square Footage:**

Deady Hall: 26,616
Villard Hall: 32,000
Robinson Theater: 38,000

**Anticipated Budget**: $50.7M

**Funding Source(s)**: Q Bonds

**Project Duration**: 2- 3 years


# Romania Site Development

## PROJECT DESCRIPTION

The Romania site is located on the eastern edge of the university campus on the south side of Oregon Highway 126/Franklin Boulevard. The tract is approximately 4 acres which includes a 46,000 SF building. The use prior to university acquisition was as a car dealership and warehouse. The 1960 showroom, with its unique and concave roofline, is listed in the National Register of Historic Places.

### Objectives

- Upgrade the use of the real estate to provide revenue to the University from a long-term ground lease.
- Enter into a public-private partnership with a developer to design, finance, build, and operate a modern, university-centric entity/facility.

## POTENTIAL PROJECT

### Design and Construction Scope

A University-selected developer will design, finance, build, and operate a modern, revenue-producing enterprise on the site. The University will retain an appropriate level of control of each phase to protect and preserve campus culture and university needs. The university will also retain long-term ownership rights to the property.

### Project Status

In the final stages of preparing a Request for Qualifications (RFQ) to elicit developer participation in the process.

## PROJECT STATS

**Project Type**: Ground Lease Development

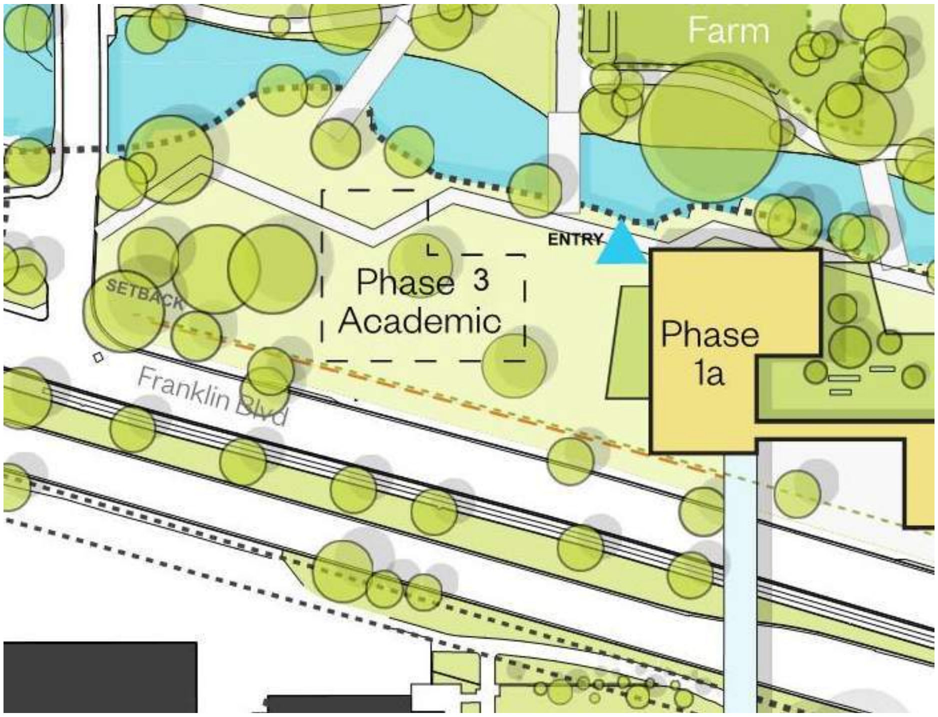
**Space Type**: TBD

**Square Footage:** 180,338 (4.14 acre)

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Expected Project Duration**: 3 – 5 Years




# Knight Campus Phase 3 – Academic Building

PROJECT DESCRIPTION | POTENTIAL PROJECT

Knight Campus Phase 3 provides for an expansion of academic endeavors associated with the mission of the Knight Campus initiative. Located on the northern edge of the campus seven-minute walking circle, this site provides the best opportunity to integrate undergraduate education into the programs being developed within the Knight Campus.

## Objectives

- Enhance the mission of the Knight Campus through the development of undergraduate academic programs.

## Design and Construction Scope

- Complete the development of the Franklin Blvd site.
- Improve access across Franklin Blvd at Onyx Street.
- Develop the next phase of the Millrace restoration.

## Project Status

Project is in pre-planning

PROJECT STATS

**Project Type**: New Construction

**Space Type**:

Academic classroom space, Scientific teaching labs.

**Square Footage:** Approx. 50,000

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Expected Project Duration:** 3 years

# Klamath Hall Deferred Maintenance

PROJECT DESCRIPTION | POTENTIAL PROJECT | PROJECT STATS

Klamath Hall was built in 1967 and is a poured concrete building in the Brutalist architecture style. This building is core to the science complex and is also attached to Onyx Bridge, Willamette Hall, Streisinger Hall, the Lewis Integrative Science Building, and the Price Science Commons and Research Library at the basement level.

## Objectives

- Remove office functions and maximize square footage of research laboratories to help support faculty recruitment and retention.
- Create safe laboratories that meet current safety standards and building codes.
- Replace building systems that are at the end of their useful life and put research at risk due to leaks and loss of power.
- Replace building systems to provide capacity in the facility for research to grow. Current systems have no additional capacity.
- Reduce energy and maintenance costs.

## Design and Construction Scope

This project will replace the 1960's building infrastructure including HVAC, plumbing, and electrical systems. This project will also provide a new exterior building envelope to increase building performance, increase energy efficiency, improve thermal comfort and reduce glare. As the current configuration relies on a neighboring building for vertical transportation, a new elevator supporting Klamath will be included. This project will also renumber the building levels to match all other campus buildings.

## Project Status

Building assessment completed

Exisitng Lab Conditions

**Project Type**: Building Renovation and Systems Replacement

**Space Type**:
Existing: Laboratory, Instruction and Office
New: Laboratory and Instruction

**Square Footage:** 80,000

**Anticipated Budget**:
Phase 1: $50M
Future Phases: $47.4M

**Funding Source(s)**: Q-Bonds

**Expected Project Duration:** 4-5 years

# Pacific Hall North Wing Laboratory Renovations

PROJECT DESCRIPTION POTENTIAL PROJECT

Pacific Hall is one of our core science and research buildings. It is located at the far edge of the science complex, immediately to the west of Onyx Bridge. Built in 1950, this building has largely original mechanical, electrical and plumbing systems which need to be replaced. While the space currently has many uses, this project will return the space to its original laboratory purpose.

## Objectives

- Upgrade existing building systems to support wet laboratory spaces.
- Increase seismic stability and improve the appearance of public spaces.

## Design and Construction Scope

This is a renovation of three floors of the north wing of Pacific Hall to create flexible, interdisciplinary research modules and shared support rooms. Core building systems on the North wing will be replaced.

## Project Status

Pre-planning

PROJECT STATS

**Project Type**: Renovation

**Space Type**: Laboratory

**Square Footage:** 43,000

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Expected Project Duration**: 2.5 Years

# Knight Library Commons & Off-Site Storage

PROJECT DESCRIPTION | POTENTIAL PROJECT | PROJECT STATS

Knight Library, originally constructed in 1937 has had a number of major renovations and additions, the last occurring in 1994. Through the decades of change, the function of the building has continually transformed. With the influx of technological resources available to students, faculty and staff the building is in need of another transformation to support the collaborative learning environments that support current and future educational trends. This renovation also incorporates a need to develop off-site storage for the volumes of books and reference materials that are still used today, just not at the frequency that they have historically. An off-site storage facility that maintains access to this material will also free up much needed space within the current building, located in the core of campus, for the development of commons learning spaces that will support the future trends of higher education learning environments.

## Objectives

- Relocate book stacks to an off-site storage facility in order to maintain availability.
- Free up and renovate precious space within the core of campus to support future learning spaces.

## Design and Construction Scope

This project will construct a new off-site storage facility with appropriate environmental controls for the storage of the materials being relocated. Renovations to the existing library will be made to develop commons learning spaces that provide environments that are appropriate for current collaborative and interactive leaning techniques and generate spaces to support future educational trends.

## Project Status

Project in pre-planning

Study space in 1994 Addition

**Project Type**: New Storage Structure and Existing Building Renovation

**Space Type**:
Library and Materials Storage

**Square Footage:** TBD

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Expected Project Duration:** 4-5 years

# Friendly Hall Deferred Maintenance

PROJECT DESCRIPTION | POTENTIAL PROJECT | PROJECT STATS

Friendly Hall was built in 1893 and is an unreinforced masonry building. A core building to the Liberal Arts on campus, it houses Romance Languages, German, East Asian Languages. The building also contains 6 general use classrooms. There is currently no elevator to serve the upper floors or basement.

## Objectives

- Bring building up to current seismic standards.
- Bring building into ADA compliance.
- Replace building systems that are at the end of their useful life.
- Reduce energy and maintenance costs.
- Improve functional efficiency for occupying departments.

## Design and Construction Scope

This project will replace the building infrastructure including HVAC, plumbing, and electrical systems, which received their last modification in the 1950's. This project will also provide improvements to the building envelope to increase building performance, increase energy efficiency, and improve thermal comfort.

## Project Status

Project is in pre-planning

Historic Image

**Project Type**: Building Renovation and Systems Replacement

**Space Type**:
Existing: Offices and Classrooms

**Square Footage:** 40,892

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Expected Project Duration:** 3 years

# Condon Hall
## Deferred Maintenance

PROJECT DESCRIPTION | POTENTIAL PROJECT | PROJECT STATS

The original portion of Condon Hall was built in 1925 and is an unreinforced masonry building. In 1966 a major addition was added to the south. This building is a concrete structure with a brick clad exterior. It currently houses the Geography and Anthropology departments. It also contains 8 classrooms

### Objectives

- Bring building up to current seismic standards.
- Bring building into ADA compliance.
- Replace building systems that are at the end of their useful life.
- Reduce energy and maintenance costs.
- Improve functional efficiency for occupying departments.

### Design and Construction Scope

This project will replace the aged building infrastructure including HVAC, plumbing, and electrical systems. This project will also upgrade exterior building envelope to increase building performance, increase energy efficiency, improve thermal comfort.

### Project Status

Project is in pre-planning

1966 Addition

**Project Type**: Building Renovation and Systems Replacement

**Space Type**:
Research Laboratories, Faculty Offices, Classrooms and Administrative Offices

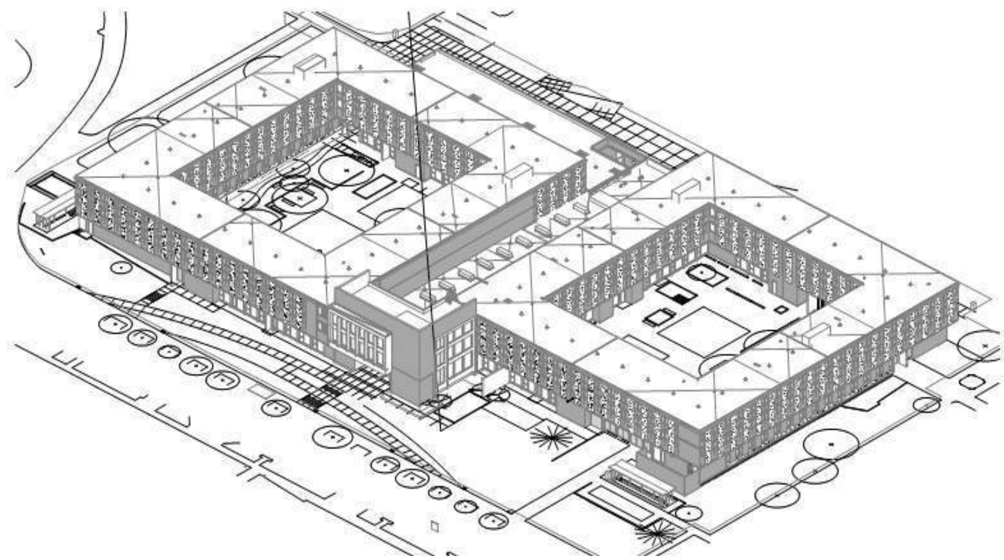
**Square Footage:** 42,325

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Expected Project Duration:** 3 years


# Housing Projects



# Bean Hall Renovation and Addition

PROJECT DESCRIPTION | CURRENT PROJECT | PROJECT STATS

The Bean Complex was built during an era of rapid growth in student enrollment at the University. It is a 750-bed residential complex that was completed in 1963 in the Modern style amidst a university housing boom by architectural firm Wilson, Endicott and Unthank. The complex stands at the east end of campus with other similarly-designed residence halls. Landscape features include courtyards with lawns, concrete paths, numerous rectangular concrete planters and exposed aggregate walls.

It has an asymmetrical plan, with three stories and a concrete foundation. While the primary exterior wall material is brick, concrete is also used throughout. Bean has a flat roof with elastic sheet roofing, and has aluminum casement windows. The only decoration comes in the form of pre-cast concrete panels with an exposed aggregate finish.

## Objectives

- Upgrade for improved accessibility and energy efficiency.
- Update mechanical systems which are nearing their end of life
- Remedy shortcomings in the design which are no longer conducive to contemporary residence hall functions
- Transform Bean Hall into a jewel within the housing system.

## Design and Construction Scope

This project includes a renovation of the existing building as well as a 17,500 SF addition in administrative support spaces. The addition will also house a lobby and meeting spaces designed to create a "front door" to the residence hall and foster a sense of community for the residents. . The renovation of existing spaces will replace mechanical systems and windows, add elevators and fire suppression, and increase accessibility.

This project assumes construction over two phases between the summers of 2017 and 2019.

## Project Status

Bean Hall West and the addition are under construction. Construction on Bean Hall East will begin during summer 2018.

**Project Type:** Renovation and Addition

**Space Type**: Housing, community spaces

**Square Footage:**
Renovation: 148,213
Addition: 26,327

**Project Budget**: $48M

**Funding Source(s)**:
$43.5M Revenue Bonds
$4.5 M Auxiliary Funds

**Completion Date**: Fall 2018 for Bean Hall West; Fall 2019 for Bean Hall East

# Hamilton Hall Renovation

PROJECT DESCRIPTION | PLANNED PROJECT | PROJECT STATS

Dynamic and attractive communities are needed now to help drive and support student recruitment and retention in a very competitive environment. Designed by Church, Newberry, & Roehr and constructed in 1961 Hamilton Hall is in need of mechanical, electrical, plumbing, roofing, and other systems replacement and other significant contemporary improvements.

**Objectives**
The University is currently exploring the full redevelopment of Hamilton to:

- Increase occupancy from 800 to 1000 beds
- Include a variety of room types
- Expand Hamilton Dining to accommodate the increased population
- Include a UO Visitors Center

The current desire is for the redeveloped Hamilton to open Fall 2020.

**Design and Construction Scope**
The goal is to design and construct up to a 1000-bed residential facility.

**Project Status**
The project is in pre-planning


**Project Type**: Renovation

**Space Type**: Housing

**Square Footage:** 113,035

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Expected Project Duration**: 3 Years


# Walton Hall Renovation

PROJECT DESCRIPTION PLANNED PROJECT

Dynamic and attractive communities are needed now to help drive and support student recruitment and retention in a very competitive environment. Walton Hall, like Hamilton, is in need of mechanical, electrical, plumbing, roofing, and other systems replacement and other significant contemporary improvements.

### Objectives

The University is currently exploring the full redevelopment of Walton to:

- Grow from 600 to 800 beds
- Provide a variety of room types
- Add retail space to the ground floor.

### Design and Construction Scope

Design and construct up to an 800-bed residential facility.

### Project Status

The project is in pre-planning

PROJECT STATS


**Project Type**: Renovation

**Space Type**: Housing

**Square Footage:**

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Target Completion Date**: Fall 2021

# East Campus Apartments New Buildings

PROJECT DESCRIPTION | POTENTIAL PROJECT | PROJECT STATS

The University of Oregon's on-campus housing space options are limited to traditional residence halls, graduate student apartments and primarily family apartments and houses. Dynamic and attractive housing facilities and communities for upper-division students are needed to help drive retention.

### Objectives

- Explore the development of apartments and townhouses of a 500-bed capacity in this area for undergraduate students.

### Design and Construction Scope

Design and construct up to a 500-bed residential complex.

### Project Status

Pre-planning

**Project Type**: New Building(s)

**Space Type**: Housing

**Square Footage:** TBD

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Expected Project Duration**: 3 Years

# Student Services Projects

# Oregon Hall Renovation

PROJECT DESCRIPTION

CURRENT PROJECT

Oregon Hall, built in 1974, is a brick structure that has been the primary home for many units providing core student services – such as the Dean of Students Office, which provides student crisis support and handles student conduct; the Center for Multicultural Academic Excellence, the Office of the Registrar, Academic Advising, the Accessible Education Center, Office of Admissions, Financial Aid & Scholarships, GEO Study Abroad, and International Student & Scholar Services.

## Objectives

- Expand the space available on campus for student services.
- Consolidate and improve the workflow of many of the departments, creating a more easily-accessible integrated network of student support on campus.

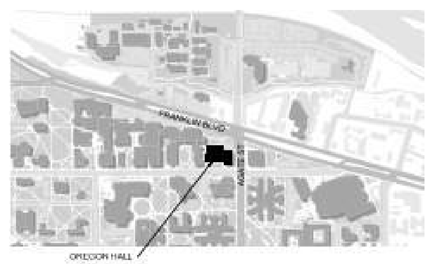
## Design and Construction Scope

Along with spatial renovations, this project will address significant deferred maintenance issues in the building, including replacing the west wing HVAC equipment and windows. The mechanical system work will include moving the mechanical systems out of the third floor mechanical rooms to the roof. This will provide for more useable space within the building.

## Project Status

Under construction.

PROJECT STATS




**Project Type**: Renovation

**Space Type**: General Office

**Square Footage:**
Major Renovations to West: 32,300
Minor Renovations to East: 24,100

**Project Budget**: $10.9M

**Funding Source(s)**:
$9.85M Revenue Bonds
$900K Q Bonds
$100K Existing Plant Fund
$50K Departmental Funds

**Target Completion Date**: Fall 2018


# Black Cultural Center

## New Building

PROJECT DESCRIPTION CURRENT PROJECT

The Black Cultural Center, a new structure of up to 3,500 SF, will be the home for Black student organizations and initiatives that directly enhance the college experience of Black students on the University of Oregon campus. The Black Cultural Center will be built using durable institutional-quality materials but will maintain a residential atmosphere. The Center has been sited at the corner of Villard Alley and 15th Avenue. This project originated from the Black Student Task Force's List of Demands and is an important part of the strategy to increase recruitment and retention of black students. Fundraising for this important initiative is active and on-going.

### Objectives

- Create a nucleus for Black student life by providing a place that supports education, growth, and development.
- Create a space that welcomes campus and community members to partake in cultural events and learn about the history that led to the creation of the Black Cultural Center.

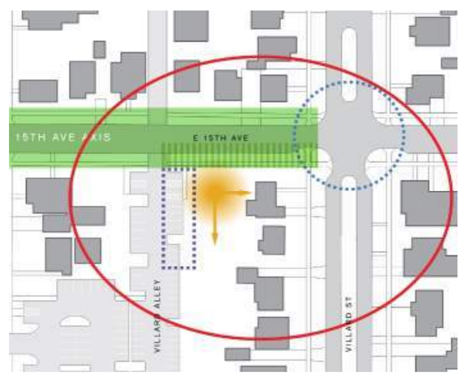
### Design and Construction Scope

The project will encompass up to 3,500 sf of programming space including a community gathering space, a fully functioning kitchen, meeting rooms, office spaces and an outdoor event area.

### Project Status

The project is in programming and concept design.

PROJECT STATS




**Project Type**: New Building

**Space Type**: New Building

**Square Footage:** Up to 3,500

**Project Budget**: $2.3M

**Funding Source(s)**:
Gift Funds

**Target Completion Date**: Fall 2019


# University Health, Counseling, & Testing Center
## Addition & Renovation

PROJECT DESCRIPTION | PLANNED PROJECT

The University Health, Counseling, and Testing Center was originally constructed in 1966 as a reinforced brick building cladded with pre-cast concrete panels. In 2007, an addition was constructed.

Current demand for health services far exceeds capacity; there is an acute shortage of clinical space. There has been significant growth in the student body since the last expansion and a greater proportion of students are utilizing the critical services provided through the University Health, Counseling, and Testing Center.

### Objectives

- Address the shortage of clinical space.
- Mitigate HVAC shortcomings in the current building.
- Improve circulation and synergies within and outside the building.

### Design and Construction Scope

The proposed project consists of building an approximate 20,000 SF addition and renovating approximately 15,000 SF of existing space.

### Project Status

The project is in programming and concept design

PROJECT STATS


**Project Type**: Addition and Renovation

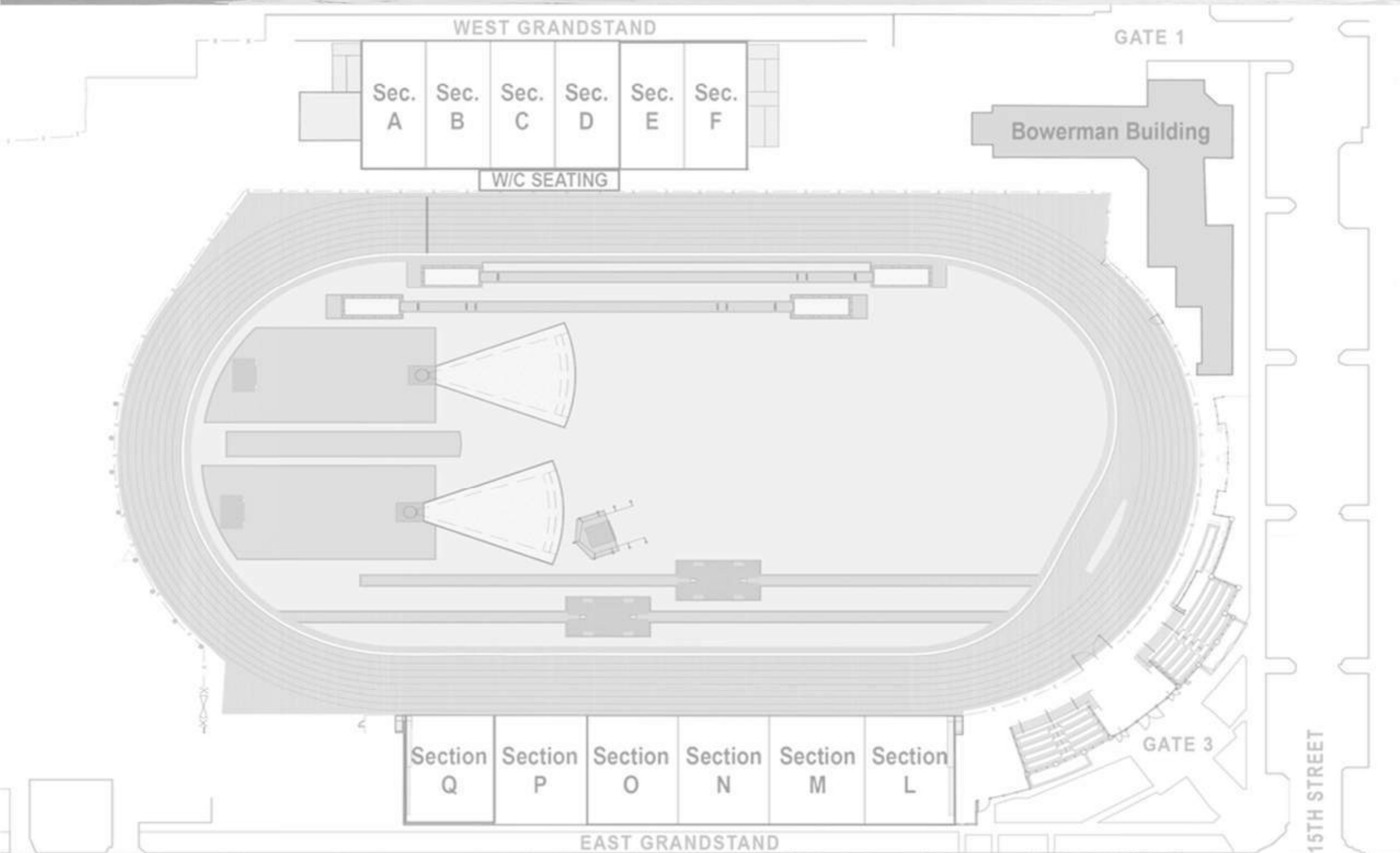
**Space Type**: Clinic and Office

**Square Footage:** 20,000 Addition
15,000 Renovation

**Anticipated Budget**: $17.8M

**Funding Source(s)**:
Revenue Bonds
Student Building Fee Funds
Department Funds

**Target Completion Date**: Fall 2019


# Athletics Projects

# Hayward Enhancement Project

PROJECT DESCRIPTION

CURRENT PROJECT

PROJECT STATS

Hayward Field is one of the best known track and field stadiums in the world. Originally constructed for football in 1919, Hayward Field has established itself as the epicenter of track and field in the United States.

Hayward will continue to be the home of Oregon Track and Field plus it will be the first facility on campus to support athletics and academics. Human Physiology will have completely renovated space in the completed building.

The project will be privately funded and constructed with oversight by the University of Oregon Foundation. The University is currently working in cooperation with the Foundation's construction managers and will continue to do so throughout the project. The project is funded by private donations but the University will be providing services such as telecommunications and central utilities.

## Objectives

- Completely renovate Hayward Field to ensure that fans and athletes have world class experiences.
- Improve all aspects of the facility for mobility, comfort and safety.
- Bring Hayward Field to modern standards for seating, facilities and accessibility.

## Design and Construction Scope

Unveiling of the Project is expected within the next few weeks. The Oregon Track and Field Teams will not be competing at Hayward during the 2019 season.

## Project Status

Planning and design

**Project Type**: Renovation

**Space Type**: Athletic Track Facility

**Square Footage:** TBD

**Project Budget**: N/A

**Funding Source(s)**:

Privately Funded

$1.25M Central Funds (Utility Tunnel)

**Target Completion Date**: Spring 2021


# Autzen Stadium Video Board Upgrade

PROJECT DESCRIPTION | POTENTIAL PROJECT

Football accounts for close to 70% of all athletics revenues, with a large portion of these coming from ticket sales and seat donations. We continually seek to maximize the fan experience at Autzen Stadium.

Audio/video services are critically important components to the fan experience. We have consistently received feedback from our loyal fans addressing the visual aspect of their experience and often we are not meeting their expectations. Newly available technologies will enable us to better meet these expectations and will play an important role in differentiating the in-venue fan experience.

### Objectives

- Replace the existing video boards which are dated and in need of replacement.

### Design and Construction Scope

Using the latest video display technologies, this project will design and install a flagship video system at Autzen Stadium

### Project Status

Pre-planning

PROJECT STATS

**Project Type**: Equipment Replacement

**Space Type**:
Athletic Support Infrastructure

**Square Footage:** N/A

**Anticipated Budget**: TBD

**Funding Source(s)**: TBD

**Expected Project Duration:** 1 year

Agenda Item #5

Tykeson Hall

# TYKESON HALL – BUDGET REAUTHORIZATION

## Summary of Requested Action

**Background**

On September 11, 2015, the Board of Trustees approved a handful of capital projects, including the construction of Tykeson Hall (then-called the College and Careers Building) at an initial budget of $34.55 million.

In the fall of 2015, the Board's approval process occurred very early in the capital planning process. Budget estimates were based on very early and, thus, incomplete information, which sometimes led to significant budget changes after projects received board approval. To reduce this budget risk going forward, the modified and current practice is for Board consideration to occur *after* initial design, planning, and assessments to ensure a more complete and accurate project scope and budget.

Since its approval in September 2015, a decision was made to increase the scope of the Tykeson Hall project to include an entire additional floor. This understandably increased the project's estimated budget. Slight changes in market conditions also increased the project's budget once official estimates were obtained.

The revised budget is now $45.55 million, an increase of $11 million - $8.2 million from the additional floor (basement) and $2.8 million due to market conditions. These additional costs will be covered by existing revenue bond proceeds and additional fundraising.

A more detailed project report is attached.

**Requested Action**

The Board's original delegation of authority policy, in effect for these approvals, required capital projects to return to the Board for approval if the anticipated budget grew to $5 million more than originally approved. Therefore, Board approval of this revised budget ($45.55 million) for the construction of Tykeson Hall is requested.

# Tykeson Hall

## Board of Trustees December 2017

PROJECT HISTORY | PROPOSED CHANGES | CURRENT STATUS

### Location

Tykeson Hall will be situated in the heart of campus, near the Memorial Quadrangle and between Chapman Hall and Johnson Hall. Two central east-west axes further define the site: the 13th Avenue Axis lies to its immediate north and directly to the south is the Johnson Lane Axis.

### Building Use

Tykeson Hall will be the University of Oregon's center for integrating academic study, academic advising, and career support services, making it a hub for both academic success and for success beyond the University. The College of Arts and Sciences (CAS), the Career Center, Equity and Inclusion, and Undergraduate Studies will reside in the new building.

### Original BOT Approval

At its September 2015 session, the Board of Trustees approved funding and construction of the UO's *College and Careers Building* (officially named *Tykeson Hall* at the December 2015 BOT meeting). At the time of approval Tykeson was envisioned as a 50,000-square-foot, four-story building intended to serve as the home of CAS Administration and the Career Center. Additionally, it would house a number of classrooms. The original project budget was established at $34.55M.

### Proposed Changes for this BOT Consideration

To take advantage of the building's central campus location, the university would like to add a finished basement, which would increase the overall building size from 50,000 to 64,000 gross square feet. This increase would allow the incorporation of Equity and Inclusion and Undergraduate Studies. The former also includes the Center on Diversity and Community (CoDaC), and the latter includes the Teaching Effectiveness Program (TEP), and the Center for Undergraduate Research and Engagement (CURE).

### Proposed Budget Change

The budget is proposed to increase from $34.55M to $45.55M; the additional $11M, which would be covered through increased fundraising as well as Revenue Bonds, is attributed to the following:

- The Basement Addition - $8.2M
- Market Conditions - $2.8M

### Current Project Status

The project has just entered the Construction Documents design phase and is slated to start construction this December. Detailed estimates performed by both the CMGC and our third-party estimator have been reconciled to the current budget.

PROJECT STATS


**Project Type**: New Building

**Uses**: Student Support, College of Arts and Sciences Administration, Student Advising, Career Center, Equity and Inclusion, Undergraduate Studies

**Square Footage:** 64,000

**Previous BOT Approved Budget:**
$34.55 Million

**Current Projected Budget**:
$45.55 Million

**Funding Source(s)**:
$22,149,100 Gifts
$6,398,900 Revenue Bonds
$17,000,000 State G Bonds

**Grand Opening:** Fall 2019

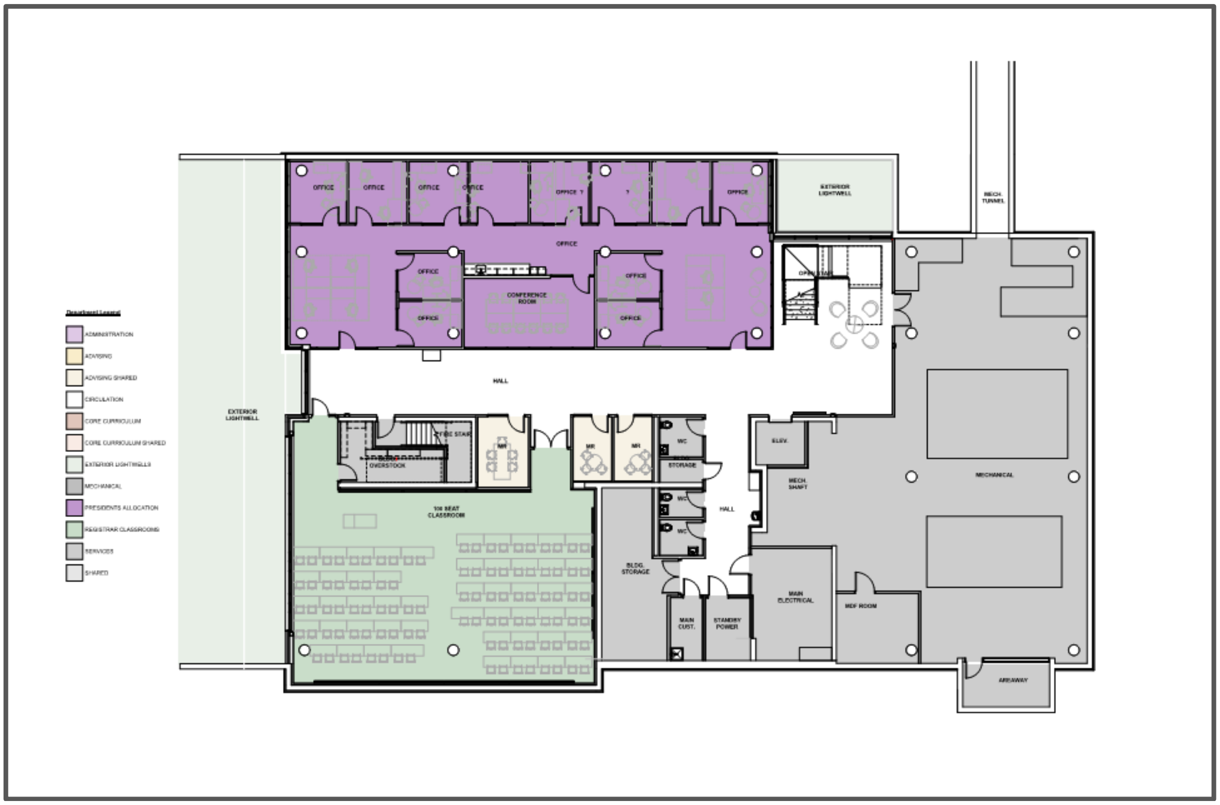




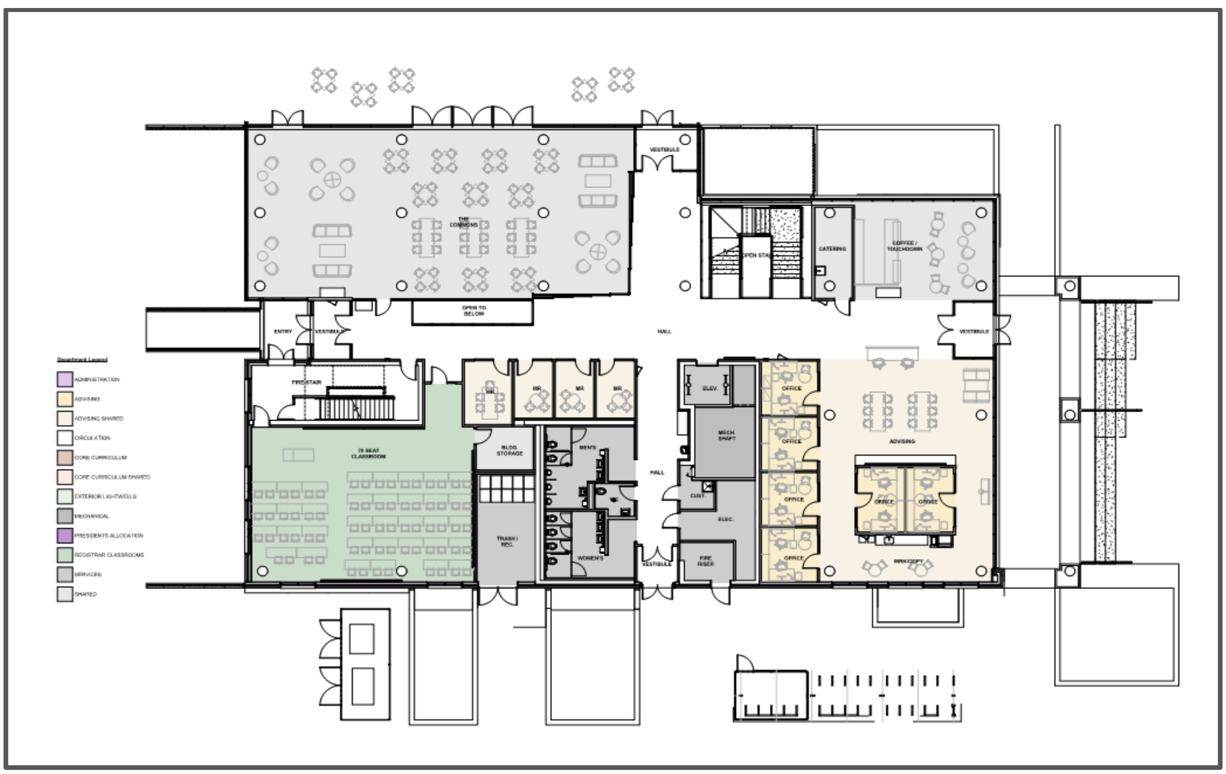
UNIVERSITY OF OREGON

## FLOOR PLANS

### Basement



### 1st Floor





UNIVERSITY OF OREGON

## 2nd Floor


## 3rd Floor


The University of Oregon is an equal-opportunity, affirmative action institution committed to cultural diversity and compliance with the Americans with Disabilities Act. This publication will be made available in accessible formats upon request.


UNIVERSITY OF OREGON

**4th Floor**


**South Elevation**



UNIVERSITY OF OREGON

**Finance and Facilities Committee**
**Board of Trustees of the University of Oregon**

**Resolution: Budget Adjustments – Tykeson Hall Capital Project**

Whereas, the Board of Trustees ("Board") authorized a capital construction project to build a college and careers building, now officially named Tykeson Hall, for a project cost of $34.55 million on September 11, 2015;

Whereas, estimates for this project are now $45.55 million, which exceeds the allowable threshold ($5 million) per the Board's delegation of authority at that time, and the University must receive Board approval to expend additional resources at this level;

Whereas, project managers and senior administrators—including the President, Provost, CFO, and AVP for Campus Planning and Facilities Management—believe this increased cost estimate is necessary and is not excessive;

Whereas, increased costs for Tykeson Hall, detailed in materials provided to the Board accompanying this resolution, are primarily related to the addition of an entire floor to the original project design, allowing for greater synergies in office placement and improved building efficiencies; and,

Whereas the Finance and Facilities Committee is authorized to recommend actions to the full Board of Trustees as seconded motions.

The Finance and Facilities Committee of the Board hereby forwards the following to the full Board as a seconded motion recommending passage:

> NOW THEREFORE, the Board of Trustees of the University of Oregon hereby authorizes an increased budget of _______ for the construction of Tykeson Hall (also referred to as the College and Careers Building), originally approved on September 11, 2015; hereby ratifies all prior actions and decisions related to the updated project scope and budget; and, hereby authorizes the President or his designee(s) to take all actions necessary and proper to execute this decision.

Moved: _____________ Seconded: ___________

| NAME | VOTE | NAME | VOTE |
|---|---|---|---|
| Bragdon | | Kari | |
| Colas | | Murray | |
| Gonyea | | Schill | |

Record here if no roll call vote was taken: ___________________

Date: _______________ Recorded: __________________

# SUPPLEMENTAL DOCUMENTS

EXHIBIT A

## UNIVERSITY OF OREGON MULTI-SPORT AGREEMENT

THIS IS AN AGREEMENT made and entered into by and between the University of Oregon, on behalf of its Department of Intercollegiate Athletics, having its principal administrative office at the Casanova Center, 2727 Leo Harris Parkway, Eugene, Oregon 97401 ("UNIVERSITY"), and NIKE USA, Inc., an Oregon corporation having its principal offices at One Bowerman Drive, Beaverton, Oregon 97005-6453 ("NIKE").

RECITALS

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith) and owns all right, title and interest in and to the names, nicknames, mascots, trademarks, service marks, logographics and/or symbols, and any other recognized reference to UNIVERSITY or its "Programs" (as defined below) except the Fighting (Donald) Duck character licensed from The Walt Disney Corporation ("Disney");

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

WHEREAS, NIKE and UNIVERSITY previously entered into the University of Oregon Multi-Sport Agreement, effective July 16, 2003, as amended (the "Prior Agreement"), pursuant to which NIKE agreed to provide cash compensation and NIKE products to UNIVERSITY and UNIVERSITY agreed to provide NIKE with certain rights and benefits; and

WHEREAS, NIKE and UNIVERSITY desire to extend and further amend their relationship by entering into this Agreement that, among other things, supersedes and replaces the final year under the Prior Agreement.

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions set forth herein, NIKE and UNIVERSITY agree 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., its parent company NIKE, Inc., their licensees, distributors, subsidiaries, affiliates and any successor company to the foregoing.

(b) "UNIVERSITY Marks" shall mean any copyright, trademark, service mark, logo, insignia, seal, design, reference or other symbol or device owned, controlled and used by UNIVERSITY currently or in the past or those arising after the date of this Agreement and used by UNIVERSITY during the Term, in each case associated with or referring to UNIVERSITY or its Programs, and any other recognized reference to UNIVERSITY or its Programs as approved by UNIVERSITY, except the Fighting (Donald) Duck character licensed from Disney. "UNIVERSITY Marks" includes the names of UNIVERSITY game venues, including "Hayward" and "Autzen."

(c) “Program(s)” shall mean all existing NCAA Division I varsity teams and individual sports sponsored by UNIVERSITY (specifically excluding club or intramural sports) and any other such programs established during the Term.

(d) “Program Activity” shall mean all games, practices, exhibitions, training, events, camps, clinics, and public appearances of a Program, in which any Team member, Coach or Staff member appears as an official representative of UNVERSITY or a Program.

(e) “Flagship Program(s)” shall mean any of the following Programs: football; men’s basketball; women’s basketball; men’s track and field; women’s track and field; men’s cross country; women’s cross country; and baseball.

(f) “Team” shall mean that group of athletes attending UNIVERSITY’s Eugene campus during the Term and comprising the roster of each Program.

(g) “Coach” shall mean an individual employed during the term of this Agreement to act as a head coach of a Program.

(h) “Coach Properties” shall mean the name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likeness and image or facsimile image, and any other means of endorsement used by such Coach. Except as otherwise provided herein, each Coach shall retain all rights in and to his or her name and endorsement, and neither UNIVERSITY nor any Coach shall be prevented from using, permitting or licensing others to use a Coach's name or endorsement in connection with the advertisement, promotion or sale of any product or service other than “Products” (as defined below).

(i) “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 Program.

(j) “Game Entertainment Activities” shall mean all student-provided game entertainment activities (e.g., marching band, pep band, performance/dance team, cheerleading, yell squads) conducted in connection with any Program.

(k) “Department-Related Activities” shall mean any promotional, marketing or community- or alumni-outreach activities (e.g., product giveaways, golf tournaments, UNIVERSITY or coach-operated camps) conducted in connection with any Program or the Athletic Department.

(l) “Contract Year” shall mean each consecutive 12-month period from June 1 through May 31 during the term of this Agreement, except the first Contract Year, which shall be the period from July 1, 2017 through May 31, 2018.

(m) “NCAA” shall mean the National Collegiate Athletic Association.

(n) “Conference” shall mean the Pac-12 Conference and such other intercollegiate athletic conferences of which UNIVERSITY is a member.

(o) "Products" shall mean:

(1) All athletic and athletically inspired or derived footwear that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective Program Activities;

(2) Authentic competition apparel consisting of uniforms, sideline or courtside jackets, sweaters, game-day warm-ups, basketball shooting shirts, football player capes, wool and fitted caps, windsuits, rainsuits, sideline or courtside pants, shorts, polos and shirts, "base layer" apparel (e.g., compression/tight and non-compression gear typically worn underneath outer garments, including padded and non-padded base layer products) and similar apparel, practicewear, thermal wear and performance undergarments (collectively, "Authentic Competition Apparel") that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective Program Activities;

(3) All other apparel articles of an athletic or athleisure nature including tank-tops, T-shirts, sweatsuits, separates, compression recovery products, and other body coverings (collectively, "Apparel Products"), and accessories of an athletic or athleisure nature, including headwear, headbands, wristbands, bags, socks, towels, and gloves, that members of any Team, Coaches and/or Staff wear or use or may be reasonably expected to wear or use while participating in their respective Program Activities;

(4) Sports equipment including balls, protective equipment, protective eyewear, eyewear with performance attributes and sunglasses, body-worn (or handheld) activity tracking/monitoring devices and watches, 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 15 but specifically excluding football helmets, volleyballs, golf clubs, golf balls, baseball and softball bats, baseball and softball fielding gloves, baseball and softball batting helmets, lacrosse sticks, lacrosse helmets and lacrosse gloves (collectively, "Equipment").

(p) "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 now or hereafter owned and/or controlled by NIKE (collectively, "NIKE Marks") appear.

(q) "Celebration Apparel" shall mean a product (e.g., T-shirts, sweatshirts and caps) bearing UNIVERSITY Marks which is designed to commemorate UNIVERSITY's participation in a championship event (e.g., bowl game, tournament or national championship), victory in a championship event, or a Team member's receipt of a national-level award (e.g., Heisman Trophy).

(r) "Net Sales" shall mean the gross wholesale revenue received by members of the NIKE Group from the sale of "Licensed Products" (as defined below), less cash, trade, sales and other program discounts, adjusted for legitimate merchandise returns credited to NIKE's customers; provided, however, that Net Sales shall not include sales of any such Licensed Products sold under license by an independent licensee of NIKE. Net Sales shall be net sales as are computed by NIKE's accounting system, guidance for which is established by generally accepted accounting principles.

(s) “Performance Apparel” shall mean any apparel, including golf/polo shirts, containing technical fabrications developed with the purpose of aiding the athletic performance of the wearer (e.g., apparel that includes, among other features, moisture management properties, the regulation of temperature and/or seamless construction, etc.). These fabrications and/or properties must be marketed as features of the apparel through hangtags, jocktags, other labels on the product, or other means. For clarity, “Performance Apparel” does not include nonperformance fleece (e.g., cotton or cotton/poly sweatshirts).”

2. TERM.

This Agreement shall remain in full force and effect for a period of 11 Contract Years, from July 1, 2017, through and including May 31, 2028, unless sooner terminated or extended in accordance with the terms and conditions hereof (the “Term”).

3. GRANT OF ENDORSEMENT RIGHTS.

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

(a) The designation as the “exclusive supplier of athletic footwear, apparel, accessory and equipment and sponsor of (each Program)” and/or such similar designations as the parties may agree upon (collectively, the “Designations”); and

(b) The right to utilize (subject to the terms and conditions of this Agreement) the UNIVERSITY Marks, Coach Properties and/or Designations worldwide, in any media (now known or hereafter created) including the worldwide web and other interactive and multi-media technologies, in connection with the manufacture, advertising, marketing, and promotion of NIKE Products or brands. Such rights shall specifically include the following:

(1) The exclusive right to supply Products for each Program and to use the Designations;

(2) The right to manufacture and sell (subject to Paragraph 4) NIKE Products bearing or incorporating UNIVERSITY Marks and to conduct promotions with and through NIKE retail accounts and via the internet; and

(3) The right to use game photographs videotape and/or film footage of any and all Programs subject to applicable Conference and NCAA rules and regulations with respect to the depiction of eligible athletes in connection therewith. At NIKE's request, UNIVERSITY shall permit NIKE to utilize, consistent with this Paragraph 3, UNIVERSITY game photographs and footage (where owned or controlled by UNIVERSITY), without a use fee, other than reasonable search and edit charges.

4. RETAIL LICENSING RIGHTS AND ROYALTIES.

(a) UNIVERSITY hereby grants to NIKE, and NIKE hereby accepts, the (1) exclusive worldwide right and license to manufacture and sell at retail the following Products bearing or incorporating UNIVERSITY Marks: (A) Authentic Competition Apparel, (B) all jersey silhouettes (e.g., authentic, replica, alternative, throwback and fashion jerseys) for all Programs, (C) all fitted or flex-fitted headwear, (D) Apparel Products and headwear bearing the "O" trademark, any trademark or logo incorporating the "O" trademark, or any trademark that replaces the "O" trademark during the Term as UNIVERSITY's primary trademark in relation to its Athletic Programs, (E) Performance Apparel, and (F) Celebration Apparel (subject to Paragraph 4(c)); and (2) non-exclusive worldwide right and license to manufacture and sell at retail NIKE Products other than the categories of Products in subparagraphs 4(a)(1)(A)-(F) above, bearing or incorporating UNIVERSITY Marks, and/or game photographs and footage (products described in (1) and (2) collectively, "Licensed Products").

(b) Throughout the Term, NIKE shall pay to UNIVERSITY royalties, based on Net Sales of Licensed Products, at a rate of 15% for all Licensed Products (excluding footwear). NIKE shall pay to UNIVERSITY royalties based on Net Sales of footwear Licensed Products at a rate of 5%. Within 60 days after the end of each calendar quarter, NIKE shall provide UNIVERSITY with a complete and accurate statement (on NIKE's standard royalty reporting form, subject to UNIVERSITY's approval of such form, such approval not to be unreasonably withheld) of sales and the calculation of Net Sales, for the preceding reporting period and, simultaneously with the submission of such quarterly statements, shall pay all royalties due UNIVERSITY on such sales. All delinquent amounts not paid when due pursuant to the foregoing requirement shall be charged the maximum rate of interest permitted under applicable law but not to exceed 1.5% per month or any portion thereof during which said amount remains delinquent. Licensed Products shall not be used for any third-party giveaway or other premium purpose without UNIVERSITY's prior approval. UNIVERSITY agrees that royalties shall be waived for any Licensed Products provided free of charge by NIKE to UNIVERSITY for use by any Coach, Staff and/or Team members of UNIVERSITY's Programs. Upon expiration or termination of this Agreement for any reason, NIKE shall have the right, for a period of six months, to complete and dispose of any Licensed Products which are on-hand or in-process and fulfill orders received prior to the effective date of expiration or termination, provided royalties thereon are paid and reported in accordance with the provisions of this Agreement.

(c) Upon learning of the need for Celebration Apparel, UNIVERSITY shall promptly notify NIKE and, subject to applicable Conference, bowl game, tournament, NCAA or similar governing rules and regulations with respect to such Celebration Apparel, NIKE shall have the exclusive right to supply such Celebration Apparel. If NIKE does not agree to supply the Celebration Apparel within five 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) any Celebration Apparel supplied by a third party shall not bear (x) any camera-visible brand or manufacturer identification incorporated within either the garments graphic design, labels, hangtags or otherwise or (y) the “O” trademark. If NIKE agrees to supply the Celebration Apparel, it shall have the exclusive right and license to manufacture and sell the Celebration Apparel.

(d) Notwithstanding the foregoing, UNIVERSITY may enter into a license agreement with a third-party official organizer of a bowl game, tournament or national championship (e.g., Pac-12 Conference or NCAA) for use of the UNIVERSITY Marks on-Products bearing the event logo and the trademarks of all participating teams, provided such Products do not bear, within the Products' graphic design, labels, hangtags or otherwise, any brand or other identification of a third-party manufacturer or seller of footwear.

(e) Notwithstanding the foregoing, UNIVERSITY may contract with a third-party licensee (without notice to NIKE) to produce apparel (but not headwear) bearing the “O” trademark for distribution to the following types of internal UNIVERSITY groups: organizations and clubs of then currently enrolled students, UNIVERSITY academic departments, alumni association directors, and groups of active UNIVERSITY employees for use solely in connection with events in which the applicable group is participating; provided that, in all cases, (i) such third-party licensee is not a footwear manufacturer, (ii) the apparel is not made available at retail, (iii) production is limited in each instance to no more than 1000 units, (iv) the design of the apparel is not substantially similar to the design of any NIKE licensed products, (v) the apparel clearly includes the UNIVERSITY's “Signature Mark” and the name of the organization, club, department or group and does not include “O” trademark standing alone, and (vi) such third-party licensee does not include any external branding on the apparel. In the event UNIVERSITY’s order is for more than 1000 units, UNIVERSITY shall first provide NIKE an opportunity to fill the applicable order. If NIKE either declines such opportunity or does not otherwise respond to such a request from UNIVERSITY within five business days, UNIVERSITY may contract with a third-party licensee for the applicable order without further notice to NIKE (provided UNIVERSITY otherwise complies with the parameters of this subparagraph).

(f) NIKE shall keep and maintain accurate books and records relating to its royalty payments on Licensed Product sales. UNIVERSITY and its duly authorized representative shall have the right, upon 30 days' prior written notice, at its cost, to examine and audit such books and records and to make extracts and copies thereof during NIKE's business hours and upon no less than ten business days' prior notice (and not more than once each Contract Year). Should an audit pursuant to this subparagraph establish a deficiency of more than 5% between the amount due to UNIVERSITY and the amount actually paid by NIKE, within 45 days of NIKE's receipt of written notice of any such deficiency, NIKE shall pay the amount of the deficiency together with the reasonable cost of such audit. All books and records required to be maintained by NIKE hereunder shall be kept for at least two years after the end of the Contract Year to which they relate, and any royalties paid with respect thereto shall be deemed incontestable after such two-year retention period.

(g) All Licensed Products shall meet and conform to the high standards of quality, style and appearance of UNIVERSITY. Prior to any commercial production or distribution of any Licensed Product, NIKE shall, at its expense, submit to

UNIVERSITY (or its agent) for approval, which approval shall not be unreasonably withheld, the finished artwork and design for each Product showing the proposed use of a UNIVERSITY Marks. UNIVERSITY shall use best efforts to notify NIKE of the approval or disapproval of the submitted item within ten business days of receipt thereof. UNIVERSITY's approval or disapproval shall be in writing. If a submission is disapproved, UNIVERSITY's written notice thereof shall set forth in reasonable detail the basis for such disapproval. Any submitted item that has not been disapproved within 20 calendar days of receipt by UNIVERSITY (or its agent) shall be deemed approved. Once the artwork/design for a submitted item is approved, NIKE shall not depart therefrom in any material respect without re-submission of the item and obtaining UNIVERSITY's further approval. Upon product production, NIKE shall, at its expense, provide UNIVERSITY with a random pre-production sample, or a production sample from the first manufacture run, for UNIVERSITY's comparison for conformance to the approved artwork/design and inclusion in its files. UNIVERSITY retains the rights to approve or disapprove any third-party marks used with UNIVERSITY Mark(s) on Licensed Products consistent with this subparagraph.

(h) UNIVERSITY grants NIKE a non-exclusive license throughout the world to use UNIVERSITY Marks in the names of certain NIKE Products and on related packaging, tags, marketing and advertising. Such Products shall not be royalty-bearing "Licensed Products" as defined in this Agreement. If the applicable UNIVERSITY Marks do not appear on the Products themselves. UNIVERSITY retains sole rights to approve or disapprove the use of UNIVERSITY Marks on Products and related packaging, tags, marketing and advertising, as provided in this Agreement. UNIVERSITY retains the rights to approve or disapprove any third-party Marks used with UNIVERSITY Mark(s) on Licensed Products.

(i) Neither UNIVERSITY, nor any of its licensing agents (but only with respect to UNIVERSITY Marks), shall enter into, extend or renew any license with adidas, Reebok, Puma, Under Armour, 4004 Incorporated and/or their brands, controlled brands or licensees. Further UNIVERSITY shall not permit the sale within any UNIVERSITY-controlled venue (e.g., stadium or arena concessions) or retail establishment (e.g., UNIVERSITY book store) any product manufactured or sold by any of the foregoing companies, brands, controlled brands or licensees, if UNIVERSITY controls the concession and/or retail operations therein. In the event such concession and retail operation rights have been outsourced to a third party, UNIVERSITY agrees to advise such third party of UNIVERSITY's commitment to NIKE-brand exclusivity and UNIVERSITY's contractual commitment to support such exclusivity at retail.

(j) Notwithstanding the foregoing, UNIVERSITY shall be able to license UNIVERSITY Marks (not including the "O" trademark) to Columbia Sportswear for use only on Columbia-branded weatherproof outerwear, windshirts and polo shirts.

5. NIKE'S PRODUCT SUPPLY OBLIGATIONS.

(a) In partial consideration for the rights granted under this Agreement, each Contract Year, UNIVERSITY shall be entitled to order directly from NIKE, and receive, the below-indicated amounts of NIKE Products for use by (or in connection with) the Programs, Program Activities, Game Entertainment Activities, Department-

Related Activities, and such other purposes as UNIVERSITY and UNIVERSITY's Athletic Director may deem appropriate to support the relationship between UNIVERSITY and NIKE. All Products shall be of high quality, consistent with the quality of Products supplied by NIKE to other elite athletic programs. The aggregate retail value of supplied product that UNIVERSITY may order for each Contract Year shall be as set forth in the table below (each, an annual "Supplied Product Limit") unless otherwise adjusted as provided under this Paragraph.

| | |
|---|---|
| 1st Contract Year (2017-18) | $5,000,000 |
| 2nd Contract Year (2018-19) | $5,100,000 |
| 3rd Contract Year (2019-20) | $5,200,000 |
| 4th Contract Year (2020-21) | $5,300,000 |
| 5th Contract Year (2021-22) | $5,400,000 |
| 6th Contract Year (2022-23) | $5,500,000 |
| 7th Contract Year (2023-24) | $5,600,000 |
| 8th Contract Year (2024-25) | $5,700,000 |
| 9th Contract Year (2025-26) | $5,800,000 |
| 10th Contract Year (2026-27) | $5,900,000 |
| 11th Contract Year (2027-28) | $6,000,000 |

(b) UNIVERSITY acknowledges that:

(1) Each Contract Year, UNIVERSITY shall be permitted to carry-over a credit up to $400,000 (retail value), unless otherwise agreed, for any unordered annual allotment of Products from such Contract Year to the subsequent Contract Year. UNIVERSITY will notify NIKE as soon as practicable if UNIVERSITY anticipates it will carry-over a credit to a subsequent Contract Year.

(2) In any Contract Year, UNIVERSITY may elect to adjust the Base Compensation and the Supplied Product Limit applicable to such Contract Year as follows: UNIVERSITY may (x) increase its Base Compensation by up to $100,000 and reduce its Supplied Product Limit by up to $300,000 (on a 1:3 ratio); or (y) reduce its Base Compensation by up to $100,000 and increase its Supplied Product Limit by up to $300,000 (on a 1:3 ratio). UNIVERSITY must notify NIKE in writing of any such election on or before the time UNIVERSITY places its annual Product order.

(3) Annual product allotments shall be delivered to UNIVERSITY generally one month prior to the start of the regular season for each Program and annual allotments must typically be ordered 9-12 months in advance of each season to ensure timely delivery.

(4) Products may be, at NIKE's discretion, NIKE "in-line" product (i.e., product that does not bear UNIVERSITY Marks) and may or may not bear any NIKE Marks.

(5) The exact styles, sizes, delivery dates and, where appropriate, quantities of the NIKE Products supplied under this Paragraph shall be mutually determined by NIKE and UNIVERSITY and subject to availability.

(6) Certain NIKE sports equipment and accessory Products requested by UNIVERSITY for its use as required under this Agreement may, at the time of such request, not be commercially available, and NIKE's inability to provide such requested Product on such occasions shall not be deemed a violation or breach of this Agreement. In the event UNIVERSITY requires Products for Team use that NIKE neither manufactures nor elects to source as provided above, UNIVERSITY may use and/or wear such Product manufactured by a third party ("Competitive Product"); provided, however, UNIVERSITY shall not endorse or otherwise advertise or promote its use of such Competitive Product and shall switch to the use of Product manufactured by NIKE at such time as such Product may become available through NIKE.

(c) Any Product that is supplied to UNIVERSITY in furtherance of this Agreement shall be credited by NIKE against the Supplied Product Limit unless otherwise agreed between UNIVERSITY and NIKE. For example, if NIKE desires to seed a Program with a newly developed product or technology or NIKE desires the support of UNIVERSITY for a brand or product initiative, the parties may agree not to credit the costs against the Supplied Product Limit. If in any Contract Year UNIVERSITY requires any additional Products for use by any Program(s), Department-Related Activities or Game Entertainment Activities in an amount greater than the Supplied Product Limit (and any additional Products supplied as part of a seeding strategy or initiative pursuant to this subparagraph), UNIVERSITY shall purchase any and all such Products directly from NIKE or such authorized NIKE team dealer designated by NIKE, and in no event shall UNIVERSITY purchase such Products from any third party. NIKE's sale of such Products to UNIVERSITY shall be at NIKE published wholesale price, subject to availability. In addition, UNIVERSITY shall be permitted to order other NIKE Products for use by any Program(s) at NIKE's published wholesale price, subject to availability.

(d) All product to be supplied by NIKE hereunder shall be delivered F.O.B. to UNIVERSITY. Only properly submitted orders from UNIVERSITY's Athletic Director or any authorized representative of UNIVERSITY's Athletic Director shall be filled by NIKE.

(e) NIKE shall not be liable to UNIVERSITY for any injury or damage suffered from wearing or using NIKE Products, except such injury or damage resulting from NIKE's adjudicated negligence. *UNIVERSITY specifically waives, only as against NIKE, all warranties, expressed or implied, of merchantability or fitness for a particular purpose.*

6. PROMOTIONAL APPEARANCES.

In connection with the promotion of NIKE Products and/or the NIKE brand, each Contract Year, upon reasonable prior notice and subject to any coaching commitment, if so requested by NIKE, UNIVERSITY shall make the Coach of each Program available for up to three personal appearances on behalf of NIKE. No single appearance shall exceed 24 hours in duration, including travel time, unless otherwise agreed upon in advance. Such appearances may include photo shoots, production sessions related to filming commercials, video productions or advertising, retail store appearances, trade shows, speaking engagements, appearances at sports clinics, celebrity events and other public appearances. UNIVERSITY shall receive no additional compensation for such appearances. NIKE shall pay all reasonable and necessary document out-of-pocket expenses of each Coach, or the basketball team if applicable, in connection with any appearance hereunder.

7. NIKE SPONSOR BENEFITS.

As the exclusive footwear, apparel and accessories product supplier of UNIVERSITY, each Contract Year, UNIVERSITY shall provide NIKE with the following promotional benefits at no additional cost to NIKE except as otherwise indicated:

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

| PROGRAM | NO. OF TICKETS |
|---|---|
| Football | 20 |
| Football (neutral/away) | 6 |
| Basketball (M) | 6 |
| Basketball (M) (neutral/away) | Option to purchase 4* |
| Basketball (W) | 6 |
| All Other Programs | 4 |
| Each football bowl game (including each College Football Playoff Game) | 20 |
| Each other postseason competition for all programs (including any football conference championship game) | 10 |
| *To be purchased by NIKE from UNIVERSITY at ticket face value. | |

Each Contract Year, NIKE shall receive upon prior request: (i) up to 110 tickets (in lieu of the above indicated 20 tickets) to one mutually agreed upon football game; (ii) 30 tickets (in lieu of the above indicated six tickets) to one mutually agreed upon men's basketball game; and (iii) 30 tickets (in lieu of the above indicated six tickets) to one mutually agreed upon women's basketball game (collectively, “NIKE Gameday”). All tickets provided under the foregoing provisions shall be the best available single-game tickets; provided however, UNIVERSITY shall use its best efforts to provide: (i) adjacent seats; (ii) football tickets that are field level and between the 30-yard lines; (iii) basketball tickets that are court level and at or near center court; and (iv) tickets for all other programs that are prime location seating. UNIVERSITY shall also use its best efforts to fulfill NIKE's requests for such additional quantities of tickets as it may reasonably request, such tickets to be best available.

(b) UNIVERSITY shall provide NIKE with the following promotional benefits at no additional cost to NIKE except as otherwise indicated:

(1) "VIP" parking at all football games;

(2) an exclusive area located at the football stadium and (subject to availability) one near the basketball arena, for NIKE hospitality events in conjunction with each home game;

(3) A hospitality event, at NIKE's expense excluding any facility rental fee, for football and basketball NIKE Gameday ticket holders (which may include, for example, a welcome reception (subject to the availability of space])and/or tour of facilities);

(4) At each home game of each Program at which a public-address system and/or electronic message board (or other electronic messaging systems) is used, as applicable, suitable in-game P.A. announcements and/or board messages recognizing NIKE as the exclusive Products supplier and sponsor of UNIVERSITY's Program;

(5) UNIVERSITY shall use its best efforts to provide NIKE with one full-page, four-color NIKE advertisement in every game program- published at no cost to NIKE other than producing the camera-ready ad;

(6) The opportunity to stage promotional events and/or contests around mutually agreed upon home games/competitions, which events or contests may occur pregame, during half-time or post-game;

(7) Reasonable access to Program activities, where appropriate, for the purpose of shooting game-action photographs, film or videotape footage and/or conducting and taping post-game interviews;

(8) UNIVERSITY shall use its best efforts to obtain NIKE Product placement in campus stores (e.g., UNIVERSITY bookstores) system-wide, and/or to establish NIKE Shops and/or NIKE concept shops therein, and the right to display and sell NIKE Products at UNIVERSITY's football stadium and basketball arena concessions stands and/or stores during all games (regardless of the sport) held therein;

(9) The right to display and sell NIKE Products at UNIVERSITY's football stadium and basketball arena concessions stands and/or stores during all games (regardless of the sport) held therein around mutually agreed upon home games/competitions;

(10) NIKE shall be permitted, upon its reasonable request and subject to availability, to use mutually agreed upon UNIVERSITY facilities under the control of the Athletic Department in connection with community-based programs and events held by NIKE;

(11) In addition to the above, UNIVERSITY shall afford NIKE advance notice and the opportunity to consider participation (at NIKE's expense) in any and all additional advertising opportunities, in any media, made available by UNIVERSITY during the Term.

(12) Prominent NIKE name and/or logo recognition in the media guides, schedule cards, posters, newsletters and other sports-related publications or collateral materials for each Program as well as in all appropriate athletic brochures and collateral and promotional materials, including videos, generated or commissioned by UNIVERSITY.

(c) In addition to the foregoing, UNIVERSITY shall provide NIKE with the following program-specific promotional benefits at no additional cost to NIKE except as otherwise indicated:

(1) Football

(i) UNIVERSITY shall use its best efforts to provide NIKE with identification as the exclusive Products supplier and sponsor of UNIVERSITY's Programs during each Coach's show telecast, through a minimum of two 30-second spots per telecast; and

(ii) Prominent game-day signage in UNIVERSITY's football stadium, with the placement and size of such signage to be mutually agreed upon.

(2) Men's Basketball

(i) UNIVERSITY shall use its best efforts to provide NIKE with identification as the exclusive Products supplier and sponsor of UNIVERSITY's Programs during each Coach's show telecast, through a minimum of one 30-second spot per telecast; and

(ii) Prominent signage (courtside, if available) in UNIVERSITY's men's basketball arena, with the placement and size of such signage to be mutually agreed upon.

(3) Women's Basketball

(i) UNIVERSITY shall use its best efforts to provide NIKE with identification as the exclusive Products supplier and sponsor of UNIVERSITY's Programs during each Coach's show telecast, through a minimum of one 30-second spot per telecast; and

(ii) Prominent signage (courtside, if available) in UNIVERSITY's women's basketball arena, with the placement and size of such signage to be mutually agreed upon.

8. USE OF NIKE PRODUCTS.

(a) Throughout the Term, UNIVERSITY shall make NIKE Products available on an exclusive basis to each Program, and shall ensure that Team members, Coaches and Staff wear and use such NIKE Products during Program Activities (including photo sessions and interviews) during which Team members, Coaches and Staff wear and/or use Products except as otherwise provided under this Paragraph and Paragraph 5. UNIVERSITY shall require all Coaches and Team and Staff members to wear and/or use exclusively NIKE Products during such activities. NIKE acknowledges that (1) any Coach's wearing of non-athletic footwear and apparel in connection with his or her official coaching duties; and (2) any Team member's wearing of dress apparel (suits, dress slacks, dress shirts, ties) during Team travel or award celebrations; as appropriate, shall not constitute breaches of this Paragraph.

(b) UNIVERSITY shall ensure that no Team member, Coach or Staff member shall:

(1) Alter or permit the alteration of any NIKE Product supplied hereunder to resemble a non-NIKE Product; or

(2) Wear any non-NIKE Products that have been altered to resemble NIKE Products.

(c) UNIVERSITY shall ensure that during all Program Activities no Team member, Coach or Staff member shall wear and/or use any athletic footwear or other Products manufactured by companies other than NIKE, except as permitted under Paragraph 8(a) and under subparagraphs (1) and (2) below.

(1) If after having used NIKE footwear, a Team member shall at any time suffer any significant foot pain or discomfort attributable to such footwear, and is verified in writing by the Team's physician, UNIVERSITY shall promptly notify NIKE of such occurrence. Upon receipt of such notice, NIKE shall diligently seek to address such Team member's foot pain or discomfort and UNIVERSITY shall fully cooperate with NIKE in its efforts to satisfy such Team member's special footwear requirements, including using UNIVERSITY's best efforts to encourage such Team member to fully cooperate with NIKE's remedial efforts and by facilitating such cooperation by the Team member. To the extent permissible under applicable NCAA and UNIVERSITY rules and regulations, such facilitation by UNIVERSITY may include requesting that the Team member (i) make himself or herself available to be examined (at NIKE's cost) by a podiatrist or other qualified physician (located within the UNIVERSITY metropolitan area) to assist NIKE in determining and verifying the nature and extent of the Team member's foot pain or discomfort connected with the use of such NIKE footwear, (ii) make himself or herself available to NIKE for design consultations and/or tests conducted by NIKE's footwear research and design personnel to determine any special requirements of Team member's foot characteristics, (iii) wear-test customized footwear developed by NIKE to meet such special requirements, and (iv) provide NIKE with product feedback, as requested by NIKE, concerning Team member's findings with respect to such wear-testing (collectively,

"Remedial Efforts"). During the period NIKE is engaged in Remedial Efforts, NIKE shall directly furnish Team member with footwear of his or her choice (produced by any manufacturer whatsoever) but with all visible manufacturer's identification removed or otherwise covered so as to completely obscure such manufacturer's identification.

(2) If notwithstanding Remedial Efforts, a Team member is still unable to wear NIKE footwear, then such Team member shall be permitted to wear non-NIKE footwear provided all visible manufacturer's identification is removed or otherwise covered so as to completely obscure such manufacturer's identification.

(d) 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 and footwear 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, including the adoption or accession to any restriction, prohibition or regulation, 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 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.

(e) 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 Program Activities, 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 not medically necessary), 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 Team members/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 Team members' feet and/or ankles. NIKE acknowledges UNIVERSITY's obligation to safeguard protected health information as required by law.

(f) UNIVERSITY shall ensure that all UNIVERSITY students participating in Game Entertainment Activities or Department-Related Activities shall wear exclusively NIKE footwear and NIKE (or unbranded) Apparel Products.

(g) UNIVERSITY shall not distribute any Products manufactured by companies other than NIKE in connection with Department-Related Activities.

(h) UNIVERSITY shall not permit the trade name, trademark, name, logo or any other Identification of any person, company or business entity other than NIKE, a Team member, or UNIVERSITY if approved by NIKE, to appear on NIKE Products worn or used by Coaches, Staff or Team members.

(i) NIKE acknowledges that the use (including the incidental display of any NIKE Marks thereon) of balls, bats and sports timing devices by any Team shall be subject to compliance with technical specification and logo display standards, if any, set by the Conference or the NCAA.

9. DESIGN & MARKETING CONSULTATION.

(a) UNIVERSITY acknowledges NIKE's industry leadership in the design of performance products and its expertise and innovation in the area of sports marketing and that such leadership, expertise and innovation is a material inducement to UNIVERSITY's entrance into this Agreement. NIKE shall continue its efforts to produce high quality Products through consultation with coaches and staff of successful athletic programs such as UNIVERSITY's 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 reasonable request by NIKE, UNIVERSITY shall require 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. UNIVERSITY further acknowledges that this undertaking is a material term, and is of the essence of this Agreement.

(c) The parties shall endeavor in good faith throughout the Term to develop plans and methods to market and/or promote the activities and accomplishments of the Teams, UNIVERSITY's endorsement of NIKE Products, and the sale of Licensed Products. The parties shall cooperate with each other to facilitate the advancement of new ideas and approaches in the development of such marketing and promotional plans, and to take advantage of joint marketing and promotional opportunities. If NCAA and Conference rules and/or regulations change during the Term and become less restrictive, UNIVERSITY shall consider, in good faith, such additional exposure opportunities as may be presented to it by NIKE as are consistent with such new rules and/or regulations. UNIVERSITY and NIKE shall meet at least quarterly each Contract Year in connection with fulfilling their obligations pursuant to this Paragraph.

10. CASH COMPENSATION.

(a) NIKE shall pay UNIVERSITY Base Compensation as follows: (i) a one-time payment of $3,000,000 to be paid within 30 days of full execution this Agreement (the “Advance”) and (ii) the annual amounts set forth in the following table, to be paid in two equal semi-annual installments on December 1 and May 1 of each Contract Year. All payments of Base Compensation are subject to all terms and conditions of this Agreement (e.g., any applicable prorations, reductions, etc.). For purposes of determining any annualized or annual scheduled Base Compensation, the Advance will be prorated equally over the 1st through 11th Contract Years.

| | |
|---|---|
| 1st Contract Year (2017-18) | $2,000,000 |
| 2nd Contract Year (2018-19) | $2,000,000 |
| 3rd Contract Year (2019-20) | $2,000,000 |
| 4th Contract Year (2020-21) | $2,000,000 |
| 5th Contract Year (2021-22) | $2,000,000 |
| 6th Contract Year (2022-23) | $2,000,000 |
| 7th Contract Year (2023-24) | $2,500,000 |
| 8th Contract Year (2024-25) | $2,500,000 |
| 9th Contract Year (2025-26) | $2,500,000 |
| 10th Contract Year (2026-27) | $2,500,000 |
| 11th Contract Year (2027-28) | $2,500,000 |

(b) UNIVERSITY acknowledges that the principal inducements for NIKE's entrance into this Agreement are: (i) the wide-spread national television and other media exposure that the Flagship Programs annually receive, 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), on Authentic Competition Apparel and that such continued exposure is of the essence of this Agreement. Accordingly, if in any Contract Year either the men's basketball or football Program is banned from television appearances or if, for any reason, NIKE's logo placement rights are substantially diminished (in terms of size, location placement, color prominence and/or number), in lieu of NIKE's exercise of its termination right under Paragraph 17, then for such Contract Year NIKE shall have the right to implement a reduction in UNIVERSITY's scheduled Base Compensation, up to the maximum reductions indicated below:

| PROGRAM | % REDUCTION |
|---|---|
| Football | 60% |
| Basketball (M) | 50% |

If NIKE logo placement rights are diminished in a manner other than as enumerated above, NIKE shall have the right to in good faith equitably reduce scheduled Base Compensation to be paid UNIVERSITY going forward taking into account the nature and extent of the diminution of rights.

(c) UNIVERSITY further acknowledges that (i) the principal inducement for NIKE's entrance into this Agreement is the exposure that the NIKE brand receives through the prominent visibility of the NIKE Swoosh Design. logo (or other NIKE logo) that appear on the side (and other locations) of the football shoes worn by members of the football team, (ii) such continued brand exposure is of the essence of this Agreement, and (iii) the “polishing-out, “spatting” or taping of football shoes in any manner so as to cover or obscure any portion of any NIKE logo is inconsistent with the purpose of this Agreement and the expected benefits to be derived from it by NIKE and is a material breach of this Agreement (other than as specifically permitted under Paragraph 8(e)(i)). Accordingly, if members of the football team shall polish-out, spat, or otherwise tape their NIKE footwear, in lieu of NIKE's exercise of its termination right under Paragraph 17 (if any), NIKE in its exercise of discretion shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation (for the Contract Year in which such polishing-out, spatting or taping occurs) as follows:

(1) For each and any game in which five or more Team members' shoes appear on-field (in game action) polished-out, spatted, or taped for any reason (including as permitted under Paragraph 8(e)(i)) [e.g., if both of a Team member's shoes are spatted then that counts as two such appearances], NIKE shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation by 1% per shoe (in excess of five shoes) that has been so polished out, spatted or taped, up to a maximum of 5% per game.

(2) For each Team member that shall appear on-field (in game action) with polished-out, spatted, or taped footwear in any season for any reason (other than as specifically permitted under Paragraph 8(e)(i)) after NIKE has provided UNIVERSITY with written notice of such occurrence by such Team member, NIKE shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation by 2% for the next occurrence following such notice, and an additional 2% for each occurrence by such Team member thereafter.

(d) In addition to the Base Compensation set forth above, NIKE shall pay UNIVERSITY cash bonuses as set forth on Schedule A for the indicated performance bonuses achieved by the football Team for any Contract Year, each such bonus to be paid within 30 days of NIKE’s receipt of written notification from UNIVERSITY that such bonus has been earned. Notwithstanding the foregoing, UNIVERSITY acknowledges that if it is subject to sanctions in which any of the accomplishments resulting in a bonus is vacated, UNIVERSITY shall be required to return to NIKE any performance bonus paid for such vacated accomplishment within 60 days of notice from NIKE (or, if UNIVERSITY so elects, NIKE may offset such amounts against future cash payments due to UNIVERSITY).

11. ADDITIONAL CONSIDERATION & TERMS.

(a) In support of NIKE's Global Community Impact programming, UNIVERSITY agrees to exercise best efforts each Contract Year to provide NIKE with 50 general admission tickets to one home game for each Flagship Program to enable NIKE to invite youth from the Boys & Girls Club of America or a comparable non-profit program to attend the games. UNIVERSITY agrees that each Contract Year it will provide to NIKE advance written notification of the availability of such tickets and the designated game dates and number of tickets which it will provide to NIKE.

(b) Each Contract Year, NIKE shall offer two summer intern positions to enable students attending UNIVERSITY to take part in NIKE's internship program by working for NIKE. As consideration for such position, NIKE shall offer each participating student, at NIKE's election, either: (1) a salary at NIKE's prevailing rate of pay for such position, or (2) academic credit, as approved in writing by UNIVERSITY. NIKE shall be solely responsible for complying with all federal and state tax withholding and reporting obligations in connection with any salary paid to such students hereunder. Students applying for intern positions must comply with all timelines and other procedures established by NIKE.

12. ADVERTISING APPROVALS.

In the event NIKE desires to use the UNIVERSITY Marks in any consumer advertising or promotion, NIKE shall first submit a sample or the concept of the proposed advertisement or promotion to UNIVERSITY for approval, which approval shall not be unreasonably withheld. UNIVERSITY shall use its best efforts to advise NIKE of its approval or disapproval of the sample or concept within ten calendar days of its receipt thereof. UNIVERSITY'S approval, or disapproval, shall be in writing. (If a submission is disapproved, UNIVERSITY's written notice thereof shall set forth in reasonable detail the basis for such disapproval.) Any submitted item that has not been disapproved within ten calendar days of receipt by UNIVERSITY shall be deemed approved. Once a submitted sample or concept is approved, NIKE shall not depart therefrom in any material respect without re-submission of the item and obtaining UNIVERSITY's further approval.

13. DEVELOPMENT OF NEW LOGO & TRADEMARK OWNERSHIP.

(a) If UNIVERSITY desires to develop an additional trademark, service mark, symbol, character and/or logographic representing UNIVERSITY's Programs (collectively, “New Logo”), UNIVERSITY shall in writing notify NIKE of such intention and agrees to meet with NIKE, upon NIKE's request, to discuss in good faith the use of NIKE's services to design such New Logo. Such discussions must occur prior to UNIVERSITY's engaging in negotiations with any third party to provide such design services should UNIVERSITY elect to have NIKE undertake such design assignment, NIKE shall provide such design services at no expense to UNIVERSITY except as provided below. In the event NIKE designs such New Logo and it is approved by UNIVERSITY, then UNIVERSITY shall be the sole owner of all right, title and interest in and to the New Logo but NIKE shall have the exclusive right during the Term to develop, promote, market and sell Products bearing the New Logo, including replica items of Authentic Competition Apparel and UNIVERSITY warrants that it shall not use or license, or otherwise permit any third parties to use, the New Logo on or in connection with Products, 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.

14. RIGHTS OF FIRST DEALING AND FIRST REFUSAL, CONTRACT EXTENSION.

(a) If any branch-campus of UNIVERSITY (“Branch School”) fields and maintains a Division I team that seeks an exclusive Product supplier, NIKE shall have the right of first refusal to obtain such additional rights as follows. UNIVERSITY shall meet with NIKE (or arrange for NIKE to meet with the appropriate authorities if such rights are not exclusively controlled by UNIVERSITY) to discuss in good faith the granting of such rights to NIKE. Such discussions must occur prior to Branch School engaging in negotiations with any manufacturer, distributor or seller of Products other than NIKE. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually' satisfactory terms. If good faith negotiations with NIKE do not result in the consummation of an agreement, UNIVERSITY shall, thereafter, notify NIKE in writing of any bona fide third-party offer that Branch School receives during the Term for such rights, and shall submit to NIKE in writing the specific terms of such bona fide third-party offer, at least 15 business days' prior to entering into an agreement with such third party. If NIKE agrees to match or better the material, measurable and matchable terms of such third-party offer within such 15-business-day period, Branch School agrees to enter into a contract with NIKE on the terms of the offer made by NIKE. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third-party offer within such 15-business-day period, Branch School may thereafter consummate an agreement with such third party, on the terms of the offer made to Branch School.

(b) 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. Prior to November 30, 2027 (the “Exclusive Negotiating End Date”), UNIVERSITY shall not engage in discussions or negotiations with any third party with respect to the supply of Products to or sponsorship of any Program after the Term (“Product Supply/Sponsorship”).

(c) Throughout the Term, and for a period of 180 days thereafter, NIKE shall have the right of first refusal for Product Supply/Sponsorship as follows: the renewal of the rights granted to NIKE by UNIVERSITY herein in connection with the advertisement, promotion and sale of Products, as follows. If UNIVERSITY receives any bona fide third-party offer at any time on or after the Exclusive Negotiating End Date with respect to any Product Supply/Sponsorship, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third-party offer in the form of a true and complete copy which shall be on the offeror's letterhead or other identifiable stationery or imprint readily authenticatable by NIKE as having originated with such third-party offeror. NIKE shall have 15 business days from the date of its receipt of such true copy of the 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-business-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-business-day period, UNIVERSITY may thereafter consummate an agreement with such third party on the terms of the offer made to UNIVERSITY. Prior to the Exclusive Negotiating End Date, UNIVERSITY shall not solicit, consider or present to NIKE, and NIKE shall not be obligated to respond to, any third-party offer for any Product Supply/Sponsorship.

(d) In the event the NCAA Division I Committee on Infractions sanctions UNIVERSITY by placing the institution on probation for a “major violation” of NCAA rules (or UNIVERSITY self-imposes sanctions) that results in any one or more of the following: (1) either the football or men’s basketball program receiving a television or postseason appearance ban for longer than a single playing season, or (2) a reduction in the number of grants-in-aid (scholarships) available by two or more scholarships for two or more seasons for men’s basketball or six or more scholarships for two or more seasons for football, then in lieu of exercising its right of termination under Paragraph 17, NIKE shall have the right, exercisable upon written notice to UNIVERSITY, to extend the Term for the number of Contract Years that corresponds to the number of impacted seasons on the same terms in effect at the time of imposition of such sanctions (and subject to any applicable reductions). (For example, if the football program was subject to a two-year postseason competition ban, NIKE would be entitled to extend this Agreement for a period of two additional Contract Years.) Such right shall only be exercised within one year after the issuance of a final decision by the NCAA following the conclusion of any internal appeal process (or the implementation of self-imposed sanctions).

15. RIGHTS FOR NEW PRODUCTS.

From time-to-time during the Term, NIKE may add to its Products line one or more items of sports equipment. If at any time during the Term NIKE shall have a bona fide intention to expand its Products line by adding any such item(s), then NIKE may give UNIVERSITY advance written notice of the particular item(s) then in development by NIKE and an adequate opportunity to sample and field test the new item(s). UNIVERSITY agrees (subject to the Athletic Director's and Coach's satisfaction as to quality and suitability and subject to mutually acceptable additional compensation) that if UNIVERSITY has not already entered into or substantially negotiated a product supply or sponsorship agreement with respect to such item(s) for the applicable program, it will not do so during the 180-day period next following the date on which UNIVERSITY receives such written notice from NIKE. If during such 180-day period, NIKE shall notify UNIVERSITY that an item is commercially available, then (subject to the Athletic Director's and Coach's satisfaction as to quality and suitability and subject to mutually acceptable additional compensation) such item(s) shall thereafter be deemed to be included in “Products” as defined in Paragraph 1(o) and “NIKE Products” as defined in Paragraph 1(p) 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, NIKE shall supply UNIVERSITY with mutually agreed reasonable quantities of such new Product item(s) 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.

16. RIGHT OF TERMINATION BY UNIVERSITY.

Without prejudice to any other right UNIVERSITY may have hereunder or otherwise, UNIVERSITY shall have the right to terminate this Agreement immediately upon written notice to NIKE if:

(a) NIKE is adjudicated insolvent or declares bankruptcy;

(b) NIKE fails to make payment to UNIVERSITY of any sum due pursuant to this Agreement within 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 30 days following NIKE's receipt of written notice from UNIVERSITY specifying such breach.

17. RIGHT OF TERMINATION BY NIKE.

(a) Without prejudice to any other right UNIVERSITY may have hereunder or otherwise, NIKE shall have the right to terminate this Agreement immediately upon written notice to UNIVERSITY if:

(1) UNIVERSITY is placed on NCAA probation or UNIVERSITY self-imposes sanctions relating to the football or men’s basketball Program resulting in a television or postseason ban of at least one year or any other probation that lasts for at least two years, or UNIVERSITY ceases for any reason to field a Division I team in any of the Flagship Programs;

(2) Except as provided in Paragraph 8(c), members of any Team fail to wear or use NIKE Products during Program Activities or other occasions during which Team members wear or use Products (including photo sessions and interviews), or wear NIKE Products altered, spatted or taped, in violation of the provisions of Paragraph 8; 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 or Staff fails to perform any material obligations provided for in this Agreement;

(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 (i) any substantial diminution of NIKE's logo placement rights (in terms of size, location placement, color prominence and/or number) on Products-or Licensed Products, including any total ban on the placement of camera-visible logo identification on Authentic Competition Apparel or Equipment, (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;

(5) UNIVERSITY takes any other action inconsistent with the endorsement of NIKE Products; or

(6) UNIVERSITY breaches any warranty or other material term of this Agreement, which breach UNIVERSITY fails to cure, if curable, within 30 days of NIKE's delivery of written notice to UNIVERSITY of any such breach.

(b) In the event of termination under this Paragraph or Paragraph 16, 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 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 30 days of the date of termination.

18. NIKE POST-TERMINATION RIGHTS.

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

(a) For a period of six months, run any non-cancelable media involving the UNIVERSITY Marks and exhaust all advertising and promotional materials which were produced prior to the effective date of expiration or termination;

(b) For a period of six months, complete and dispose of any Licensed Products which are on-hand or in-process and fulfill orders received prior to the effective date of expiration or termination, provided royalties thereon are paid and reported in accordance with the provisions of this Agreement; and

(c) Use, in perpetuity, game videotapes, films or photographs acquired or licensed under this Agreement for in-house exhibition for historical, educational or commemorative purposes.

19. INDEMNIFICATIONS.

(a) NIKE shall defend, indemnify and hold harmless UNIVERSITY, its trustees, directors, officers, employees, and agents (collectively, "UNIVERSITY Parties") from and against all suits, actions, claims, judgments, damages, losses, liabilities, costs and expenses, including reasonable attorney fees, ("Claims") incurred by any UNIVERSITY Parties arising out of or relating to: (i) NIKE's breach of any term of this Agreement; or (ii) acts or omissions of NIKE, or those of its employees and/or agents, provided NIKE is given prompt written notice of and shall have the option to undertake and conduct the defense of any such Claim. In any instance to which the foregoing indemnities pertain, UNIVERSITY Parties shall cooperate fully with and assist NIKE in all respects in connection with any such defense, and no UNIVERSITY Party shall enter into a settlement of such Claim or admit liability or fault on the part of NIKE without NIKE's prior written approval. If NIKE chooses to defend UNIVERSITY, counsel chosen by NIKE shall be reasonably acceptable to UNIVERSITY's General Counsel.

(b) Subject to Oregon Const., Art. XI, Section 7, and ORS 30.260-.285, UNIVERSITY shall defend, indemnify and hold harmless NIKE, its directors, officers, employees, agents and assigns, from and against all Claims incurred by NIKE arising out of or relating to: (I) a Claim that NIKE's use of any UNIVERSITY Mark violates or infringes upon the trademark, copyright or other right of any third party; (ii) a Claim that NIKE's use of any Coach Properties violates the rights of publicity, right of privacy or any other right of any Coach; (iii) acts or omissions of any UNIVERSITY Party (excluding acts or omissions of Coaches while traveling to and from, participating in, or being present at activities/events described in Paragraph 6); or (iv) UNIVERSITY's breach of any warranty in or other term of this Agreement, provided UNIVERSITY is given prompt written notice of and shall have the option to undertake and conduct the defense of any such Claim. In any instance to which the foregoing indemnities pertain, NIKE shall cooperate fully with and assist UNIVERSITY in all respects in connection with any such defense, and NIKE shall not enter into a settlement of such Claim or admit liability or fault on the part of UNIVERSITY without UNIVERSITY's prior written approval.

20. 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 may 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.

21. 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 Manager
cc: Attn: NTS Licensing Manager
(on retail licensing matters only)

**University of Oregon**
Len Casanova Athletic Center
2727 Leo Harris Parkway
Eugene, OR 97401
Attn: Director of Intercollegiate Athletics
cc: Attn: Office of Trademark & Licensing Services
(on retail licensing matters only)

22. RELATIONSHIP OF PARTIES.

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

23. 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.

(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 without UNIVERSITY's prior approval, which approval shall not be unreasonably withheld.

24. 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.

25. 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 shall accomplish as near as possible the purpose and intent of the invalidated provision.

26. 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) Except as otherwise provided under Paragraph 6, neither UNIVERSITY nor any Coach or 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.

(c) It is the sole and exclusive owner of the UNIVERSITY Marks throughout North America and the European Union.

(d) During the Term, UNIVERSITY will not, without the prior written consent of NIKE:

(1) Sponsor, endorse or allow any Coach or Staff member to sponsor, endorse or wear and/or use athletic footwear or other Products sold by any third party;

(2) Allow any student participating in Game Entertainment Activities or Department-Related Activities to wear Apparel Products bearing the trademark, brand or logo of, or wear footwear manufactured or sold by, any third party;

(3) Enter into, or allow any Coach or Staff member to enter into, any endorsement, promotional, consulting, supply or similar agreement or relationship with any manufacturer or seller of Products other than NIKE;

(4) Sell to any person or entity Products purchased or provided hereunder by NIKE or any other third party;

(5) In connection with any varsity club sport, Game Entertainment Activity, Department-Related Activity, intramural sport, or UNIVERSITY, or Coach-operated and/or licensed sports camp, enter into any sponsorship, endorsement, promotional, consulting, supply or similar agreement or relationship with any manufacturer or seller of Products other than NIKE;

(6) Permit the trade name, trademark, name, logo or any other identification of any manufacturer or seller of Products other than NIKE to appear on signage at practices, games, exhibitions, clinics, sports camps and other official or UNIVERSITY sanctioned Program activities (including photo sessions and interviews); or

(7) Take any action inconsistent with the endorsement of NIKE Products, or allow any Coach or Staff member to take any such action.

(e) 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.

27. CONFIDENTIALITY.

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

28. INTERPRETATION.

Paragraph captions and other headings in this Agreement are for reference only and shall not describe, interpret, define or limit the scope, extent or intent or otherwise affect the interpretation of this Agreement or any provision hereof. For purposes of this Agreement, (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

29. GOVERNING LAW.

This Agreement shall be governed by and construed in accordance with the laws of the state of Oregon. Any suit or action arising hereunder shall be filed in a court of competent jurisdiction Within the state of Oregon. The parties hereby consent, to personal jurisdiction within the state of Oregon. Service shall be as required by statute. In no way will this section be construed as a waiver by UNIVERSITY of any form of defense or immunity from any claim or from the jurisdiction of any court.

30. ENTIRE AGREEMENT.

As of the effective date hereof, this Agreement shall constitute the entire understanding between UNIVERSITY and NIKE and may not be altered or modified except by a written agreement, signed by both parties. Any previous agreements between UNIVERSITY and NIKE shall have no further force or effect. UNIVERSITY and NIKE expressly agree that this Agreement supersedes and replaces the final year of the Prior Agreement in its entirety.

31. COMPLIANCE WITH APPLICABLE LAW.

Each party agrees to comply with all applicable federal, state, county and local laws, ordinances, rules and regulations, including all applicable anti-bribery and anti-corruption laws and regulations, in connection with this Agreement.

32. TAX COMPLIANCE CERTIFICATION.

NIKE certifies, under penalty of perjury, as provided in ORS 305.385(6), that, to the best of NIKE's knowledge, NIKE is not in violation of the tax laws described in ORS 305.380(4). ORS 305.380(4) states: “'Tax' means a state tax imposed by ORS Chapters 118, 314, 316, 317, 318, 320, 321 and 323 and sections 10 to 20, Chapter 533, Oregon Laws 1981, as amended by Chapter 16, Oregon Laws 1982 (first special session); the elderly rental assistance program under ORS 310.630 to 310.706; and local taxes administered by the Department of Revenue under ORS 305.620.

33. TERMINATION DUE TO NONAPPROPRIATION OF FUNDS.

If sufficient funds are not provided in future legislatively approved budgets of UNIVERSITY or from other sources to permit UNIVERSITY in the exercise of its reasonable administrative discretion to continue this Agreement, or if UNIVERSITY or its Athletic Department is abolished, UNIVERSITY may terminate this Agreement without further liability by giving NIKE not less than 30 days' written notice, if feasible. In determining the availability of funds from the Oregon Legislature for this Agreement, UNIVERSITY may use the budget adopted for it by the Joint Ways and Means Committee of the Oregon Legislative Assembly.

34. NIKE CODE OF CONDUCT.

NIKE and UNIVERSITY have a shared commitment to responsible sourcing practices. NIKE will require any factory making Authentic Competition Apparel or Licensed Products to comply with the NIKE Code of Conduct and Code Leadership standards, as published by NIKE. NIKE will periodically audit its contract manufacturers' compliance with the Code of Conduct and Code Leadership Standards, and will require the contract manufacturers to remediate any identified issues of non-compliance in a reasonable manner.

35. COUNTERPARTS.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

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

| | |
|---|---|
| UNIVERSITY OF OREGON | NIKE USA, Inc. |
| By:_________________________ | By: _________________________ |
| Printed Name: ________________ | Printed Name: _______________ |
| Its:__________________________ | Its: _________________________ |
| Date: ________________________ | Date: ________________________ |

**SCHEDULE A**

The following football bonuses are cumulative:

Plays in Pac-12 Championship Game: $10,000
Wins Pac-12 Championship Game: $20,000
Plays in a College Football Playoff Bowl* game: $25,000
Plays in the National Championship: $50,000
Wins the National Championship: $100,000

* means any of the following bowl games (or replacement bowl games) within the format used to determine the "National Championship" and currently consisting of the Chick-fil-A Bowl, Cotton Bowl, Orange Bowl, Sugar Bowl, Fiesta Bowl, Rose Bowl and National Championship Game.