



UNIVERSITY OF WASHINGTON
Board of Regents

November 13, 2008

TO: Members of the Board of Regents
Ex-officio Representatives to the Board of Regents

FROM: Joan Goldblatt, Secretary of the Board of Regents

RE: Schedule of Meetings

THURSDAY, NOVEMBER 20, 2008

9:00 a.m. to 12:30 p.m. 142 Gerberding Hall

**FINANCE, AUDIT AND FACILITIES
COMMITTEE:** Regents Blake (Chr),
Brotman, Jewell, Kiga, Simon

12:40 p.m. to 1:50 p.m. 142 Gerberding Hall

**ACADEMIC AND STUDENT AFFAIRS
COMMITTEE:** Regents Simon (Chr), Barer,
Gates, Proctor, Willynck

in Joint Session with

**FINANCE, AUDIT AND FACILITIES
COMMITTEE:** Regents Blake (Chr),
Brotman, Jewell, Kiga, Simon

2:00 p.m. to 2:30 p.m. 142 Gerberding Hall

**ACADEMIC AND STUDENT AFFAIRS
COMMITTEE:** Regents Simon (Chr), Barer,
Gates, Proctor, Willynck

**3:00 p.m. Petersen Room
Allen Library**

**REGULAR MEETING OF BOARD OF
REGENTS**

FRIDAY, NOVEMBER 21, 2008

**Noon to 2:30 p.m. Regents Room
Lewis Alumni Center
Washington State University
Pullman**

**SPECIAL MEETING OF THE UW
BOARD OF REGENTS**

**3:00 p.m. to 5:00 p.m. Compton Union Building
Room 204
Washington State University
Pullman**

**SPECIAL JOINT MEETING OF THE
WSU AND UW BOARDS OF REGENTS**

**6:00 p.m. to 9:00 p.m. Compton Union Building
Junior Ballroom
Washington State University
Pullman**

**Reception and Dinner with WSU Board of
Regents and guests**

SATURDAY, NOVEMBER 22, 2008

**10:00 a.m. to noon Compton Union Building
Ballroom
Washington State University
Pullman**

**Reception with WSU Board of Regents and
guests**



UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

PRELIMINARY AGENDA

November 20, 2008

3:00 p.m. – Petersen Room, Allen Library

(Item No.)

I. CALL TO ORDER

II. ROLL CALL

III. CONFIRM AGENDA

IV. REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Cole

Resolution Regarding Schedule of Regular Board Meetings in 2009 BP-1

V. REPORT OF THE UNIVERSITY PRESIDENT: Dr. Emmert

VI. CONSENT AGENDA

Approval of Minutes of Meeting of October 16, 2008

UW Tacoma Master Plan F-19

Intercollegiate Athletic Department–Approval of Product Supply and
Appearance & Consultation Agreements with NIKE F-20

Grant and Contract Awards–July and August, 2008 F-2

Securities Transactions–Authorized Signatures F-3

On-Call Civil and Structural Master Term Engineering Agreement–Select
Engineering Firm F-4

Sound Transit University Link Final Design–Approval for Construction F-8

Purchase of Cavalier Apartment Building F-9

Amendment to the Consolidated Endowment Fund Investment Policy F-10

Washington Dental Service Building for Early Childhood Oral Health–Approve
Budget Adjustment and Review Schematic Design F-12

Magnuson Health Sciences Center Sixth Floor and RR–Wing Renovation–
Approve Budget Adjustment and Approve Debt Funding F-13

VII. STANDING COMMITTEES**A. Academic and Student Affairs Committee: Regent Simon – Chair**Academic and Administrative Appointments (**ACTION**) A-1

Demographics of Incoming Freshman Class–Overview of Campuses, Including Diversity Make-Up (Information only) A-2

B. Finance, Audit and Facilities Committee: Regent Blake – Chair

Report of Contributions–September, 2008 (Information only) F-1

Actions Taken Under Delegated Authority (Information only) F-5

Metropolitan Tract Performance Report for the Quarter Ended September 30, 2008 (Information only) F-6

Portage Bay Insurance Annual Report (Information only) F-7

Debt Funded Project Review (Information only) F-11

Lewis Hall Renovation–Review Schematic Design (Information only) F-14

UW Tacoma Phase 3–Review Schematic Design (Information only) F-15

Capital Projects Office Semi-Annual Status Report (Information only) F-16

Investment Performance Report, First Quarter Fiscal Year 2009 (Information only) F-17

Market Update (Information only) F-18

VIII. OTHER BUSINESS

Reports from ex-officio representatives to the Board:

Faculty Senate Chair – Professor David Lovell**ASUW President – Mr. Anttimo Bennett****GPSS President – Mr. Jake Faleschini****Alumni Association President – Mr. Rick Osterhout****IX. DATE FOR NEXT REGULAR MEETING: December 11, 2008****XI. ADJOURNMENT**



**UNIVERSITY OF WASHINGTON
BOARD OF REGENTS**

AGENDA
November 20, 2008
3:00 p.m.
Petersen Room, Allen Library

(Item No.)

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Academic and Administrative Appointments (ACTION)	A-1
Demographics of Incoming Freshman Class–Overview of Campuses, Including Diversity Make-Up (Information only)	A-2

B. Finance, Audit and Facilities Committee: Regent Blake – Chair

Report of Contributions–September, 2008 (Information only)	F-1
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Capital Projects Office Semi-Annual Status Report (Information only)	F-16
Investment Performance Report, First Quarter Fiscal Year 2009 (Information only)	F-17
Market Update (Information only)	F-18
Budget Update (Information only)	F-21

VIII. OTHER BUSINESS

Reports from ex-officio representatives to the Board:

Faculty Senate Chair – Professor David Lovell

ASUW President – Mr. Anttimo Bennett

GPSS President – Mr. Jake Faleschini

Alumni Association President – Mr. Rick Osterhout

IX. DATE FOR NEXT REGULAR MEETING: December 11, 2008**XI. ADJOURNMENT**



UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

Finance, Audit and Facilities Committee
Regents Blake (Chair), Brotman, Jewell, Kiga, Simon

November 20, 2008
9:00 a.m. to 12:30 p.m.
142 Gerberding Hall

1. **Grant and Contract Awards–July and August, 2008** ACTION F–2
Phyllis M. Wise, Provost and Executive Vice President
2. **Securities Transactions–Authorized Signatures** ACTION F–3
Susan Ball, Senior Associate Treasurer, Treasury Office
3. **On-Call Civil and Structural Master Term Engineering Agreement–Select Engineering Firm** ACTION F–4
Richard Chapman, Associate Vice President, Capital Projects Office
4. **Actions Taken Under Delegated Authority** INFORMATION F–5
Richard Chapman
5. **Metropolitan Tract Performance Report for the Quarter Ended September 30, 2008** INFORMATION F–6
Jeannette Henderson, Director, Real Estate Office
Lisa Stewart, Principal, Urbis Partners, LLC
V’Ella Warren, Senior Vice President
6. **Portage Bay Insurance Annual Report** INFORMATION F–7
Elizabeth Cherry, Executive Director, Risk Management
7. **Report of Contributions–September, 2008** INFORMATION F–1
Walter G. Dryfoos, Associate Vice President, Advancement Services
Connie Kravas, Vice President, University Advancement
8. **Sound Transit University Link Final Design–Approval for Construction** ACTION F–8
Richard Chapman
Andy Casillas, Project Manager, Capital Projects Office
Joni Earl, CEO, Sound Transit
John Harrison, University Link Project Director, Sound Transit
9. **Purchase of Cavalier Apartment Building** ACTION F–9
Robert Lubin, Assistant Director, Facilities Operations, Housing and Food Services
Jeannette Henderson, Director, Real Estate Office
Chris Malins, Senior Associate Treasurer, Treasury Office
10. **Amendment to the Consolidated Endowment Fund Investment Policy** INFORMATION F–10
V’Ella Warren
Max Senter, Investment Consultant and Managing Director, Cambridge Associates
11. **Debt Funded Project Review** INFORMATION F–11
Doug Breckel, Associate Vice President, Treasury Office
Chris Malins

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|-----|--|-------------------------|
| 12. | Washington Dental Service Building for Early Childhood Oral Health—Approve Budget Adjustment and Review Schematic Design
Richard Chapman
Eric Smith , Director, Capital Projects South, Capital Projects Office
Wayne Sugai , Assistant Treasurer, Treasury Office | ACTION F-12 |
| 13. | Magnuson Health Sciences Center Sixth Floor and RR—Wing Renovation—Approve Budget Adjustment and Approve Debt Funding
Richard Chapman
Paul Jenny , Vice Provost, Planning and Budgeting
Eric Smith
Chris Malins | ACTION F-13 |
| 14. | Lewis Hall Renovation—Review Schematic Design
Richard Chapman
John Palewicz , Director, Capital Project Central, Capital Projects, Capital Projects Office | INFORMATION F-14 |
| 15. | UW Tacoma Phase 3—Approve Schematic Design
Richard Chapman
Patricia Spakes , Chancellor, UW Tacoma
Eric Smith
Catherine Vogt , Project Manager, Capital Projects Office | INFORMATION F-15 |
| 16. | Capital Projects Office Semi-Annual Status Report
Richard Chapman | INFORMATION F-16 |
| 17. | Investment Performance Report, First Quarter Fiscal Year 2009
Keith Ferguson , Chief Investment Officer, Treasury Office | INFORMATION F-17 |
| 18. | Market Update
Keith Ferguson
Doug Breckel
Lisa Stewart | INFORMATION F-18 |
| 19. | Other Business | |



UNIVERSITY OF WASHINGTON
BOARD OF REGENTS

Academic and Student Affairs Committee
Regents Simon (Chr), Barer, Gates, Proctor, Willynck

In Joint Session with

Members of the Finance, Audit and Facilities Committee
Regents Blake (Chr), Brotman, Jewell, Kiga, Simon

**November 20, 2008
12:40 to 1:50 p.m.
142 Gerberding Hall**

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|----|--|--------------------|------|
| 1. | Budget Update
Mark Emmert, President
Phyllis Wise, Provost and Executive Vice President
Paul Jenny, Vice Provost, Planning and Budgeting
Randy Hodgins, Interim Vice President, Director of State Relations, Office of External Affairs | INFORMATION | F-21 |
| 2. | UW Tacoma Master Plan
Patricia Spakes, Chancellor, UW Tacoma | ACTION | F-19 |
| 3. | Intercollegiate Athletic Department–Approval of Product Supply and Appearance & Consultation Agreements with NIKE
Mark Emmert
Scott Woodward, Athletic Director | ACTION | F-20 |
| 4. | Executive Session
(To review the performance of public employees) | | |
| 5. | Executive Session
(To discuss with legal counsel representing the University, litigation or potential litigation to which the University is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequences to the University.) | | |
| 6. | Other Business | | |



**UNIVERSITY OF WASHINGTON
BOARD OF REGENTS**

Academic and Student Affairs Committee
Regents Simon (Chair), Barer, Gates, Proctor, Willynck

**November 20, 2008
2:00 to 2:30 p.m.
142 Gerberding Hall**

1. **Academic and Administrative Appointments** **ACTION** A-1
Phyllis M. Wise, Provost and Executive Vice President

2. **Demographics of Incoming Freshman Class—Overview of Campuses, Including Diversity Make-Up** **INFORMATION** A-2
Philip Ballinger, Director of Admissions
Eric Godfrey, Vice Provost for Student Life
Sheila Edwards Lange, Vice President for Minority Affairs,
Vice Provost for Diversity
Patricia Spakes, Chancellor, UW Tacoma
Kenyon Chan, Chancellor, UW Bothell

3. **Other Business**

MINUTES

BOARD OF REGENTS University of Washington

November 20, 2008

The Board of Regents held its regular meeting on Thursday, November 20, 2008, beginning at 3:30 p.m. in the Petersen Room of the Allen Library. The notice of the meeting was appropriately provided to the public and the press.

CALL TO ORDER

ROLL CALL

Assistant Secretary Keith called the roll: Present were Regents Cole (presiding), Barer, Blake, Brotman, Gates, Jewell, Proctor, Simon, Willynck; Dr. Emmert, Dr. Wise, Ms. Warren, Ms. Goldblatt; ex-officio representatives: Professor Lovell, Mr. Bennett, Mr. Faleschini, Mr. Osterhout.

Absent: Regent Kiga

CONFIRM AGENDA

Regent Cole suggested a change in the order of the agenda, and Regents concurred. Given the number of guests at the meeting and the robust discussion in committee, Regent Cole invited University of Washington students, George Robertson, Stephanie Adler, and Andrew Schwartz, from SLAP (Student Labor Action Project) to address the Board regarding the Board's vote on agenda item F-20, the approval of agreements between the Intercollegiate Athletic Department and NIKE.

Mr. Robertson said, on behalf of the Sweat-Free Coalition, a group of student, labor, faith, and community organizations united in support of fair labor standards in all UW apparel contracts, he appreciated the Board of Regents allowing him time to speak. He acknowledged the robust discussion in the morning committee meeting, but felt not everyone was entirely happy with how the discussion ended. Mr. Robertson said the dichotomy between the product supply agreement and retail agreement is a false one because the University profits from the labor producing garments in both instances. He said he believed it to be unethical to adopt a future code of conduct different from the one for the garments worn by UW's sports players. Mr. Robertson said he believes it is premature for the Board to move forward. He maintains Board action should be to postpone finalization of the agreement until a robust discussion is held. Mr. Robertson is concerned about the lack of campus joint governance, and requests the Regents postpone the agreements until further discussion is held.

Stephanie Adler said she heard concern in the committee meeting about UW being the first University to require a designated supplier program in its agreements with NIKE. She said this is a chance for the University to show the current system for negotiating

contracts with apparel suppliers is not working with regard to labor rights, and that the University wants to take a stand and show initiative on the issue. Students want to be proud of the University, but can't be when workers rights are not protected. Ms. Adler said the University of Washington needs to be a leader.

Mr. Robertson added the designated supplier program does not yet exist, but the situation is similar to the United States constitution, in that the program will become active and workable if universities are willing to step forward to adopt the standards. Robertson reiterated his request to postpone approving the agreements, and adopt the revised code of conduct.

Andrew Schwartz told the Regents the current contract between UW and NIKE expires in July, 2009, which provides ample time to investigate the situation. He offered the work of SLAP and others in attendance to help guide and shape the contract.

Regent Cole thanked the students for attending the meeting and for their participation in the committee meeting, which helped Regents understand the issues. Cole acknowledged the variety of opinions about the issue, and said the institution has a dilemma because if the University disengages from the supplier, it loses clout. He said the UW plans to seek additional assurances from NIKE regarding fair labor standards. Cole added President Emmert is committed to working with other universities to create a large market for high standards from the supply chain. Cole said UW will be a leader. The contract under consideration provides for NIKE to provide goods and financial support to the University and the University wants the garments manufactured with assurance of oversight and compliance. When the University negotiates the licensing contract with NIKE it will be with further attention to these issues. The Regents fully understand the magnitude of the issues of global labor standards, and feel the most effective way to achieve this goal is by engaging and influencing.

Cole said the issue of how to achieve fair labor standards will receive increased attention from this institution and President Emmert. Cole added the President has changed the structure for oversight of fair labor standards.

Mr. Robertson replied the students are not requesting disengagement, but rather a commitment to a set of standards. NIKE has assured the University they have been working on the issues over the last eight years, and if this is so, they "won't blink" at agreeing to a code of conduct protecting workers' rights. The designated suppliers program consists of 45 existing schools committed to creating a national market. Robertson urged the University to make the change happen and make it happen now.

Regent Cole clarified the UW is asking NIKE to commit to a set of standards, not at the level needed eventually, but with movement in that direction imbedded in the agreement. Regent Cole thanked the students for their comments.

Regent Jewell commented on the leadership the University is taking, and has taken, and acknowledged there is a difference of opinion on how one attains the standards goal. Jewell praised Cole for stating the best way to reach the goal is to engage with an economic interest. Jewell said President Emmert's leadership in bringing all universities

to the table is not insignificant. She said she appreciates the passion of those attending the meeting and she agrees with, and supports, the goals of group. It is important to engage, and it is difficult to negotiate a contract with a sizeable group or committee. Setting labor standards and guiding the course of discussion is important in collaboration with groups and the University has a commitment to do that. Jewell said the Board of Regents agrees with those in the room, and she believes working with NIKE and other universities is an important step in the direction of reaching the shared goals.

Regent Proctor said she appreciates the concern expressed by students around this important issue. She would like more time for review with student input, but recognizes business has to move on. Proctor said she believes President Emmert is working hard to improve relationships with manufacturers who provide goods and services to the University, and it is important to improve working conditions.

Regent Barer commented the University is committed and they have convinced NIKE to agree to a material new provision in the contract that says NIKE will agree to monitor internally and externally for compliance with fair labor standards. He reiterated this is a new and material provision, and said he believed the sooner the University of Washington engages, the sooner it, and other universities, can start monitoring. He also said he appreciates the input from the student group.

Regent Willynck said he appreciates the enthusiasm and support for the issue, and particularly the work of SLAP and the student leaders. He would like the University to be strategic and use leverage in their negotiations with NIKE. Willynck said he would not support a licensing contract with the same language as in the two agreements before the Regents for approval, and he wants to put the University in a favorable negotiating position.

CONSENT AGENDA

The Regents requested item F-9 be pulled from consent agenda, and no action taken. The Regents also requested item F-20 be removed from the consent agenda and considered separately, prior to considering the eight items remaining on the consent agenda.

MOTION: Upon the recommendation of the Chair of the Board and the motion made by Regent Gates, seconded by Regent Simon, the Board voted to approve item F-20.

In favor: Regents Cole, Barer, Blake, Brotman, Gates, Jewell, Proctor, Simon, Willynck
Opposed: Regent Proctor

Intercollegiate Athletic Department–Approval of Product Supply and Appearance & Consultation Agreements with NIKE (Agenda no. F-20)

It is the recommendation of the Finance, Audit and Facilities Committee that the Board of Regents approve the Product Supply and Appearance & Consultation Agreements with NIKE. The agreements will commence on July 1, 2009.

See Attachment F-20.

As the group of approximately 150 attendees left the room they chanted in unison, “Workers rights are human rights, we will not give up the fight.”

REPORT OF THE CHAIR OF THE BOARD OF REGENTS: Regent Cole

Resolution Regarding Schedule of Regular Board Meetings in 2009

BP-1

Regent Cole directed the Regents to the schedule of meetings for 2009, and requested a motion for approval. Upon recommendation of the Chair of the Board and the motion made by Regent Proctor and seconded by Regent Blake the Board voted to approve BP-1.

President Emmert left the room prior to Regent Cole’s report. Regent Cole reported every year at this time the Board of Regents evaluates the performance of the President and reviews his compensation. Regent Cole reported Board members agreed President Emmert’s performance has been exceptional. At President Emmert’s request, the Board is not considering a compensation adjustment. Regent Cole invited President Emmert to return to the meeting.

MOTION: Upon the recommendation of the Chair of the Board and the motion made by Regent Proctor, seconded by Regent Blake, the Board voted to approve the eight items on the consent agenda as shown below:

Minutes for the meeting of October 16, 2008

Grant and Contract Awards – July and August 2008 (Agenda no. F-2)

It was the recommendation of the administration and the Finance, Audit and Facilities Committee the Board of Regents accept Grant and Contract Awards for the month of July, in the total amount of \$115,375,200 and for the month of August, in the total amount of \$90,556,250.

See Attachment F-2.

Securities Transactions–Authorized Signatures (Agenda no. F-3)

It is the recommendation of the Finance, Audit and Facilities Committee that the Board of Regents adopt the enclosed resolution, effective November 1, 2008, updating the number of University officers authorized to purchase and sell securities on behalf of the University of Washington and adding language to include a broader range of investment transactions where signatory authority is required.

See Attachment F-3.

On-Call Civil and Structural Master Term Engineering Agreement–Select Engineering Firm (Agenda no. F-4)

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the President be delegated authority to award a term agreement for on-call civil and structural engineering services to Reid Middleton, Inc., subject to successful negotiation of the engineering and professional services agreements.

In the event of an unsuccessful negotiation with the selected firm, it is requested that authority be delegated to open negotiations with KPFF, the firm recommended as first alternate.

See Attachment F-4.

Sound Transit University Link Final Design-Approval for Construction (Agenda no. F-8)

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents formally approve the Sound Transit University Link design for the light rail facilities on University property from the south side of the Montlake Cut and north through and including the University of Washington station located west of Husky Stadium and its support facilities (see attached map).

See Attachment F-8.

Washington Dental Service Building for Early Childhood Oral Health-Approve Budget for Adjustment and Review Schematic Design (Agenda no. F-12)

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve revising the previously approved project budget for the Washington Dental Service (WDS) Building for Early Childhood Oral Health (ECOH) from \$17,276,000 to \$19,769,000.

See Attachment F-12.

Magnuson Health Sciences Center Sixth Floor and RR-Wing Renovation-Approve Budget Adjustment and Approve Debt Funding (Agenda no. F-13)

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve:

- 1) adjusting the previously approved project budgets for the Magnuson Health Sciences Center (MHSC) Sixth Floor project and the MHSC RR-Wing 2-Floor project from a combined total of \$22.0 million to a new combined total of \$28.7 million;
- 2) using the Internal Lending Program to fund up to \$7 million in additional project costs.

See Attachment F-13.

UW Tacoma Master Plan (Agenda no. F-19)

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the President be delegated authority to approve and adopt the University of Washington Tacoma 2008 Master Plan.

See Attachment F-19.

The Board took no action on the following item:

Purchase of Cavalier Apartment Building (Agenda no. F-9)

REPORT OF THE UNIVERSITY PRESIDENT: Dr. Emmert

President Emmert introduced John N. Vinson, the newly hired Chief of the University Police, effective in mid-February 2009. Chief Vinson is currently Undersheriff for the Isabella County Sheriff's Department in Mount Pleasant, Michigan. Vinson also worked at the Central Michigan University Police Department in Mount Pleasant from 1996 to 2004, serving first as a police officer and for six years as a sergeant. He also has law enforcement experience with Royal Oak Township in Michigan and Battle Creek Police Departments. Vinson holds a Bachelor of Science in Business Administration from Central Michigan University and a Master of Science in Administration. Vinson holds a Ph.D. in Public Administration from Western Michigan University, where his dissertation topic was leadership competency needs of U.S. campus law enforcement administrators. At the University, Vinson taught courses in leadership and management at both the undergraduate and graduate levels.

Chief Vinson expressed it is an honor to be selected to serve as UW's Chief of Police. He pledged to work to provide a safe and secure environment. His goal is to assure UW is one of the safest campuses in the country. He concluded by saying he looks forward to working with all in the future.

President Emmert asked Athletic Director, Scott Woodward to provide a brief overview of athletics at the University of Washington. Mr. Woodward reported his department consists of 700 student athletes and approximately 200 staff and coaches. Mr. Woodward acknowledged it has been a "miserable football season," which was tough on students, fans, community, and student athletes. He reported the University is aggressive in its search for a football coach with integrity who will be a good fit. President Emmert has provided leadership for this important hire.

Mr. Woodward reported good news regarding Fall sports. Volleyball is ranked second in the Pac-10 and fifth nationally. The UW women's soccer team was selected to play in the NCAA tournament, where they won the first match, and lost in the second round to Texas A&M. UW women's cross country is ranked number one in the nation. The team swept the Pac-10 championships in Eugene, Oregon. The women's basketball team has a tough schedule, and Mr. Woodward expects great things from them. Mr. Woodward said the men's basketball team has high expectations, and basketball Coach Romar is excited about this group of young men.

Mr. Woodward introduced Stephanie Rempe, the new Senior Associate Athletic Director. Ms. Rempe joins the University of Washington from the University of Oklahoma. She is a Pac-10 alum, a former student athlete from the University of Arizona. Ms. Rempe served as senior women's administrator at University of Texas El Paso prior to her time at Oklahoma.

Mr. Woodward introduced Senior Associate Athletic Director John Morris, who is charged with compliance and student development.

Although this has been a challenging budget year, Woodward reported Athletics has increased spending in student development and support, providing student learning specialists.

Mr. Woodward said Athletics has continued great success, and cited the following statistics:

- 15 teams with members earning GPAs higher than 3.8;
- 106 student athletes on the Dean's list;
- 309 student athletes earning a 3.0 GPA, or better;
- 3 student athletes with a 4.0 GPA; and
- High APR (Academic Progress Rate) scores; UW ranks second only to Stanford in the Pac-10.

Mr. Woodward said he is pleased with the APR result and highlighted the women's golf team, which has had a perfect score of 1,000 for four years in a row.

Sixteen University of Washington athletes competed in the 2008 Summer Olympic games, representing five countries, with women's crew winning two gold medals. President Emmert hosted a reception at Hill-Crest for UW's Olympians. Other medal winners included a silver medal in men's crew, and a gold medal won by Hope Solo in women's soccer.

Recently two UW football players, Blair Bush and Mark Stewart, were inducted into the Husky Hall of Fame. Other inductees included Hope Solo for soccer, Chris Magruder for baseball, Mary DeLay for women's tennis, and the 1997 women's and men's crew teams.

In summary, Mr. Woodward said things are very promising in "Huskyland," and he is working hard to fix football.

Regent Proctor thanked Mr. Woodward for his hard work, and said she is proud of the academic accomplishments of our student athletes.

Regent Brotman inquired about the stadium renovation. Mr. Woodward acknowledged Ron Crockett's contributions of his time, money, and effort toward the stadium renovation project, and reported Governor Gregoire appointed a seven member committee to decide how King County tourism taxes are to be spent. The committee is seeking recommendations, and the UW is in process of making a case to the committee

November 20, 2008

and the King County Council. Mr. Woodward said he is optimistic about the UW's position. The Stadium is a \$300 million project, with \$150 million to be raised, and the remaining \$150 million to come from King County tourism taxes, funded by fans visiting the area to attend Husky athletic events.

President Emmert reminded the Regents the funding for the stadium would come from a specific designated revenue stream, set aside to support athletic facilities and stimulate tourism. These funds cannot be re-directed to support other areas. The President also pointed out UW's Athletic department is entirely self-supporting.

STANDING COMMITTEES

ACADEMIC AND STUDENT AFFAIRS COMMITTEE: Regent Simon, Chair

Regent Simon invited Provost Wise to highlight specific academic and administrative appointments. Provost Wise had none she wished to highlight but announced the appointment of Stephen E. Hanson to the position of Vice Provost of the UW Office of Global Affairs effective January 5, 2009. Professor Hanson is a faculty member in the Department of Political Science and the Jackson School of International Studies; he is a specialist in Central Asia and Russia.

Academic and Administrative Appointments (Agenda no. A-1)

MOTION: Upon the recommendation of the administration and the motion made by Regent Jewell, seconded by Regent Proctor, the Board voted to approve the personnel appointments. Regent Willynck abstained from the discussion and vote.

Demographics of Incoming Freshman Class—Overview of Campuses, Including Diversity Make-Up (Agenda no. A-2) (Information only)

Regent Simon reported the Regents received a briefing on the demographics of the 2008 incoming freshman class, including an overview of each of the three campuses. The discussion included the diversity make-up of the class.

The Seattle Campus has 5,540 in its freshman class consisting of 78 % Washington State residents and 21.6% non-residents.

The average GPA of the freshman class is 3.72, which is higher than last year's 3.69. The average SAT score of 1210 is higher than last year's 1204.

The Regents learned there will be a demographic trough in Washington State in the year 2014, and it is expected the rate of high school graduates going on to college will decline by over 7%, which will present challenges for the University. It is expected a higher percentage of these graduates will be from lower income and first generation families.

The UW will be taking programmatic steps to increase enrollments. This will present challenges to all three-campuses. Regent Simon said this places a more important emphasis on the University's relationship with K-12 in the area of college preparation and creating an interest in pursuing higher education.

FINANCE, AUDIT AND FACILITIES COMMITTEE: Regent Blake, Chair

Regent Blake said the Sound Transit University Link design was approved on the consent agenda, and she wanted to acknowledge the project's historic relevance and comment on the hard work that went into it. She reported during the Committee meeting the Sound Transit staff was commended for their hard work over the long process, and Regent Blake offered her praise to the University staff involved in the project for their efforts to make sure the facility is complementary to the University and not disruptive to the nature of the work on campus.

Regent Blake said she looks forward to continued engagement during the next phase of Sound Transit design.

Report of Contributions - September, 2008 (Agenda no. F-1) (Information only)

The total amount of gifts received in September, 2008 was \$21,902,829, and the total for the year-to-date is \$80,318,021.

Actions Taken Under Delegated Authority (Agenda no. F-5) (Information only)

Metropolitan Tract Performance Report for the Quarter Ended September 30, 2008
(Agenda no. F-6) (Information only)

Portage Bay Insurance Annual Report (Agenda no. F-7) (Information only)

Amendment to the Consolidated Endowment Fund Investment Policy (Agenda no. F-10) (Information only)

Regent Blake described the discussion about the Endowment Fund and the policy related to spending from the endowment. The Regents examined two issues regarding the endowment. The first was how to handle spending for current year payments from the endowment fund. Regents expect to take action on this item at the January meeting, and have requested spending options to review. Second, the Regents will look at proposals for future alternatives for long-term calculations of spending from the endowment fund, with the possibility of increasing the number of years over which the University averages endowment performance, as well as other options.

Debt-Funded Project Review (Agenda no. F-11) (Information only)

The Regents received a presentation from the UW's Treasury Office staff regarding previously approved debt-funded projects. The University will exercise continued diligence regarding revenues to support the debt on those projects. Regents will expect a complete update at the January meeting, as a review of projects is completed.

Lewis Hall Renovation-Review Schematic Design (Agenda no. F-14) (Information only)

UW Tacoma Phase 3–Review Schematic Design (Agenda no. F–15) (Information only)

Capital Projects Office Semi-Annual Status Report (Agenda no. F–16) (Information only)

Investment Performance Report, First Quarter Fiscal Year 2009 (Agenda no. F–17) (Information only)

Regents received a report on the University’s investment performance. Due to challenges in the economy, the performance was not good in the last quarter and continues to not be good in this quarter. Regent Blake reported Chief Investment Officer Keith Ferguson was optimistic, and he told the Regents things might be better in 2010.

Market Update (Agenda no. F–18) (Information only)

Budget Update (Agenda no. F–21) (Information only)

REPORTS FROM EX OFFICIO REPRESENTATIVES TO THE BOARD OF REGENTS

Faculty Senate Chair: Professor David Lovell

Professor Lovell talked about the role of organized faculty in the current budget crisis. The members of the Faculty Senate Committee on Planning and Budgeting expect to participate in a full and collegial way as they take measures to address the budget demands. Lovell said he is not in a position to speak for the faculty at this time because discussions are only beginning, and the Senate continues to work on mechanisms of faculty governance to make sure those representing the faculty have good information from schools and departments. Lovell also said the Senate is moving forward with restructuring efforts. Since the challenges are tri-campus, Senate leadership will engage with administrative and faculty leadership on all three campuses.

Lovell said faculty members are responsible for assuring the core educational function of university is met, with the recognition of the intrinsic value of a liberal arts education.

Dr. Lovell outlined the faculty’s role in service and public policy and highlighted the achievements, awards, and accomplishments of select University of Washington faculty members, including Provost Wise, who was recently admitted into the Institute of Medicine. Professor Lovell announced he received the Academic Achievement award from the Washington Corrections Association.

Lovell praised Hubert Locke for his contributions to public policy, especially in the area of criminal justice. Locke, Lovell said, is the last of a breed of publicly engaged intellectuals, and the institution needs to continue to support this type of person.

Professor Locke was recently honored with the William O. Douglas award by the ACLU. He is a former Dean of the College of Public Affairs at Wayne State University, and served the UW as Associate Dean of Arts & Sciences and Dean of the Evans School of Public Affairs. Dean Emeritus Locke was educated in police issues and was a former

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police chaplain. Lovell described his personal connection with Dr. Locke who was a student of Professor Lovell's father at the University of Chicago Theological Seminary. As Chair of the State Sentencing Guidelines Commission, Professor Locke continues to influence public policy decisions.

Lovell highlighted the contributions of Professor James Gregory, a labor historian, whose book about the Southern Diaspora has won a number of awards. Dr. Gregory was featured on the television program 20/20, after Hurricane Katrina, where he talked about the relationship between the hurricane-caused Diaspora and the dust bowl Diaspora. Dr. Gregory is the long-time Director of the Seattle Civil Rights and Labor History Project.

Dr. Lovell described the accomplishments of Eric Trupin, Professor and Vice Chair of the Psychiatry Division of Public Behavioral Health & Justice Policy. Professor Trupin is responsible for Professor Lovell being at the University; he suggested Lovell be hired as part of the Correctional Mental Health Collaboration. Trupin has played an active role in public policy in the State of Washington, with respect to the development of the mental health system. He serves as a consultant on numerous statewide commissions.

Lovell said this kind of effort by our faculty is not always demonstrated in readily measurable productivity in a research institution, and he reminded the Regents of the important role the institution and faculty play in the area of public policy by making a constructive contribution to the development of public policy in service of the citizens of the State of Washington.

Regent Proctor thanked Professor Lovell for highlighting the non-scientific research contributions of our faculty. She praised Professor Locke for his contributions to the State of Washington and the University.

Regent Jewell said she hopes the lessons of the past will guide the University as it works its way through the difficult budget. She suggested all work together toward a common goal of serving the interests of the University, the faculty, and the long-term vision. She is eager to work toward a positive conclusion.

ASUW President: Mr. Anttimo Bennett

Mr. Bennett recognized colleague Emily Anderson, ASUW Bothell President.

Mr. Bennett introduced Jamil Suleman, UW alumnus and leader of the Bruce Lee Project, and asked him to brief the Regents on the project. Mr. Suleman is working in collaboration with the ASUW to form a task force to draft a proposal to construct the "Bruce Lee Community Peace Garden" in honor and memory of Bruce Lee, who attended the University of Washington for three years. Mr. Suleman discussed the contributions of Mr. Lee, the support for the project, and the project's funding and volunteer support. The proposed site for the garden is the HUB yard, a central location, and the site of Mr. Lee's tai chi instruction. The garden is endorsed by Shannon and Linda Lee, Mr. Lee's widow and daughter. Suleman's group wants to work with the UW administration and the group seeks approval of the concept before they develop a financial plan. The Regents suggested Mr. Suleman and his colleagues contact the

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appropriate persons in the University's administration to explore the feasibility of the project, primarily Senior Vice President V'ella Warren and Vice Provost Eric Godfrey.

In closing, Mr. Bennett noted the ASUW is meeting, in conjunction with the student leaders from the Bothell and Tacoma campuses, to review the potential budget cuts and their impact on students.

GPSS President: Mr. Jake Faleschini

Mr. Faleschini suggested the students planning the Bruce Lee Community Peace Garden work with the group of students planning the HUB renovation to incorporate the garden into the HUB plan. This provides a potential opportunity for collaboration, and could possibly help with the fundraising goal of \$25 million private capital for the HUB renovation.

Faleschini said he looks forward to providing the Regents with a report in the Spring about the progress of the fundraising efforts for the HUB renovation.

Mr. Faleschini reported GPSS hosted a successful Summit attended by 80 guests on November 20. It was the second annual Summit, focusing on social, institutional, and physical health issues facing the State of Washington. It was attended by legislators, legislative aides, practitioners, business owners, faculty, staff, administrators, and students. Professor Lovell presented on a panel. Eldon Vail, the Secretary of Washington State's Department of Corrections attended.

At the Summit, the question was posed, "What can those at UW do to better serve the social, institutional, and physical health of the people of Washington State?" A number of specific policy proposals were developed and will be presented to University leadership. Faleschini extended thanks to President Emmert for taking time to provide welcome remarks to the Summit attendees.

Faleschini acknowledged difficult times coming up for the University. He said students are confident that by working together on a collaborative agenda, with a unified vision and voice to the legislature, the University can mitigate some of the bleaker projections. He added he looks forward to working with President Emmert to assure all of the University's products are made by companies using only fair and just labor standards, and hopes students will be included at the table. He described a work group he started at the Law School to assure the joint purchasing agreement with other universities does not violate anti-trust laws.

GPSS passed a resolution on reasonable, fair, and predictable tuition, which was distributed to the Regents. Faleschini looks forward to working with administration to make sure there are fair, reasonable and predictable tuition increases, with financial aid increases commensurate with tuition increases.

Regent Jewell asked about setting tuition rates whereby people who can afford to pay more, do so, and those who are not able to receive additional aid. She asked if GPSS, or other students groups, discussed this as a reasonable alternative for consideration. This

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would apply specifically to students who are being supported by their parents, especially those parents who could afford to send their students to private school. Faleschini replied this would be a difficult conversation to have as most students feel tuition is already too high and most graduate and professional students are independent from their parents and use loans to fund their education. There has been long-standing rejection from the student body to this type of tuition model, but with assurance of commensurate financial aid, students would be more receptive to discuss the proposal.

Alumni Association President: Mr. Rick Osterhout

Mr. Osterhout said he would focus his remarks on three areas –support for the university, support of academic partners, and spirit and pride.

In the area of support for the UW, the UWAA hosted the Provost's Distinguished Lecture Series on November 13, attended by over 1,200 people. UW Professors David Domke and Mark Smith were featured speakers.

Support of academic partnerships is one of the UWAA's three major initiatives this year. Mr. Osterhout and UWAA Executive Director Chuck Blumenfeld are embarking on a "Dean's tour," to meet with Deans and their constituent relations officers. The purpose of the meetings is to address the priorities of each individual unit to provide tailored programming. This is particularly important as alumni affinity tends to lie with the school or college and tailored programs enhance this affinity.

In the area of spirit and pride, Osterhout was pleased to report over 3,000 people attended homecoming events, with all events drawing record crowds. The UWALUM .com website registered the greatest number of hits on its "cheer" tab, which was related to homecoming activities. Regents will see a new feature in the December issue of Columns Magazine called UW Tradition which will highlight the new song of the University of Washington, and its alumni author.

Mr. Osterhout concluded his report by recognizing Clyde Walker, a newly appointed UWAA at-large Board member. Mr. Walker played football at UW and is Senior VP for human resources at Continental Mills. He received his bachelor's degree in Business Administration from the UW and a master's degree from City University. His has a strong background in civic involvement; he is a past Board Chair of Big Brothers–Big Sisters of King and Pierce Counties. Mr. Osterhout looks forward to Mr. Walker's collaboration with UWAA Board members Eddie Pasatiempo and Colleen Fukui-Sketchley, working on a diversity initiative with Sheila Edwards Lange, the University's Vice President for Minority Affairs and Vice Provost for Diversity.

DATE FOR NEXT MEETING

The next regular meeting of the Board of Regents will be held on December 11, 2008, at the UW Tower. If the December meeting is cancelled, the next meeting will be January 15, 2009.

Regent Proctor commended Regent Cole for his job as Chair.

ADJOURNMENT

The regular meeting was adjourned at 4:55 p.m.

A handwritten signature in blue ink, appearing to be 'Joan Goldblatt', written in a cursive style.

Joan Goldblatt
Secretary of the Board of Regents

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Academic and Administrative Appointments

RECOMMENDED ACTION:

It is the recommendation of the administration and the Academic and Student Affairs Committee that the Board of Regents approve the appointments to the University faculty and administration as presented on the attached list.

Attachment: Personnel Recommendations

COLLEGE OF ARCHITECTURE AND URBAN PLANNING

DEPARTMENT OF ARCHITECTURE

NEW APPOINTMENTS

GOLDEN, ELIZABETH M.

(BArch, 1992, UNIVERSITY OF ARKANSAS; MArch, 1994, COLUMBIA UNIVERSITY) TO BE SENIOR LECTURER FULL-TIME OF ARCHITECTURE AT A SALARY RATE OF \$56,502 OVER NINE MONTHS, EFFECTIVE 3/16/2009. (MS.GOLDEN IS CURRENTLY A LECTURER AT CALIFORNIA STATE POLYTECHNIC UNIVERSITY, SAN LUIS OBISPO.)

COLLEGE OF ARTS AND SCIENCES

DEPARTMENT OF APPLIED MATHEMATICS

ENDOWED APPOINTMENTS

TUNG, KA KIT

(BS, 1972, CALIFORNIA INSTITUTE OF TECHNOLOGY; MS, 1972, CALIFORNIA INSTITUTE OF TECHNOLOGY; PHD, 1977, HARVARD UNIVERSITY) TO BE HOLDER OF THE BOEING ENDOWED PROFESSORSHIP IN APPLIED MATHEMATICS, EFFECTIVE 9/16/2008. (PROFESSOR TUNG WILL CONTINUE AS PROFESSOR OF APPLIED MATHEMATICS AND ADJUNCT PROFESSOR OF ATMOSPHERIC SCIENCES.)

DEPARTMENT OF ASIAN LANGUAGES AND LITERATURE

NEW APPOINTMENTS

RUBIN, JAY

(BA, 1963, UNIVERSITY OF CHICAGO; PHD, 1970, UNIVERSITY OF CHICAGO) TO BE VISITING PROFESSOR, PART-TIME, OF ASIAN LANGUAGES AND LITERATURE AT A SALARY RATE OF \$8,400 OVER THREE MONTHS, EFFECTIVE 12/16/2008. (DR. RUBIN IS RESEARCH PROFESSOR EMERITUS AT HARVARD UNIVERSITY.)

DEPARTMENT OF PHYSICS

NEW APPOINTMENTS

MILLER, MICHAEL

(BS, 1998, MICHIGAN STATE UNIVERSITY; PHD, 2004, YALE UNIVERSITY) TO BE RESEARCH ASSISTANT PROFESSOR OF PHYSICS AT A SALARY RATE OF \$75,000 OVER TWELVE MONTHS, EFFECTIVE 11/1/2008. (PRIOR TO THIS APPOINTMENT, DR. MILLER HELD THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY PAPPALARDO FELLOWSHIP IN PHYSICS.)

SCHOOL OF ART

NEW APPOINTMENTS

HUPPERT, ANN

(BA, 1988, VASSAR COLLEGE; MA, 1992, UNIVERSITY OF VIRGINIA; PHD, 2001, UNIVERSITY OF VIRGINIA) TO BE VISITING ASSISTANT PROFESSOR, PART-TIME, OF ART AT A SALARY RATE OF \$16,704 OVER SIX MONTHS, EFFECTIVE 12/16/2008. (DR. HUPPERT IS AN ASSISTANT PROFESSOR OF ARCHITECTURE AND URBAN PLANNING AT THE UNIVERSITY OF KANSAS.)

SCHOOL OF MUSIC

ENDOWED APPOINTMENTS

BOZARTH, GEORGE

(BA, 1969, TRENTON STATE COLLEGE ; MFA, 1973, PRINCETON UNIVERSITY; PHD, 1978, PRINCETON UNIVERSITY) TO BE HOLDER OF THE RUTH SUTTON WATERS ENDOWED PROFESSORSHIP IN MUSIC, EFFECTIVE 9/16/2008. (PROFESSOR BOZARTH WILL CONTINUE AS PROFESSOR OF MUSIC.)

MICHAEL G. FOSTER SCHOOL OF BUSINESS

DEPARTMENT OF MANAGEMENT AND ORGANIZATION

ENDOWED APPOINTMENTS

AVOLIO, BRUCE

(BA, 1975, STATE UNIV OF NEW YORK (ONEONTA); MA, 1978, UNIVERSITY OF AKRON; PHD, 1981, UNIVERSITY OF AKRON) TO BE HOLDER OF THE MARION B. INGERSOLL PROFESSORSHIP, EFFECTIVE 9/16/2008. (PROFESSOR AVOLIO WILL CONTINUE AS PROFESSOR OF MANAGEMENT AND ORGANIZATION.)

COLLEGE OF ENGINEERING

DEPARTMENT OF COMPUTER SCIENCE AND ENGINEERING

NEW APPOINTMENTS

ERNST, MICHAEL

(BS, 1989, MASSACHUSETTS INSTITUTE OF TECHNOLOGY; MS, 1992, MASSACHUSETTS INSTITUTE OF TECHNOLOGY; MS, 1997, UNIVERSITY OF WASHINGTON; PHD, 2000, UNIVERSITY OF WASHINGTON) TO BE ASSOCIATE PROFESSOR OF COMPUTER SCIENCE AND ENGINEERING AT A SALARY RATE OF \$123,003 OVER NINE MONTHS, EFFECTIVE 1/1/2009. (DR. ERNST IS CURRENTLY AN ASSOCIATE PROFESSOR AT MASSACHUSETTS INSTITUTE OF TECHNOLOGY.)

INFORMATION SCHOOL

INFORMATION SCHOOL

NEW APPOINTMENTS

DRESANG, ELIZA

(BA, 1963, EMORY UNIVERSITY; MLS, 1966, UNIVERSITY OF CALIFORNIA (LOS ANGELES); PHD, 1981, UNIVERSITY OF WISCONSIN-MADISON) TO BE PROFESSOR OF INFORMATION AT A SALARY RATE OF \$120,006 OVER NINE MONTHS AND HOLDER OF THE BEVERLEY CLEARY ENDOWED PROFESSORSHIP IN CHILDREN AND YOUTH SERVICES, EFFECTIVE 1/1/2009. (DR. DRESANG IS CURRENTLY PROFESSOR IN THE COLLEGE OF INFORMATION AND FOUNDING DIRECTOR OF I-CELTIC AT FLORIDA STATE UNIVERSITY.)

SCHOOL OF LAW

LAW

ENDOWED APPOINTMENTS

CALANDRILLO, STEVE

(BA, 1994, UNIVERSITY OF CALIFORNIA (BERKELEY); JD, 1998, HARVARD UNIVERSITY) TO BE HOLDER OF THE CHARLES I. STONE ENDOWED PROFESSORSHIP OF LAW, EFFECTIVE 11/1/2008. (PROFESSOR CALANDRILLO WILL CONTINUE AS PROFESSOR OF LAW.)

SCHOOL OF DENTISTRY

DEPARTMENT OF RESTORATIVE DENTISTRY

ENDOWED APPOINTMENTS

CHAN, DANIEL

(DMD, 1979, UNIVERSITY OF THE PHILIPPINES; MS, 1984, UNIVERSITY OF IOWA; DDS, 1988, UNIVERSITY OF IOWA) TO BE HOLDER OF THE WASHINGTON DENTAL SERVICE ENDOWED CHAIR IN DENTISTRY, EFFECTIVE 10/1/2008. (DR. CHAN WILL CONTINUE AS PROFESSOR OF RESTORATIVE DENTISTRY AND ASSOCIATE DEAN FOR CLINICAL SERVICES.)

NEW APPOINTMENTS

GANDARA, BEATRICE

(DDS, 1978, UNIVERSITY OF SOUTHERN CALIFORNIA; MSD, 1985, UNIVERSITY OF WASHINGTON) TO BE CLINICAL ASSOCIATE PROFESSOR – DENTAL PATHWAY OF ORAL MEDICINE AT A SALARY RATE OF \$99,996 OVER TWELVE MONTHS, EFFECTIVE 10/1/2008. (PRIOR TO THIS APPOINTMENT, DR. GANDARA WAS A LECTURER PART-TIME IN THE SAME DEPARTMENT.)

SCHOOL OF MEDICINE

DEPARTMENT OF FAMILY MEDICINE

NEW APPOINTMENTS

DAVIS, JAMES E.

(BA, 1971, LAFAYETTE COLLEGE; MD, 1975, GEORGE WASHINGTON UNIVERSITY; MS, 1982, UNIVERSITY OF WISCONSIN-MADISON) TO BE CHAIR AND PROFESSOR OF FAMILY MEDICINE, EFFECTIVE 11/1/2008.

(PRIOR TO THIS APPOINTMENT, DR. DAVIS WAS A PROFESSOR OF FAMILY MEDICINE AT THE UNIVERSITY OF WISCONSIN-MADISON.)

DEPARTMENT OF MEDICINE

ENDOWED APPOINTMENTS

KIM, FRANCIS

(BS, 1985, UNIVERSITY OF CALIFORNIA (BERKELEY); MD, 1990, UNIVERSITY OF CALIFORNIA (SAN FRANCISCO)) TO BE HOLDER OF THE KENNETH H. COOPER, M.D. ENDOWED PROFESSORSHIP IN PREVENTIVE CARDIOLOGY, EFFECTIVE 11/1/2008. (DR. KIM WILL CONTINUE AS ASSOCIATE PROFESSOR WITHOUT TENURE OF MEDICINE.)

NEW APPOINTMENTS

ADEDIPE, ADEYINKA

(BA, 1995, STANFORD UNIVERSITY; MD, 2001, UNIVERSITY OF CHICAGO) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF MEDICINE AT A SALARY RATE OF \$135,000 OVER TWELVE MONTHS, EFFECTIVE 10/1/2008. (PRIOR TO THIS APPOINTMENT, DR. ADEDIPE WAS A CLINICAL ASSISTANT PROFESSOR IN THE SAME DEPARTMENT.)

DEPARTMENT OF NEUROLOGICAL SURGERY

NEW APPOINTMENTS

RAMIREZ, JAN-MARINO

(DIPLOMA, 1983, UNIVERSITY OF REGENSBURG (GERMANY); PHD, 1986, UNIVERSITY OF REGENSBURG (GERMANY)) TO BE PROFESSOR WITHOUT TENURE OF NEUROLOGICAL SURGERY AT A SALARY RATE OF \$285,000 OVER TWELVE MONTHS, EFFECTIVE 10/1/2008. (PRIOR TO THIS APPOINTMENT, DR. RAMIREZ WAS PROFESSOR AND CHAIR OF THE DEPARTMENT OF ORGANISMAL BIOLOGY AND ANATOMY AT THE UNIVERSITY OF CHICAGO.)

DEPARTMENT OF PEDIATRICS

ENDOWED APPOINTMENTS

OLSON, JAMES

(BS, 1984, WESTERN MICHIGAN UNIVERSITY; MD, 1991, UNIVERSITY OF MICHIGAN) TO BE HOLDER OF THE PEDIATRICS ENDOWED PROFESSORSHIP FOR RESEARCH SABBATICALS, EFFECTIVE 11/1/2008. (DR. OLSON WILL CONTINUE AS ASSOCIATE PROFESSOR WITHOUT TENURE OF PEDIATRICS.)

NEW APPOINTMENTS

SHEPHARD, ELENA

(BS, 1998, UNIVERSITY OF ILLINOIS; MD, 2002, MCGILL UNIVERSITY (CANADA); MPH, 2008, UNIVERSITY OF WASHINGTON) TO BE ASSISTANT PROFESSOR WITHOUT TENURE, PART-TIME, OF PEDIATRICS WITHOUT SALARY FROM THE UNIVERSITY, EFFECTIVE 10/14/2008. (PRIOR TO THIS APPOINTMENT, DR. SHEPHARD WAS A FELLOW IN THE SAME DEPARTMENT.)

DEPARTMENT OF REHABILITATION MEDICINE

NEW APPOINTMENTS

COOK, KARON

(BS, 1975, UNIVERSITY OF TEXAS (PERMIAN BASIN); MA, 1981, UNIVERSITY OF TEXAS (PERMIAN BASIN); Mdiv, 1986, PRINCETON UNIVERSITY; PHD, 1996, UNIVERSITY OF TEXAS (AUSTIN)) TO BE RESEARCH ASSOCIATE PROFESSOR, PART-TIME, OF REHABILITATION MEDICINE AT A SALARY RATE OF \$110,008 OVER TWELVE MONTHS, EFFECTIVE 11/1/2008. (PRIOR TO THIS APPOINTMENT, DR. COOK WAS A RESEARCH SCIENTIST IN THE SAME DEPARTMENT.)

DEPARTMENT OF SURGERY

ENDOWED APPOINTMENTS

KLEIN, MATTHEW

(BA, 1993, UNIVERSITY OF PENNSYLVANIA; MD, 1997, YALE UNIVERSITY) TO BE HOLDER OF THE DAVID AND NANCY AUTH-WASHINGTON RESEARCH FOUNDATION ENDOWED CHAIR FOR RESTORATIVE BURN SURGERY, EFFECTIVE 11/1/2008. (DR. KLEIN WILL CONTINUE AS ASSOCIATE PROFESSOR WITHOUT TENURE OF SURGERY.)

NEW APPOINTMENTS

DRUGAS, GEORGE

(BA, 1980, NORTHWESTERN UNIVERSITY; MD, 1984, NORTHWESTERN UNIVERSITY) TO BE ASSOCIATE PROFESSOR WITHOUT TENURE OF SURGERY WITHOUT SALARY FROM THE UNIVERSITY, EFFECTIVE 11/1/2008. (PRIOR TO THIS APPOINTMENT, DR. DRUGAS WAS AN ASSOCIATE PROFESSOR OF SURGERY AT THE UNIVERSITY OF ROCHESTER.)

TANG, GALE

(BS, 1991, UNIVERSITY OF MICHIGAN; MD, 1998, UNIVERSITY OF MICHIGAN) TO BE ASSISTANT PROFESSOR WITHOUT TENURE OF SURGERY PAID DIRECT BY VETERANS AFFAIRS PUGET SOUND HEALTH CARE SYSTEM EFFECTIVE 11/1/2008. (PRIOR TO THIS APPOINTMENT, DR. TANG WAS A VASCULAR SURGERY FELLOW AT NORTHWESTERN UNIVERSITY.)

DEPARTMENT OF UROLOGY

NEW APPOINTMENTS

DALKIN, BRUCE

(BS, 1981, UNIVERSITY OF MICHIGAN; MD, 1985, NORTHWESTERN UNIVERSITY) TO BE PROFESSOR WITHOUT TENURE OF UROLOGY AT A SALARY RATE OF \$150,000 OVER TWELVE MONTHS, EFFECTIVE 11/1/2008. (PRIOR TO THIS APPOINTMENT, DR. DALKIN WAS AN ASSOCIATE PROFESSOR OF CLINICAL UROLOGY AT THE ARIZONA HEALTH SCIENCES CENTER.)

SCHOOL OF PUBLIC HEALTH AND COMMUNITY MEDICINE

DEPARTMENT OF BIOSTATISTICS

NEW APPOINTMENTS

CHAN, KWUN CHUEN GARY

(BSCE, 2004, UNIVERSITY OF HONG KONG; PHD, 2008, JOHNS HOPKINS UNIVERSITY) TO BE ASSISTANT PROFESSOR OF BIOSTATISTICS AND ASSISTANT PROFESSOR OF HEALTH SERVICES AT A SALARY RATE OF \$95,004 OVER TWELVE MONTHS, EFFECTIVE 11/1/2008.

THORNTON, TIMOTHY ALVIN

(BS, 1998, HAMPTON COLLEGE; PHD, 2005, UNIVERSITY OF CHICAGO) TO BE ASSISTANT PROFESSOR OF BIOSTATISTICS AT A SALARY RATE OF \$115,008 OVER TWELVE MONTHS, EFFECTIVE 9/1/2009. (DR. THORNTON IS CURRENTLY A POSTDOCTORAL FELLOW AT THE UNIVERSITY OF CALIFORNIA, BERKELEY.)

UNIVERSITY OF WASHINGTON, TACOMA

COMPUTING AND SOFTWARE SYSTEMS PROGRAM

NEW APPOINTMENTS

DE COCK, MARTINE

(MS, 1998, UNIVERSITY OF GHENT (BELGIUM); PHD, 2002, UNIVERSITY OF GHENT (BELGIUM)) TO BE VISITING ASSOCIATE PROFESSOR OF COMPUTING AND SOFTWARE SYSTEMS AT A SALARY RATE OF \$90,000 OVER NINE MONTHS, EFFECTIVE 9/16/2008. (PROFESSOR DE COCK IS AN ASSOCIATE PROFESSOR AT THE UNIVERSITY OF GHENT.)

MILGARD SCHOOL OF BUSINESS

NEW APPOINTMENTS

MERCHANT, ALTAF GULAMALI

(BA, 1993, UNIVERSITY OF MUMBAI (INDIA); MMSc, 1997, UNIVERSITY OF MUMBAI (INDIA); PHD, 2008, OLD DOMINION UNIVERSITY) TO BE ASSISTANT PROFESSOR OF BUSINESS AT A SALARY RATE OF \$117,999 OVER NINE MONTHS, EFFECTIVE 9/1/2008. (PHD RECEIVED AUGUST 22, 2008.)

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

Demographics of Incoming Freshman Class—Overview of campuses, including diversity make-up

Attachments: Autumn 2008 Freshman Profile

Demographic Shifts in College Enrollments in the State of Washington

Washington High School Graduate College Enrollment Projections for 2013-14 and 2021-22

2008 UW Tacoma Freshman, Autumn Census Day Report

UW Bothell Freshmen Admissions Summary

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW

Report of Contributions

University of Washington
University of Washington Foundation

September, 2008



REPORT OF CONTRIBUTIONS

SEPTEMBER 2008

REPORT BY: UNIVERSITY ADVANCEMENT, ADVANCEMENT SERVICES, INFORMATION MANAGEMENT

PROGRESS BY CONSTITUENCY

School	Current Month				Year to Date			
	Gifts	Grants	Total	Donors	Gifts	Grants	Total	Donors
UW Medicine	\$1,827,000	\$7,456,942	\$9,283,942	2721	\$7,439,085	\$34,066,701	\$41,505,786	3980
Architecture and Urban Planning	\$81,506	\$0	\$81,506	146	\$230,648	\$2,500	\$233,148	188
Arts and Sciences	\$4,194,294	\$167,012	\$4,361,306	1802	\$5,241,628	\$1,140,797	\$6,382,425	3135
Broadcast Services	\$36,937	\$0	\$36,937	239	\$876,134	\$0	\$876,134	769
Business School	\$1,283,866	\$0	\$1,283,866	649	\$8,737,774	\$0	\$8,737,774	1111
Dentistry	\$96,283	\$0	\$96,283	152	\$249,156	\$18,438	\$267,594	294
Education	\$643,778	\$325,000	\$968,778	435	\$882,888	\$384,500	\$1,267,388	615
Engineering	\$705,231	\$191,929	\$897,160	609	\$2,143,467	\$1,619,029	\$3,762,496	931
Environment	\$0	\$0	\$0	\$0	\$4,309,994	\$0	\$4,309,994	1
Evans School of Public Affairs	\$80,032	\$0	\$80,032	64	\$159,735	\$295,000	\$454,735	121
Forest Resources	\$90,916	\$125,967	\$216,883	155	\$220,691	\$412,020	\$632,711	202
Friday Harbor Labs	\$9,190	\$0	\$9,190	44	\$24,093	\$0	\$24,093	76
Information School	\$34,715	\$0	\$34,715	156	\$226,026	\$512,000	\$738,026	197
Intercollegiate Athletics	\$282,955	\$0	\$282,955	329	\$2,690,965	\$0	\$2,690,965	2922
Law	\$244,011	\$0	\$244,011	81	\$449,364	\$0	\$449,364	183
Libraries	\$16,128	\$0	\$16,128	179	\$238,850	\$0	\$238,850	761
Nursing	\$191,923	\$19,553	\$211,476	181	\$1,286,853	\$89,553	\$1,376,406	307
Ocean and Fishery Sciences	\$52,998	\$917,506	\$970,504	101	\$147,576	\$1,128,313	\$1,275,889	151
Pharmacy	\$58,491	\$86,178	\$144,669	118	\$269,854	\$238,471	\$508,325	170
President's Funds	\$1,557,063	\$0	\$1,557,063	248	\$1,598,071	\$0	\$1,598,071	434
Public Health	\$37,929	\$596,535	\$634,464	126	\$308,994	\$1,069,312	\$1,378,306	185
Scholarships and Student Programs	\$131,272	\$0	\$131,272	497	\$642,907	\$0	\$642,907	801
Social Work	\$2,336	\$0	\$2,336	40	\$25,688	\$0	\$25,688	87
University Press	\$275	\$0	\$275	6	\$58,914	\$0	\$58,914	29
UW Alumni Association	\$62,005	\$0	\$62,005	1179	\$207,493	\$0	\$207,493	4149
UW Bothell	\$5,448	\$0	\$5,448	56	\$39,256	\$0	\$39,256	104
UW Tacoma	\$163,243	\$0	\$163,243	97	\$359,811	\$0	\$359,811	188
Other University Support	\$65,687	\$60,695	\$126,382	121	\$214,776	\$60,695	\$275,471	803
Total	\$11,955,512	\$9,947,317	\$21,902,829	10531	\$39,280,692	\$41,037,329	\$80,318,021	22894

Donors are defined as those entities with a credit amount of greater than \$0.00.

FUNDING THEME PROGRESS

Theme	Current Use	Endowment	Total
Program Support for Faculty and Students	\$48,962,120	\$9,771,574	\$58,733,694
Faculty Support	\$1,577,191	\$4,025,231	\$5,602,421
Discretionary	\$5,092,113	\$134,949	\$5,227,063
Student Support	\$904,914	\$4,254,540	\$5,159,454
Capital	\$5,595,290	\$100	\$5,595,390
Total	\$62,131,627	\$18,186,394	\$80,318,021

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Grant and Contract Awards Summary – July and August, 2008

RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents accept the Grant and Contract Awards as presented on the attached reports.

Attachments

1. Grant and Contract Awards Summary for July, 2008
2. Grant and Contract Awards Summary for August, 2008

Grant and Contract Awards Summary

to

The Board of Regents

of the

University of Washington

for

July 2008

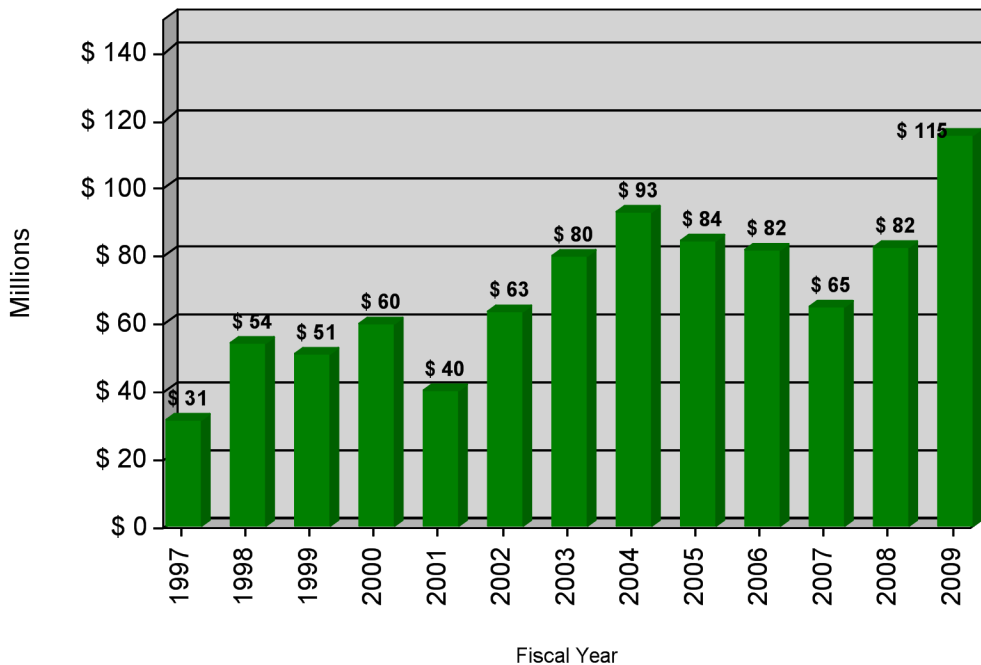
Office of Research

Office of Sponsored Programs

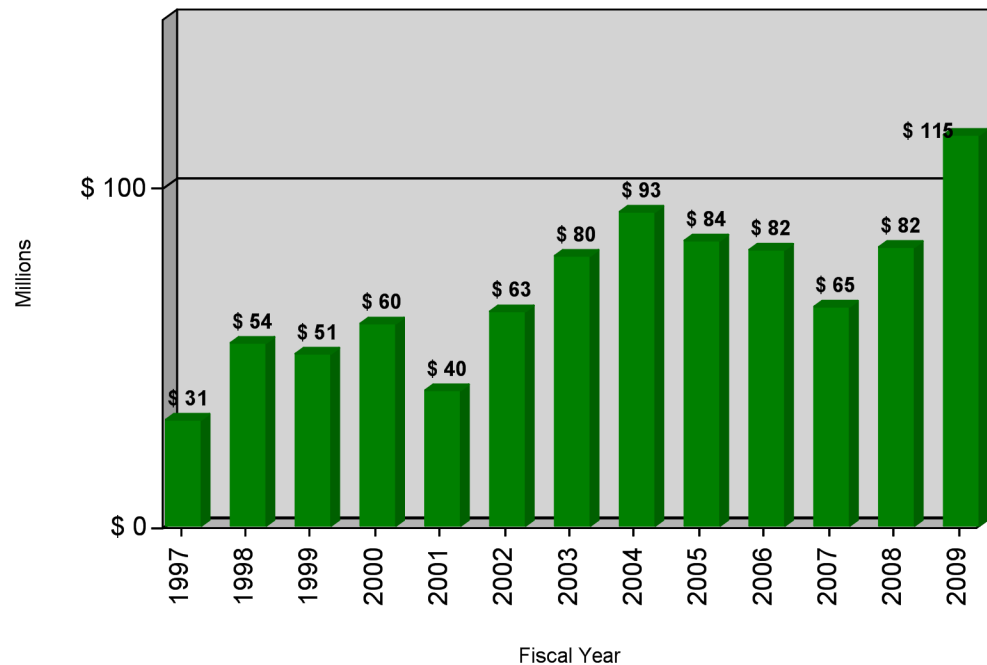
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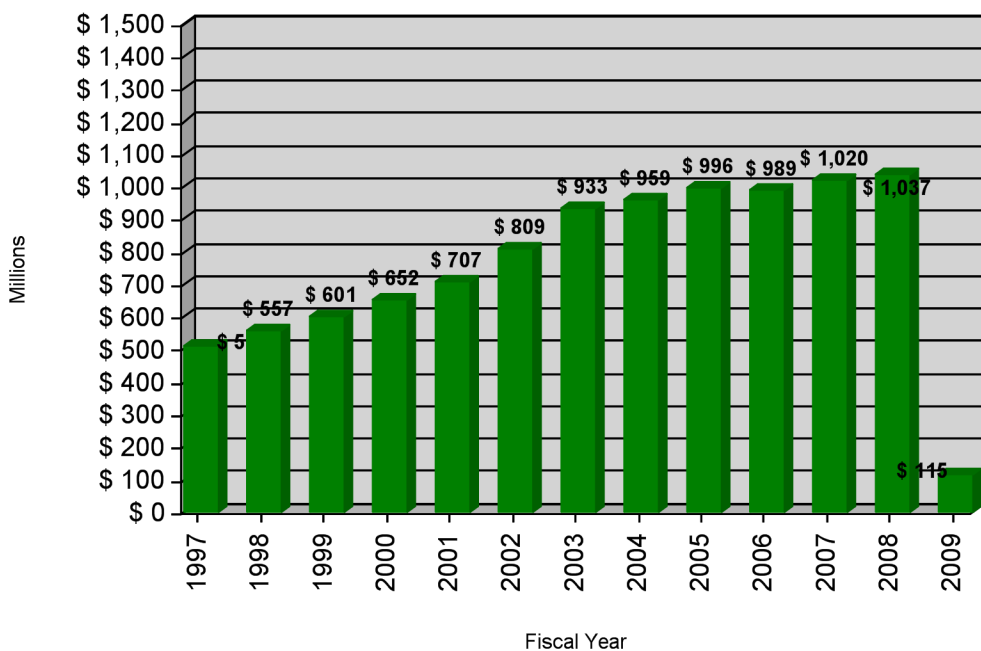
July Only
Comparison of Grant & Contract Awards



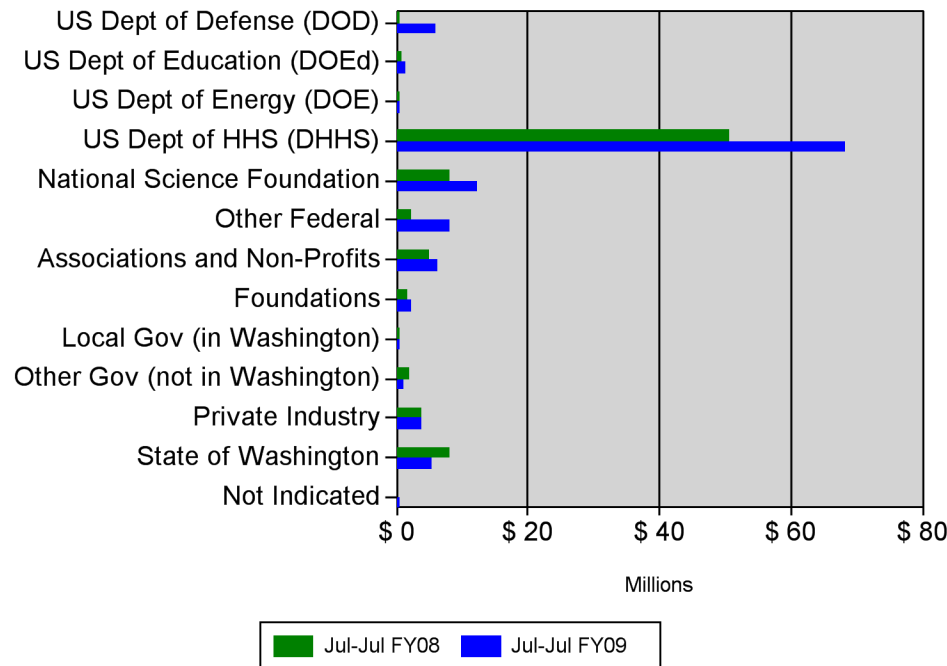
Fiscal Year to Date
Comparison of Grant & Contract Awards



Complete Fiscal Year
Comparison of Grant & Contract Awards



Fiscal Year to Date
Two-Year Comparison of Grant and Contract Awards



Summary of Grant and Contract Awards

Fiscal Year 2008-2009

Month	RESEARCH AND OTHER		TRAINING		Total Grants and Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 86,211,310	\$ 16,220,680	\$ 9,776,757	\$ 3,166,441	\$ 115,375,200
FY09 to Date	\$86,211,310	\$16,220,681	\$9,776,757	\$3,166,441	\$115,375,189
FY08 to Date	\$54,687,263	\$14,982,395	\$7,034,788	\$5,593,291	\$82,297,737
Over (Under) Previous Year	\$31,524,047	\$1,238,286	\$2,741,969	(\$2,426,850)	\$33,077,452

Assuming acceptance of all awards by the Board of Regents

Comparison of Grant and Contract Awards by Agency**Fiscal Years 2007-2008 and 2008-2009**

Agency	Jul-Jul FY08	Jul-Jul FY09
US Department of Defense (DOD)	\$ 120,000	\$ 5,772,109
US Department of Education (DOEd)	\$ 630,430	\$ 1,286,346
US Department of Energy (DOE)	\$ 225,000	\$ 11,745
US Department of Health and Human Services (DHHS)	\$ 50,715,571	\$ 68,387,982
National Science Foundation (NSF)	\$ 7,882,375	\$ 12,403,197
Other Federal	\$ 2,148,675	\$ 8,126,688
Subtotal for Federal :	\$ 61,722,051	\$ 95,988,067
Associations and Non-Profits	\$ 4,956,766	\$ 6,113,861
Foundations	\$ 1,562,629	\$ 2,272,843
Local Government (in Washington)	\$ 471,026	\$ 559,985
Other Government (not in Washington)	\$ 2,033,134	\$ 1,180,887
Private Industry	\$ 3,631,821	\$ 3,836,469
State of Washington	\$ 7,920,309	\$ 5,410,695
Not Indicated	\$ 0	\$ 12,382
Subtotal for Non-Federal :	\$ 20,575,686	\$ 19,387,121
Grand Total :	\$ 82,297,737	\$ 115,375,189
Amount of Increase (Decrease) :		\$ 33,077,452
Percent of Increase (Decrease) :		40.2 %

Assuming acceptance of all awards by the Board of Regents

Comparison of Grant and Contract Awards by School/College

Fiscal Years 2007-2008 and 2008-2009

School/College	Jul-Jul FY08	Jul-Jul FY09
Upper Campus		
Architecture and Urban Planning	\$ 131,327	\$ 227,321
Arts and Sciences	\$ 6,414,188	\$ 9,971,460
Business Administration		\$ 95,000
Education	\$ 55,000	\$ 1,434,447
Educational Outreach		\$ 39,001
Engineering	\$ 1,356,326	\$ 7,222,503
Evans School of Public Affairs	\$ 107,829	\$ 285,000
Executive Vice President		\$ 621,238
Forest Resources	\$ 1,002,273	\$ 1,523,273
Graduate School	\$ 20,500	\$ 674,303
Information School	\$ 1,336,965	
Ocean and Fishery Sciences	\$ 5,230,017	\$ 6,607,452
Office of Research	\$ 128,888	\$ 4,007,431
Provost	\$ 200,000	
Social Work	\$ 4,802,145	\$ 3,894,606
Subtotal :	\$ 20,785,458	\$ 36,603,034
Health Sciences		
Dentistry	\$ 1,933,842	\$ 1,846,558
Medicine	\$ 33,340,689	\$ 54,974,604
Nursing	\$ 2,506,644	\$ 4,086,006
Pharmacy	\$ 1,574,151	\$ 924,871
Public Health and Community Medicine	\$ 4,425,089	\$ 3,055,993
Subtotal :	\$ 43,780,414	\$ 64,888,032
Special Programs		
Alcohol and Drug Abuse Institute	\$ 528,311	\$ 145,630
CHDD Administration	\$ 4,078,148	\$ 854,817
Regional Primate Center	\$ 13,122,405	\$ 12,585,373
Subtotal :	\$ 17,728,864	\$ 13,585,820
Other UW Campuses		
Bothell		\$ 298,302
Tacoma	\$ 3,000	
Subtotal :	\$ 3,000	\$ 298,302
Grand Total :	\$ 82,297,737	\$ 115,375,189

Assuming acceptance of all awards by the Board of Regents

List of Awards for Arts and Sciences**Fiscal Years 2007-2008 and 2008-2009**

Department	Jul-Jul FY08	Jul-Jul FY09
Center for Studies in Demography and Ecology	\$0	\$ 240,570
Department of Astronomy	\$ 237,505	\$ 367,592
Department of Atmospheric Sciences	\$0	\$ 276,288
Department of Biology	\$ 584,114	\$ 531,129
Department of Chemistry	\$ 3,699,922	\$ 5,854,353
Department of Communication	\$ 14,458	\$0
Department of Earth and Space Sciences	\$ 178,099	\$ 829,173
Department of Economics	\$ 6,575	\$0
Department of English	\$0	\$ 43,000
Department of Linguistics	\$0	\$ 74,795
Department of Mathematics	\$ 55,620	\$ 178,245
Department of Physics	\$ 40,000	\$ 610,000
Department of Political Science	\$ 28,360	\$ 14,400
Department of Psychology	\$ 673,458	\$ 534,505
Department of Speech and Hearing Sciences	\$ 355,412	\$ 322,626
Department of Statistics	\$ 9,710	\$ 83,334
Henry M. Jackson School of International Studies	\$ 530,955	\$0
Public Performing Arts	\$0	\$ 11,450
Total :	\$ 6,414,187	\$ 9,971,459

Assuming acceptance of all awards by the Board of Regents

Summary of Grant Awards

Fiscal Year 2008-2009

Excluding private awards from Foundations, Industry, Associations and Others

Month	RESEARCH AND OTHER		TRAINING		Total Grants
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 84,799,550	\$ 3,384,315	\$ 9,776,757	\$ 390,531	\$ 98,351,160
Year to Date	\$ 84,799,550	\$ 3,384,315	\$ 9,776,757	\$ 390,531	\$ 98,351,160

Assuming acceptance of all awards by the Board of Regents

Summary of Grant Awards

Fiscal Year 2008-2009

Private awards from Foundations, Industry, Associations and Others

Month	RESEARCH AND OTHER	TRAINING	Total Grants
July	\$ 6,878,668	\$ 512,428	\$ 7,391,096
Year to Date	\$ 6,878,668	\$ 512,428	\$ 7,391,096

Assuming acceptance of all awards by the Board of Regents

Summary of Contract Awards

Fiscal Year 2008-2009

Month	RESEARCH AND OTHER		TRAINING	Total Contracts
	Federal	Non-Federal	Non-Federal	
July	\$ 1,411,756	\$ 5,957,698	\$ 2,263,482	\$ 9,632,936
Year to Date	\$ 1,411,756	\$ 5,957,698	\$ 2,263,482	\$ 9,632,936

Assuming acceptance of all awards by the Board of Regents

**Report of Grant and Contract Awards
of \$1,000,000 or More**

July 2008

**Requiring action of
The Board of Regents
of the
University of Washington**

**Office of Research
Office of Sponsored Programs**

Detail of Public Grant Awards

Federal

US Department of Defense (DOD)

DARPA Defense Sciences Office

To: David Baker, Professor \$ 4,700,000
 Department of Biochemistry

For: New Technology for Inside-Out Design of Novel Enzyme Catalysts

Eff: 7/11/2008 Classified: No

Total for DARPA Defense Sciences Office: \$ 4,700,000

Total for US Department of Defense (DOD): \$ 4,700,000

US Department of Health and Human Services (DHHS)

Centers for Disease Control and Prevention (CDC)

To: Grace C. John Stewart, Assoc Professor \$ 4,219,438
 Department of Medicine

For: University of Washington/Coptic Hospital Collaborative HIV-1 Care

Eff: 4/1/2008 Classified: No

Total for Centers for Disease Control and Prevention (CDC): \$ 4,219,438

National Institutes of Health (NIH)

To: King K. Holmes, Chair \$ 3,183,262
 Global Health

For: University of Washington Center for AIDS Research

Eff: 6/1/2008 Classified: No

To: David Kimelman, Professor \$ 1,104,796
 Department of Biochemistry

For: Training in Molecular and Cellular Biology

Eff: 7/1/2008 Classified: No

National Center for Research Resources (NCRR)

To: Sidney D Nelson, Dean \$ 12,480,373
 Dean of Pharmacy

For: Washington National Primate Research Center FY47

Eff: 5/1/2008 Classified: No

Total for National Center for Research Resources (NCRR): \$ 12,480,373

National Institute of Child Health and Human Development (NICHD)

To: G Stanley Mc Knight, Professor \$ 1,502,670
 Department of Pharmacology

For: U54 Clinical and Basic Studies in Male Reproduction

Eff: 4/1/2008 Classified: No

Total for National Institute of Child Health and Human Development (NICHD): \$ 1,502,670

Total for National Institutes of Health (NIH): \$ 18,271,101

Total for US Department of Health and Human Services (DHHS): \$ 22,490,539

National Science Foundation (NSF)

National Science Foundation (NSF)

To: Larry R. Dalton, Professor \$ 4,000,000
 Department of Chemistry

Detail of Public Grant Awards

Federal

National Science Foundation (NSF)

National Science Foundation (NSF)

For: Center on Materials and Devices for Information Technology
Research
Eff: 8/1/2008 Classified: No

Total for National Science Foundation (NSF): \$ 4,000,000

Total for National Science Foundation (NSF): \$ 4,000,000

Other Federal

National Oceanic and Atmospheric Administration (NOAA)

To: John M Wallace, Director \$ 2,696,768
Joint Institute for Study of the Atmosphere and Ocean (JISAO)
For: The Argo Project: Global Ocean Observations for Understanding
and Prediction of Climate Variability
Eff: 4/2/2001 Classified: No

Total for National Oceanic and Atmospheric Administration (NOAA): \$ 2,696,768

US Department of Transportation

To: Nancy L Nihan, Director \$ 1,686,000
Civil and Environmental Engineering
For: TransNow Center Plan for Fiscal Year 2008-2009 (July1, 2008-June
30,2009)
Eff: 10/1/2006 Classified: No

Total for US Department of Transportation: \$ 1,686,000

Total for Other Federal: \$ 4,382,768

Total for Federal: \$ 35,573,307

State of Washington

Washington State Higher Education Coordinating Board

To: Michael Hochberg, Acting Assistant Professor-temp \$ 1,310,000
Electrical Engineering
For: Innovation Research Team (IRT) Program
Eff: 6/16/2008 Classified: No

Total for Washington State Higher Education Coordinating Board: \$ 1,310,000

Total for State of Washington: \$ 1,310,000

Total Public Grants: \$ 36,883,307

Grand Total for all Awards \$ 36,883,307

Grant and Contract Awards Summary

to

The Board of Regents

of the

University of Washington

for

August 2008

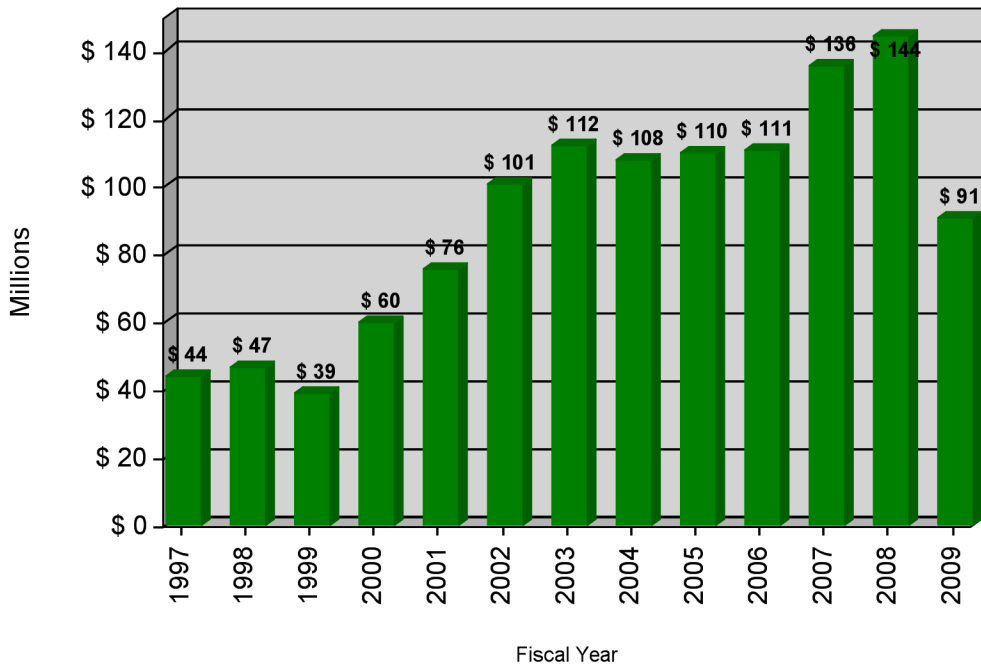
Office of Research

Office of Sponsored Programs

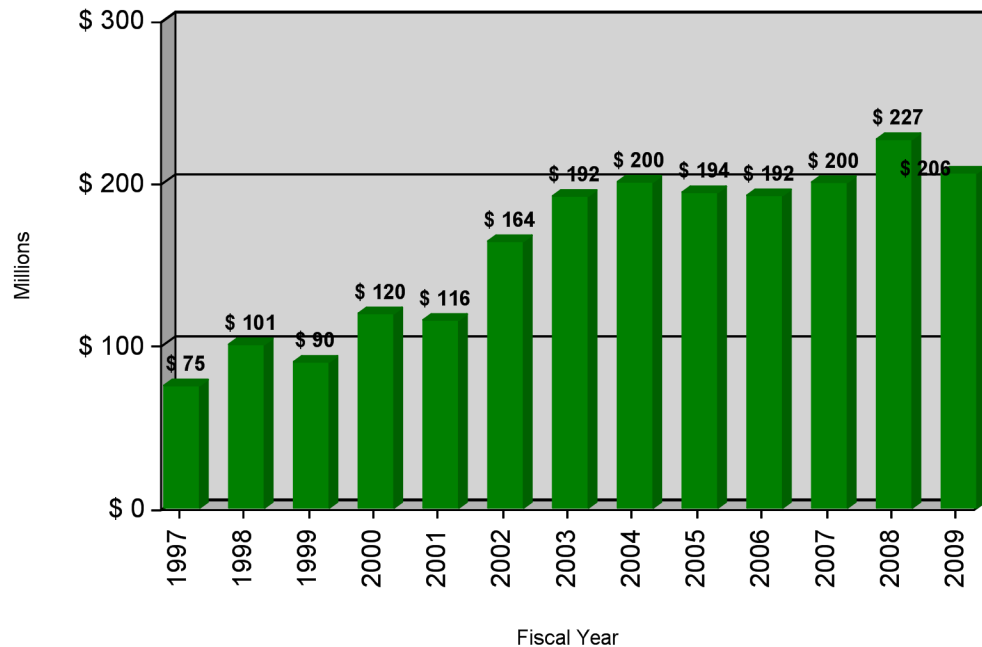
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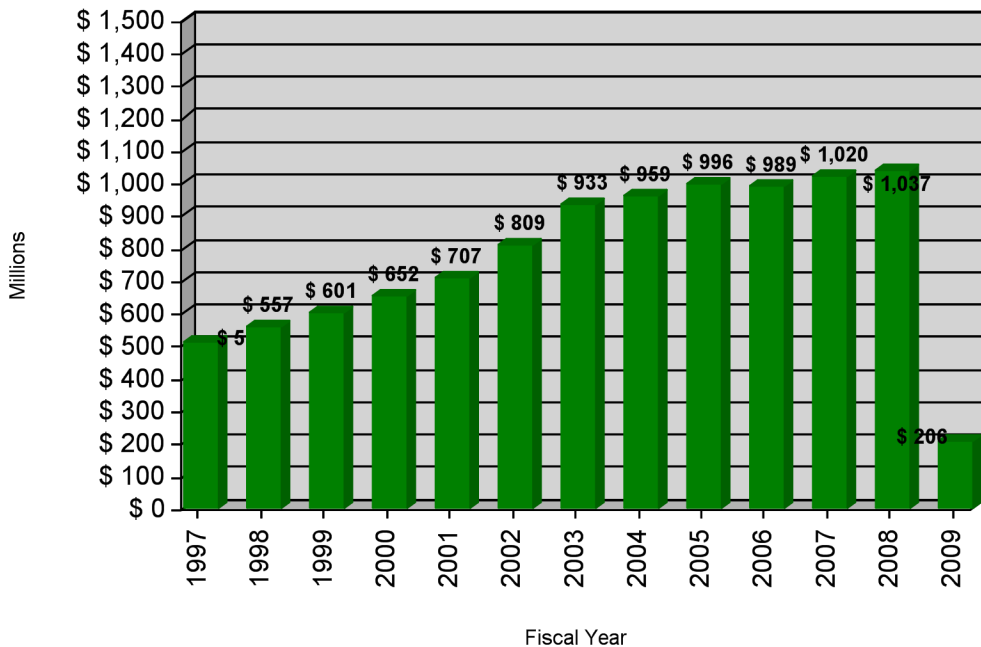
August Only
Comparison of Grant & Contract Awards



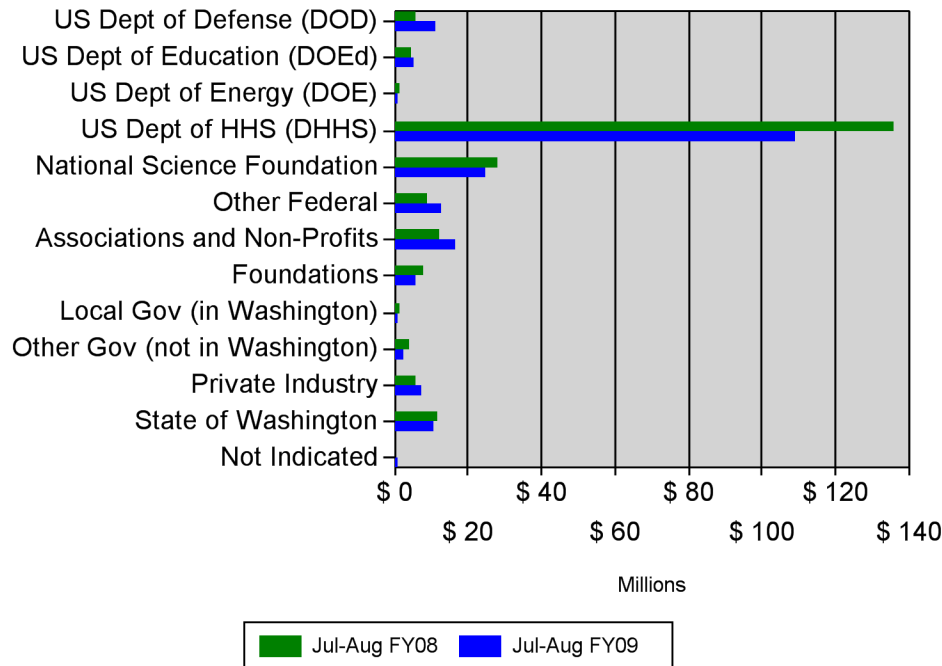
Fiscal Year to Date
Comparison of Grant & Contract Awards



Complete Fiscal Year
Comparison of Grant & Contract Awards



Fiscal Year to Date
Two-Year Comparison of Grant and Contract Awards



Summary of Grant and Contract Awards

Fiscal Year 2008-2009

Month	RESEARCH AND OTHER		TRAINING		Total Grants and Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 86,211,310	\$ 16,220,680	\$ 9,776,757	\$ 3,166,441	\$ 115,375,200
August	\$ 59,011,790	\$ 22,563,880	\$ 7,944,685	\$ 1,036,159	\$ 90,556,520
FY09 to Date	\$145,223,100	\$38,784,565	\$17,721,442	\$4,202,600	\$205,931,707
FY08 to Date	\$167,104,302	\$36,103,010	\$16,800,043	\$6,635,226	\$226,642,581
Over (Under) Previous Year	(\$21,881,202)	\$2,681,556	\$921,399	(\$2,432,626)	(\$20,710,874)

Assuming acceptance of all awards by the Board of Regents

Comparison of Grant and Contract Awards by Agency**Fiscal Years 2007-2008 and 2008-2009**

Agency	Jul-Aug FY08	Jul-Aug FY09
US Department of Defense (DOD)	\$ 5,634,798	\$ 11,090,024
US Department of Education (DOEd)	\$ 4,562,660	\$ 5,381,763
US Department of Energy (DOE)	\$ 1,126,000	\$ 252,139
US Department of Health and Human Services (DHHS)	\$ 135,503,344	\$ 108,964,292
National Science Foundation (NSF)	\$ 28,165,545	\$ 24,772,566
Other Federal	\$ 8,911,998	\$ 12,483,758
Subtotal for Federal :	\$ 183,904,345	\$ 162,944,542
Associations and Non-Profits	\$ 12,444,472	\$ 16,741,442
Foundations	\$ 7,755,164	\$ 5,398,230
Local Government (in Washington)	\$ 1,381,881	\$ 903,216
Other Government (not in Washington)	\$ 3,768,793	\$ 2,460,373
Private Industry	\$ 5,928,239	\$ 7,046,649
State of Washington	\$ 11,459,687	\$ 10,424,874
Not Indicated	\$ 0	\$ 12,382
Subtotal for Non-Federal :	\$ 42,738,236	\$ 42,987,165
Grand Total :	\$ 226,642,581	\$ 205,931,707
Amount of Increase (Decrease) :		(\$ 20,710,874)
Percent of Increase (Decrease) :		(9.1 %)

Assuming acceptance of all awards by the Board of Regents

Comparison of Grant and Contract Awards by School/College

Fiscal Years 2007-2008 and 2008-2009

School/College	Jul-Aug FY08	Jul-Aug FY09
Upper Campus		
Architecture and Urban Planning	\$ 220,546	\$ 227,321
Arts and Sciences	\$ 20,535,343	\$ 19,951,203
Business Administration	\$ 344,721	\$ 95,000
Education	\$ 665,746	\$ 1,865,502
Educational Outreach		\$ 39,001
Engineering	\$ 16,198,742	\$ 19,539,435
Evans School of Public Affairs	\$ 846,792	\$ 383,875
Executive Vice President		\$ 621,238
Forest Resources	\$ 1,645,219	\$ 1,929,909
Graduate School	\$ 187,689	\$ 674,303
Information School	\$ 1,336,965	\$ 2,430,495
Ocean and Fishery Sciences	\$ 22,545,076	\$ 12,624,287
Office of Research	\$ 3,510,485	\$ 4,934,579
Provost	\$ 200,000	
Social Work	\$ 5,326,330	\$ 4,111,342
VP Educational Partnerships	\$ 43,745	
VP Minority Affairs	\$ 2,176,608	\$ 3,390,602
Subtotal :	\$ 75,784,007	\$ 72,818,092
Health Sciences		
Dentistry	\$ 2,442,853	\$ 2,471,814
Medicine	\$ 97,897,857	\$ 101,303,240
Nursing	\$ 6,389,721	\$ 5,041,423
Pharmacy	\$ 3,819,680	\$ 1,368,679
Public Health and Community Medicine	\$ 17,783,614	\$ 8,909,094
Subtotal :	\$ 128,333,725	\$ 119,094,249
Special Programs		
Alcohol and Drug Abuse Institute	\$ 653,226	\$ 145,630
CHDD Administration	\$ 6,557,898	\$ 904,817
Regional Primate Center	\$ 14,222,366	\$ 12,585,373
Subtotal :	\$ 21,433,490	\$ 13,635,820
Other UW Campuses		
Bothell	\$ 889,359	\$ 311,818
Tacoma	\$ 202,000	\$ 71,728
Subtotal :	\$ 1,091,359	\$ 383,546
Grand Total :	\$ 226,642,581	\$ 205,931,707

Assuming acceptance of all awards by the Board of Regents

List of Awards for Arts and Sciences**Fiscal Years 2007-2008 and 2008-2009**

Department	Jul-Aug FY08	Jul-Aug FY09
Center for Statistics and the Social Sciences	\$ 388,907	\$0
Center for Studies in Demography and Ecology	\$ 226,451	\$ 378,612
Department of Anthropology	\$ 41,606	\$ 55,872
Department of Applied Mathematics	\$0	\$ 148,233
Department of Astronomy	\$ 826,454	\$ 1,174,536
Department of Atmospheric Sciences	\$ 510,194	\$ 931,227
Department of Biology	\$ 1,746,004	\$ 1,235,123
Department of Chemistry	\$ 10,092,860	\$ 7,010,458
Department of Communication	\$ 14,458	\$0
Department of Earth and Space Sciences	\$ 635,861	\$ 1,718,579
Department of Economics	\$ 6,575	\$0
Department of English	\$ 72,573	\$ 43,000
Department of Geography	\$0	\$ 12,000
Department of Linguistics	\$ 164,666	\$ 74,795
Department of Mathematics	\$ 1,113,158	\$ 418,243
Department of Physics	\$ 794,194	\$ 828,492
Department of Political Science	\$ 102,147	\$ 14,400
Department of Psychology	\$ 2,061,545	\$ 920,747
Department of Speech and Hearing Sciences	\$ 391,229	\$ 322,626
Department of Statistics	\$ 16,173	\$ 150,186
Henry M. Jackson School of International Studies	\$ 1,318,414	\$ 348,500
Institute for Nuclear Theory	\$0	\$ 47,200
Other Arts and Sciences Programs	\$0	\$ 4,033,304
Public Performing Arts	\$ 11,875	\$ 46,450
Thomas Burke Memorial Washington State Museum	\$0	\$ 38,620
Total :	\$ 20,535,340	\$ 19,951,200

Assuming acceptance of all awards by the Board of Regents

Summary of Grant Awards

Fiscal Year 2008-2009

Excluding private awards from Foundations, Industry, Associations and Others

Month	RESEARCH AND OTHER		TRAINING		Total Grants
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 84,799,550	\$ 3,384,315	\$ 9,776,757	\$ 390,531	\$ 98,351,160
August	\$ 53,590,660	\$ 5,137,674	\$ 7,914,685	\$ 0	\$ 66,643,020
Year to Date	\$ 138,390,200	\$ 8,521,989	\$ 17,691,440	\$ 390,531	\$ 164,994,200

Assuming acceptance of all awards by the Board of Regents

Summary of Grant Awards

Fiscal Year 2008-2009

Private awards from Foundations, Industry, Associations and Others

Month	RESEARCH AND OTHER	TRAINING	Total Grants
July	\$ 6,878,668	\$ 512,428	\$ 7,391,096
August	\$ 12,286,370	\$ 397,418	\$ 12,683,790
Year to Date	\$ 19,165,040	\$ 909,846	\$ 20,074,890

Assuming acceptance of all awards by the Board of Regents

Summary of Contract Awards

Fiscal Year 2008-2009

Month	RESEARCH AND OTHER		TRAINING		Total Contracts
	Federal	Non-Federal	Federal	Non-Federal	
July	\$ 1,411,756	\$ 5,957,698	\$ 0	\$ 2,263,482	\$ 9,632,936
August	\$ 5,421,129	\$ 5,139,839	\$ 30,000	\$ 638,741	\$ 11,229,710
Year to Date	\$ 6,832,885	\$ 11,097,540	\$ 30,000	\$ 2,902,223	\$ 20,862,640

Assuming acceptance of all awards by the Board of Regents

**Report of Grant and Contract Awards
of \$1,000,000 or More**

August 2008

**Requiring action of
The Board of Regents
of the
University of Washington**

**Office of Research
Office of Sponsored Programs**

Detail of Public Grant Awards

Federal

US Department of Education (DOEd)

US Department of Education (DOEd)

To: Loueta D. Johnson, Director \$ 2,176,608
 VP MINORITY AFFAIRS
 For: Two Valleys One Vision GEAR UP Program
 Eff: 9/1/2008 Classified: No

Total for US Department of Education (DOEd): \$ 2,176,608

Total for US Department of Education (DOEd): \$ 2,176,608

US Department of Health and Human Services (DHHS)

Health Resources and Services Administration (HRSA)

To: David H Spach, Professor \$ 2,030,690
 Department of Medicine
 For: Regional AIDS Education and Training Centers Program
 Eff: 7/1/2008 Classified: No

Total for Health Resources and Services Administration (HRSA): \$ 2,030,690

National Institutes of Health (NIH)

To: Alan Chait, Professor \$ 2,267,485
 Department of Medicine
 For: Pathobiology of Macrovascular Disease in Diabetes
 Eff: 8/1/2008 Classified: No

To: Alan Chait, Professor \$ 1,051,947
 Department of Medicine
 For: Clinical Nutrition Research Unit
 Eff: 7/1/2008 Classified: No

National Human Genome Research Institute (NHGRI)

To: Evan E Eichler, Associate Professor \$ 1,028,976
 Department of Genome Sciences
 For: Human Genome Structural Variation Project
 Eff: 4/1/2008 Classified: No

Total for National Human Genome Research Institute (NHGRI): \$ 1,028,976

National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK)

To: Michael W Schwartz, Professor \$ 1,183,264
 Department of Medicine
 For: Hypothalamic Control of Food Intake and Body Weight
 Eff: 8/1/2008 Classified: No

Total for National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK): \$ 1,183,264

National Institute of General Medical Sciences (NIGMS)

To: Carl A. Blau, Professor \$ 1,955,575
 Department of Medicine
 For: Self Renewal and Differentiation of Human Embryonic Stem Cells
 Eff: 8/1/2008 Classified: No

Total for National Institute of General Medical Sciences (NIGMS): \$ 1,955,575

National Institute on Drug Abuse (NIDA)

To: Michael Gerald Katze, Professor \$ 1,773,578

Detail of Public Grant Awards

Federal

US Department of Health and Human Services (DHHS)

National Institutes of Health (NIH)

National Institute on Drug Abuse (NIDA)

Department of Microbiology

For: Functional Genomics and HCV-Associated Liver Disease

Eff: 7/1/2008

Classified: No

Total for National Institute on Drug Abuse (NIDA):

\$ 1,773,578

Total for National Institutes of Health (NIH):

\$ 9,260,825

Total for US Department of Health and Human Services (DHHS):

\$ 11,291,515

National Science Foundation (NSF)

National Science Foundation (NSF)

To: Richard E Ladner, Professor
Computer Science and Engineering

\$ 1,979,406

For: BPC-AE: AccessComputing Extension

Eff: 8/15/2008

Classified: No

Total for National Science Foundation (NSF):

\$ 1,979,406

Total for National Science Foundation (NSF):

\$ 1,979,406

Total for Federal:

\$ 15,447,529

State of Washington

Washington State Life Sciences Discovery Fund Authority (LSDFA)

To: Patricia K Kuhl, Professor
Department of Speech and Hearing Sciences

\$ 4,033,304

For: Early Learning and Brain Development: MEG Brain Imaging Center
for Infants and Children

Eff: 8/13/2008

Classified: No

Total for Washington State Life Sciences Discovery Fund Authority (LSDFA):

\$ 4,033,304

Total for State of Washington:

\$ 4,033,304

Total Public Grants:

\$ 19,480,833

Detail of Private Grant Awards

Associations and Non-Profits

International Development Research Centre (IDRC)

To: Christopher T. Coward, Director \$ 1,656,246
Information School

For: ICT and Public Access: Investigating the Social and Economic
Impact of Public Access to Information and Communication
Technologies.

Eff: 10/18/2007 Classified: No

Total for International Development Research Centre (IDRC): \$ 1,656,246

Fred Hutchinson Cancer Research Center (FHCRC)

To: Jairam R. Lingappa, Asst Professor \$ 1,093,532
Department of Medicine

For: Immune Correlates of Protection Against HIV and SIV Infection

Eff: 6/1/2008 Classified: No

To: Janine R. Maenza, Clinical Assistant Professor-salaried \$ 1,822,708
Department of Medicine

For: HVTN CORE Travel Budget

Eff: 6/1/2008 Classified: No

Total for Fred Hutchinson Cancer Research Center (FHCRC): \$ 2,916,240

Total for Associations and Non-Profits: \$ 4,572,486

Total Private Grants: \$ 4,572,486

Detail of Contract Awards

Federal

US Department of Defense (DOD)

US Navy

To: Jan A. Newton, Apl-principal Oceanographer \$ 1,121,000
 Applied Physics Laboratory
 For: Hood Canal Low Dissolved Oxygen Program- Integrated
 Assessment and Modeling (HCDOP-IAM) Study
 Eff: 2/18/2005 Classified: No

Total for US Navy: \$ 1,121,000

Total for US Department of Defense (DOD): \$ 1,121,000

US Department of Health and Human Services (DHHS)

National Institutes of Health (NIH)

National Heart, Lung, and Blood Institute (NHLBI)

To: Richard A Kronmal, Professor \$ 1,823,432
 Department of Biostatistics
 For: Multi-Ethnic Study of Atherosclerosis
 Eff: 12/21/1998 Classified: No

Total for National Heart, Lung, and Blood Institute (NHLBI): \$ 1,823,432

Total for National Institutes of Health (NIH): \$ 1,823,432

Total for US Department of Health and Human Services (DHHS): \$ 1,823,432

Total for Federal: \$ 2,944,432

Total Contracts: \$ 2,944,432

Grand Total for all Awards \$ 26,997,751

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Securities Transactions – Authorized SignaturesRECOMMENDED ACTION:

It is the recommendation of the Finance, Audit and Facilities Committee that the Board of Regents adopt the enclosed resolution, effective November 1, 2008, updating the number of University officers authorized to purchase and sell securities on behalf of the University of Washington and adding language to include a broader range of investment transactions where signatory authority is required.

BACKGROUND:

By policy, the Board of Regents approves authorized signatures for University securities transactions. A resolution was adopted by the Board of Regents on April 25, 1986 establishing the initial signatory authorities. This list is amended from time to time for additions, deletions and corrections for current position titles. The recommended action adds the Chief Financial Officer and the Associate Vice President to the list and replaces the Executive Vice President with the Senior Vice President. The resolution is amended to reflect these changes.

The University of Washington accepts gifts of securities which must be liquidated to provide funds for purposes specified by the donors or, in the case of life income plans, for reinvestment in other securities which will produce income for distribution to named beneficiaries. An authorizing resolution accompanies each order to sell securities registered in the name of the University of Washington and is submitted to brokers with whom new accounts are to be established for reasons of investing in or selling particular securities.

Signatory authority is also required in the execution of investment management agreements, limited partnership agreements, custodial agreements, futures and swap contracts, and other investment related documents on behalf of the University. The resolution is amended to include this additional language.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Securities Transactions – Authorized Signatures (continued p. 2)

The language of the enclosed resolution is otherwise identical to that of the existing resolution.

REVIEW AND APPROVALS:

The resolution has been reviewed by the Senior Vice President and Treasurer of the Board of Regents.

Attachment:

Resolution – Securities Transactions

RESOLUTION – SECURITIES TRANSACTIONS

WHEREAS, the University of Washington accepts gifts, grants, conveyances, bequests and devises of real and personal property, in trust and otherwise, for the use or benefit of the University, pursuant to the authority conferred by RCW 28B.20.130; and

WHEREAS, RCW 28B.20.130 further empowers the Board of Regents to sell, lease or exchange, invest or expend said gifts, grants, conveyances, bequests and devises in accordance with the terms thereof;

BE IT THEREFORE RESOLVED, that the University of Washington may establish or continue one or more accounts with qualified brokers, their successors and assigns, for the purpose of purchasing and selling stocks, bonds, and securities of any and every kind and nature; and

BE IT FURTHER RESOLVED, that the University of Washington may enter into investment management contracts with public and private investment management firms, custodial banks, brokerage firms in the daily management of its investment portfolios; and

BE IT THEREFORE RESOLVED, that any one of the following University of Washington officers is hereby authorized to act in the name of, or on behalf of the University of Washington in the execution of securities transactions:

Senior Vice President
Treasurer
Chief Investment Officer
Associate Vice President
Persons temporarily assuming the duties of the aforementioned and designated as “acting”

BE IT FURTHER RESOLVED, that any one of the following University of Washington officers is hereby authorized to act in the name of, or on behalf of the University of Washington in the execution of securities transactions if specifically delegated such authority by the Senior Vice President:

Senior Investment Officer
Associate Treasurer

BE IT FURTHER RESOLVED, that the names and signatures of such authorized officers be attested by the Secretary or the Assistant secretary of the Board of Regents, and

BE IT FURTHER RESOLVED, that the previous authorization of signatures and accounts with brokers effective April 1, 1991, is hereby rescinded.

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee****On-Call Civil and Structural Master Term Engineering Agreement – Select Engineering Firm****RECOMMENDED ACTION:**

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the President be delegated authority to award a term agreement for on-call civil and structural engineering services to Reid Middleton, Inc., subject to successful negotiation of the engineering and professional services agreements.

In the event of an unsuccessful negotiation with the selected firm, it is requested that authority be delegated to open negotiations with KPFF, the firm recommended as first alternate.

BACKGROUND:

The Capital Projects Office intends to select an engineering firm for an on-call Master Term Agreement for various civil/structural projects. As individual projects arise, the parties will negotiate the scope of work and fee and formalize it in a project authorization. Project authorizations under the Master Term Agreement will be executed prior to the expiration of the Master Term Agreement, and will be limited to those with a total project budget (including design, construction, contingency and other costs) of less than \$4 million.

The term agreement will have a total project value of \$8 million and will be for an initial two-year period with an optional two-year renewal (for a maximum of four years). If the consultant performs well on work awarded during the first two-year period then it is the intention of the Capital Projects Office to continue engineering services with the same consultant for a second two-year period. It is anticipated that working with a consultant with successful recent experience in the design and delivery of projects for the University of Washington may result in the production of better design documents in a more timely fashion. It also assures that planning work initiated at the latter end of the first two-year period can be executed by the same consultant in the second two-year period.

In September 2008, the Capital Projects Office advertised for firms interested in providing on-call civil and structural engineering services. Eight firms responded to the Request for Qualifications, and three firms were interviewed on October 23, 2008. It is the interview team's recommendation that Reid Middleton, Inc. be awarded the term agreement for on-call civil and structural engineering services.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

On-Call Civil and Structural Master Term Engineering Agreement –Appointment and (continued p. 2)

Reid Middleton, Inc. is a Seattle firm established in 1953 and currently employs 100 people. Reid Middleton, Inc. has provided services to the University of Washington at the IMA Building Expansion, Conibear Shellhouse Renovation and Expansion, the Boat Street Marina Renovation, the Southwest Campus Demolition and seismic upgrade work at the Friday Harbor Laboratory. Reid Middleton, Inc. has also provided services for a broad range of project types to other public agencies including the Naval Facilities Engineering Command, Port of Seattle, City of Seattle and City of Bellevue.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority

Pursuant to the Standing Orders of the Board of Regents, Delegation of Authority, and to the delegation of authority from the President of the University to the Senior Vice President for Finance and Facilities in Administrative Order No. 1, to take action for projects or contracts that exceed \$1,000,000 in value or cost but are less than \$5,000,000, the Administration may approve and execute all instruments.

1. Report of Actions Taken Under General Delegated AuthorityCAPITAL PROJECT BUDGETS**Engineering Library and Loew Hall Fire Safety, Project 202750****Action Reported: Engineer Appointment and Establish Project Budget**

On September 24, 2008, an agreement for engineering services was awarded to FSi Consulting Engineers for the Engineering Library and Loew Hall Fire Safety project under their existing master engineering services contract. The value of the design contract is \$64,743, and the proposed budget for all consultant services for the project is \$122,759. The balance of the consultant budget is intended for site investigations, hazardous material survey and construction phase services.

FSi Consulting Engineers is a Seattle based mechanical and fire safety engineering firm with experience at the University. As a prime consultant, the firm has recently completed a fire safety design at Marine Studies and is working on fire safety predesigns at Odegaard Undergraduate Library, Hitchcock Hall and the CHDD School. They have worked as a subconsultant for a variety of lab renovations in the Health Sciences complex and in Bagley Hall. As both a prime and subconsultant, FSi has experience in a wide variety of project types with several King County departments and with community colleges in Seattle, Everett, and Edmonds.

The project will replace an outdated joint fire alarm and sprinkler system for Engineering Library and Loew Hall with new separate fire alarm systems for each building. The joint fire sprinkler system provides partial coverage in both buildings. The new separate fire protection sprinkler systems will protect all of Engineering Library and one floor of Loew Hall. Design is planned to be complete in January 2009. Construction is anticipating starting March 2009 and being complete in October 2009.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority (continued p. 2)

The project funding is established at \$1,690,000 and based on a predesign study completed in August 2008. Funding is available from University Capital Safety funds administered by Environmental Health and Safety.

Budget Summary:	Current Apprv'd Budget	Forecast Cost At Completion
Total Consultant Svcs	\$122,759	\$122,759
Total Construction Cost*	\$1,397,000	\$1,397,000
Other Costs	\$44,886	\$44,886
Project Administration	\$125,355	\$125,355
Total Project Budget	\$1,690,000	\$1,690,000

* Includes construction contract amount, contingencies and state sales tax.

Master Term Agreement for On-Call Industrial Mechanical Engineering Services

Action Reported: Appoint Engineer

In September 2008, the Capital Projects Office advertised for firms interested in providing on-call industrial mechanical engineering services. Six firms responded to the Request for Qualifications, and two firms were interviewed on October 20, 2008. The interview team has selected Harris Group Inc. to be awarded the term agreement for on-call industrial mechanical engineering services, subject to successful negotiation of the engineering and professional services agreements.

Harris Group Inc. is based in Seattle, Washington with 80 local employees and 350 employees company-wide. It has been in business since 1975. Harris Group Inc has worked recently with Port of Seattle, Boeing, Weyerhaeuser, PACCAR, Washington State University as well as past projects with University of Washington.

The on-call Master Term Agreement is intended for various mechanical engineering projects, primarily in the Power Plant. As individual projects arise, the parties will negotiate the scope of work and fee and formalize it in a project authorization. Project authorizations under the Master Term Agreement must be executed prior to the expiration of the Master Term Agreement, and will be limited to those with a total project budget (including design, construction, contingency, and other costs) of less than \$4 million.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority (continued p. 3)

The term agreement will be for an initial two-year period with an optional two-year renewal (for a maximum of four years), and have a total project value of \$5 million. If the consultant performs well on work awarded during the first two-year period then it is the intention of the Capital Projects Office is to continue engineering services with the same consultant for a second two-year period. It is anticipated that working with a consultant with successful recent experience in the design and delivery of projects for the University of Washington may result in the production of better design documents in a more timely fashion. It also assures that planning work initiated at the latter end of the first two-year period can be executed by the same consultant in the second two-year period.

2. Report of Actions Taken Under Specific Delegated Authority

Denny Hall Renovation Project

Action Reported: Contract Award

At the January 2008 Board of Regents meeting the use of alternative public works utilizing the General Contractor/Construction Manager (GC/CM) method of contracting was approved; and the President was delegated authority to award construction contracts.

On April 9, 2008, in response to the Request for Proposals for GC/CM services, five construction firms submitted proposals for GC/CM services. Four firms were interviewed on May 6, 2008. Based on the scoring of the proposals and interviews, Absher Construction, BN Builders, Hoffman Construction and M.A. Mortenson were requested to submit a Final Proposal for Contractor Fee and Specified General Conditions on May 22, 2008.

The firm with the highest total score resulting from the scoring of the Proposal, the Interview and the results of the Final Proposal was BN Builders and they were selected to provide Preconstruction Services and for Maximum Allowable Construction Cost (MACC) negotiations. Their bid for Fee and Specified General Conditions was \$2,892,000, versus a budget of \$3,097,363. An Agreement for Preconstruction services was finalized on July 11, 2008.

BN Builders, founded in Seattle in 2000, has constructed over 200 remodel and renovation projects, including the 50,000 SF Regional Medical Center Research Facility and the 17,000 SF Research Institute, Phase 1 for Children's Hospital and Regional Medical Center. They have also completed the renovation of Pinkerton Hall at the UW Tacoma campus. Key members of the BNB Denny Hall project

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority (continued p. 4)

team, while employed by other contractors, have been involved with several projects on the University campus, including Architecture Hall Renovation, Benjamin Hall Interdisciplinary Research Center, Paul G. Allen Center for Computer Science and Engineering, and Suzallo Library Renovation.

Lewis Hall Renovation

Action Reported: Contract Award

At the May 2007 Board of Regents meeting the use of alternative public works utilizing the General Contractor/Construction Manager (GC/CM) method of contracting was approved; and the President was delegated authority to award construction contracts.

On June 20, 2008, in response to the Request for Proposals for GC/CM services, six construction firms submitted proposals for GC/CM services. All six firms were interviewed on July 22 and 23, 2008. Based on the scoring of the proposals and interviews, five firms were requested to submit a Final Proposal for Contractor Fee and Specified General Conditions on August 12, 2008.

The firm with the highest total score resulting from the scoring of the Proposal, the Interview and the results of the Final Proposal was W.G. Clark Construction Co. and they were selected to provide Preconstruction Services and for Maximum Allowable Construction Cost (MACC) negotiations. Their bid for Fee and Specified General Conditions was \$1,372,558, versus a budget of \$1,291,799. An Agreement for Preconstruction services was finalized on September 10, 2008.

W.G. Clark Construction Co. was founded in Seattle in 1910 and currently has 250 employees with the focus of their work in the Pacific Northwest. W.G. Clark is new to the University but they have completed numerous GC/CM projects for a number of Housing Authorities in the Puget Sound area and approximately 80% of their projects are negotiated with involvement starting during the design phase. Their work includes numerous renovation projects and they have completed ten projects in the last ten years with the Mithun, the project architect.

Molecular Engineering Building

Action Reported: Contract Award

At the March 2008 Board of Regents meeting, the use of alternative public works utilizing the General Contractor/Construction Manager (GC/CM) method of contracting was approved; and the President was delegated authority to award construction contracts.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority (continued p. 5)

On June 27, 2008, in response to the Request for Proposals for GC/CM services, five construction firms submitted proposals for GC/CM services. Four firms were interviewed on July 24, 2008. Based on the scoring of the proposals and interviews, Sellen Construction, Hoffman Construction, and Skanska USA Building Inc were requested to submit a Final Proposal for Contractor Fee and Specified General Conditions on August 7, 2008.

The firm with the highest total score resulting from the scoring of the Proposal, the Interview, and the results of the Final Proposal was Hoffman Construction and they were selected to provide Preconstruction Services and for Maximum Allowable Construction Cost (MACC) negotiations. Their bid for Fee and Specified General Conditions was \$4,075,000, versus a budget of \$4,118,968. An Agreement for Preconstruction services was finalized on August 26, 2008.

Hoffman Construction, founded in Portland, Oregon in 1922, has constructed several projects on the University campus, including the William H. Foegen Bioengineering/Genome Sciences Building, UW Medical Center Surgery Pavilion, UW Medical Center Muilenberg Tower Remodel, and the IMA Expansion, and is currently in progress on the Savery Hall Renovation. They have extensive experience with cutting-edge laboratory and research facilities for both higher education and private sector clients.

Savery Hall Renovation

Action Reported: Contract Award

At the November 2005 Board of Regents meeting the use of alternative public works utilizing the General Contractor/Construction Manager (GC/CM) method of contracting was approved; and the President was delegated authority to award construction contracts.

On March 1, 2006 after issuing a preliminary determination, providing a public notification and review process, at which no comments were received, the University issued the Final Determination to use the general contractor/construction manager (GC/CM) procedure provided for in RCW 39.10.

On May 31, 2006, in response to the Request for Proposals for GC/CM services, two construction firms, Absher Construction and Hoffman Construction, submitted proposals for GC/CM services. Both firms were interviewed on June 21, 2006. Based on the scoring of the proposals and interviews, both were

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority (continued p. 6)

requested to submit a Final Proposal for Contractor Fee and Specified General Conditions on August 10, 2006.

The firm with the highest total score resulting from the scoring of the Proposal, the Interview and the results of the Final Proposal was Hoffman Construction and they were selected to provide Preconstruction Services and for Maximum Allowable Construction Cost (MACC) negotiations. Their bid for Fee and Specified General Conditions was \$3,410,000, versus a budget of \$4,997,846. An Agreement for Preconstruction services was finalized on September 15, 2006.

Hoffman Construction, opened the Seattle office in 1929, has recently constructed the IMA Building, Bioengineering/Genome Sciences Building, and the UW Surgery Pavilion on the University campus.

University of Washington Tacoma Phase 3 Action Reported: Preconstruction Services Contract Award

Following Regent approval in March 2008 of the President's delegated authority to award a GC/CM construction contract for the UW Tacoma Phase 3 project, subject to no significant changes in scope, the forecast cost being within 10% of the budget and funding being in place, a preconstruction services contract for \$329,055 was awarded to John Korsmo Construction on October 9, 2008. Five firms submitted qualifications, four of whom were interviewed. Three firms were selected to submit final proposals. Korsmo emerged from the GC/CM competition as the highest scoring proposer.

Korsmo Construction is a Tacoma based firm that was established in the late 1940's providing a wide variety of construction services, with a broad range of project types. Korsmo recently completed the Phillip Hall (Assembly Hall) project at UW Tacoma. Other projects for Korsmo include K-12 facilities, light industrial and commercial projects. Korsmo, in a joint-venture with Watts Constructors, recently completed the restoration of the Paradise Inn and the new Jackson Visitor Center at Mt. Rainier National Park.

The firm with the highest total score resulting from the scoring of the Proposal, the Interview and the results of the Final Proposal was John Korsmo Construction and it was selected to provide Preconstruction Services and for Maximum Allowable Construction Cost (MACC) negotiations. Korsmo's bid for Fee and Specified General Conditions was \$3,224,843, versus a budget of \$3,154,486. An Agreement for Preconstruction services was finalized on October 9, 2008.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Metropolitan Tract Performance Report for the Quarter Ended
September 30, 2008

METROPOLITAN TRACT
PERFORMANCE REPORT
For the Quarter Ended
September 30, 2008

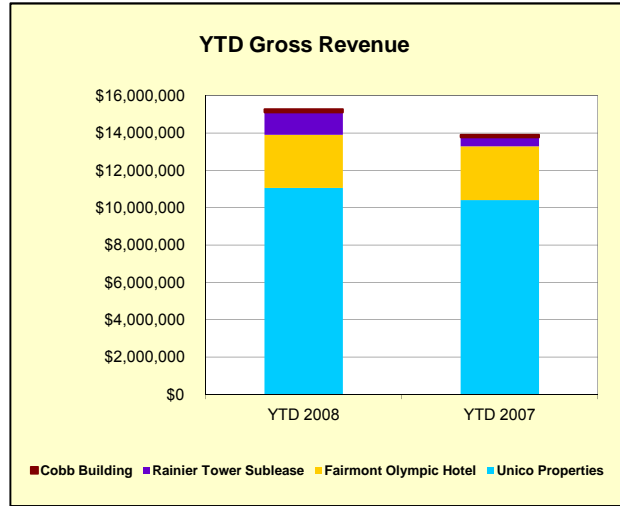
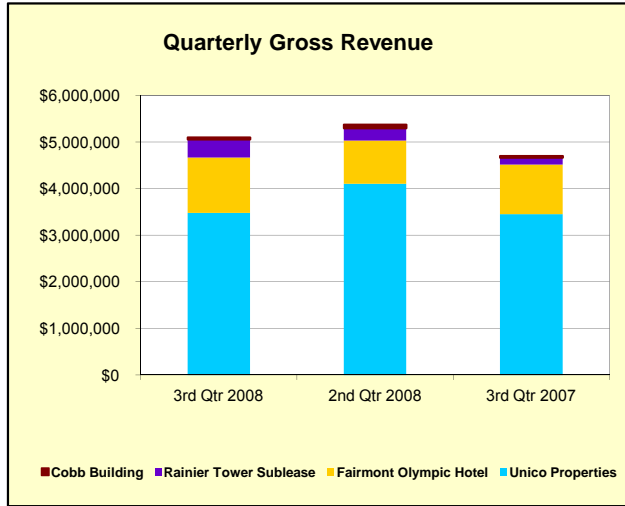


Finance, Audit & Facilities Committee

November 20, 2008

University of Washington Metropolitan Tract

CONSOLIDATED METROPOLITAN TRACT PROPERTIES
Quarterly Summary
Quarter Ending September 30, 2008



CURRENT QUARTER							
Gross Revenue to University	3rd Qtr 2008	Prior Qtr	Prior Year	Change from Prior Qtr		Change from Prior Year	
		2nd Qtr 2008	3rd Qtr 2007	\$	%	\$	%
Unico Properties	3,479,187	4,108,655	3,452,245	(629,468)	(15.3%)	26,942	0.8%
Rainier Tower Sublease	389,006	266,874	147,347	122,132	45.8%	241,659	164.0%
Fairmont Olympic Hotel	1,192,744	921,853	1,068,036	270,892	29.4%	124,708	11.7%
Cobb Building	38,500	77,000	38,500	(38,500)	(50.0%)	0	0.0%
TOTAL GROSS REVENUE	\$5,099,437	\$5,374,382	\$4,706,128	(\$274,944)	(5.1%)	\$393,310	8.4%

Gross Revenue to University	CALENDAR YEAR TO DATE				ANNUAL	
	YTD 2008	YTD 2007	Change from Prior YTD		Projected 2008	Actual 2007
			\$	%		
Unico Properties	11,054,629	10,404,136	650,493	6.3%	15,481,600	13,950,835
Rainier Tower Sublease	1,210,762	502,454	708,309	141.0%	1,301,877	669,976
Fairmont Olympic Hotel	2,845,187	2,869,660	(24,473)	(0.9%)	3,730,825	3,723,059
Cobb Building	154,000	115,500	38,500	33.3%	154,000	154,000
TOTAL GROSS REVENUE	\$15,264,579	\$13,891,750	\$1,372,829	9.9%	\$20,668,302	\$18,497,870

12/31/07 INTERNAL VALUATION		
	2007 Gross Market Value	2006 Gross Market Value
Unico Managed Properties ¹	\$501,700,000	\$488,197,000
Fairmont Olympic Hotel	\$168,300,000	\$192,700,000
Cobb Building ²	\$2,200,000	\$2,200,000
TOTAL	\$672,200,000	\$683,097,000

¹ Includes the Rainier Tower Sublease

² Represents UW's land value; not improvements

CONSOLIDATED METROPOLITAN TRACT PROPERTIES

Quarterly Summary

Quarter Ending September 30, 2008

CONSOLIDATED METROPOLITAN TRACT SUMMARY

The Metropolitan Tract generated \$5M of rent revenue for the University during the third quarter of 2008. When compared to the previously quarter, this is a decline of 5.1% caused by some one time adjustments in a couple of Unico's tenant leases in the second quarter and two new vacancies resulting from lease expirations during the third quarter.

UNICO PROPERTIES

The third quarter's gross revenue from the Unico Properties was down 15.3% from the second quarter of 2008, generating just under \$3.5M. Office and Retail both saw a decline in revenue. Parking showed no change from second quarter due to it being a fixed revenue amount. This quarter to quarter decline is caused by the payment of rent due retroactive from November of 2007 for the Rainier Tower land valuation increase related to the Commerce House lease (Rainier Tower Sublease) in the second quarter. Compared to the year-ago quarter, we see growth of 0.8%, with all contributors except Retail increasing revenue. This combined with the UW School of Medicine vacating its space in Puget Sound Plaza and several other lease adjustments contributed to the decline of the quarter-to-quarter results. However, year-to-date rent results from Unico are 6.3% ahead of 2007.

RAINIER TOWER SUBLEASE

The Rainier Tower Sublease generated \$389,006 in operating cash flow during the third quarter. The overall upswing is due to the commencement of the Marsh and Mercer leases, placing the Sublease at 89.1% occupied. On the other hand, while the operating cash flow is trending more positive, the University has invested approximately \$4 million in tenant improvements for the same deal. In addition, the underlying Sublease rent was also adjusted pursuant to a sublease provision which calls for a rent increase every ten years commensurate with the increase in land value under Rainier Tower. This increase was determined during arbitration in accordance with the Sublease. A significant portion of this rent increase has been offset by reimbursements from the subtenants pursuant to their subleases.

FAIRMONT OLYMPIC HOTEL

The third quarter of 2008 saw an increase over both second quarter and the revenue seen in 2007. The third quarter yield of \$1,192,744 is an increase of 29.4% from second quarter due to a successful summer vacation season. Compared to a year ago, the hotel's revenues for the third quarter showed healthy growth, posting an 11.7% increase. Several general factors contributed to the increase, notably a rise in bookings, increased rental rates and several local conventions bringing in more participants with longer stays. Food & Beverage revenue also saw considerable growth thanks to a one-time national conference booking which brought in \$203,000 of hotel revenue.

INTERNAL VALUATION

The numbers presented represent the overall value of the real estate as estimated by Heitman and Urbis Partners as of 12/31/07, but do not account for the leasehold encumbrances.

MARKET UPDATE

OFFICE MARKET

The Seattle market is finally showing the effects of the weakening national economy. The vacancy rate has climbed to 14% as of the end of the third quarter of 2008. With companies such as WaMu, Starbucks and Safeco, once pillars of the downtown office market, downsizing and over 2 million sf of new projects currently under construction, we can expect the vacancy rate in the CBD to continue to grow over the next 12 to 18 months. As of third quarter, the rental rates have held fairly steady although concessions such as free rent and increased tenant improvement allowances are on the rise. However, Microsoft continues to expand in Seattle with an announcement expected shortly that they have leased the entire 2201 Westlake project of about 300,000 sf from Vulcan and Sharebuilder is rumored to be negotiating to lease 140,000 sf from Starbucks at 83 King Street. Until the economy rights itself and the capital markets become active again, we can expect 2009 to be an uneventful leasing year downtown. Fortunately, the Metropolitan Tract properties are relatively well leased and are without significant lease rollover in 2009. The focus will be on tenant retention.

HOTEL MARKET

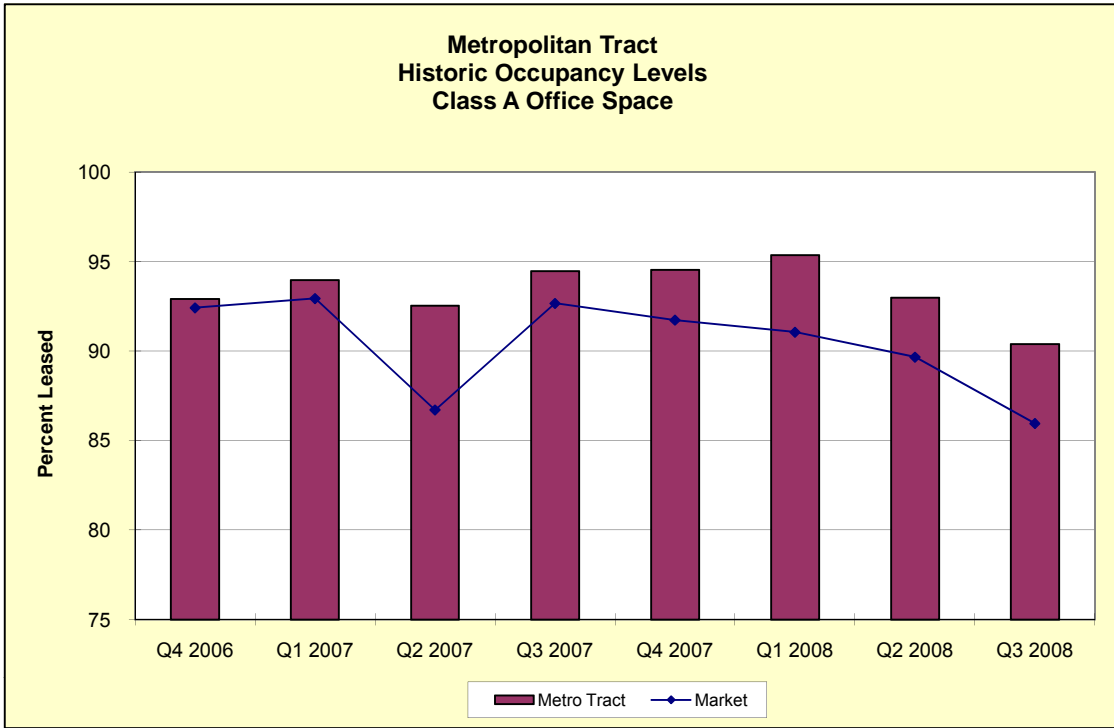
Hotel development is quickly grinding to a halt, with most pre-planned projects on hold for one reason or another. Despite this, The Four Seasons has finished major construction and is accepting reservations beginning November 10th. 1Hotel and Multi Capital Group's multi-use two-tower complex at 5th Avenue and Virginia/Stewart are on hold, and there have been very few announcements of new hotel projects being considered. Along with the decline in patronage, there has also been a scaling back affect on the sales and purchase side of the hotel industry. Most recently, the Seattle firm Columbia Pacific dropped their acquisition offer to buy the remaining shares of the Red Lion hotel chain (they currently hold a 12.7% interest in the company). Sellers are continuing to ask for top dollar in sales prices, but buyers are finding it hard to gain funding. Due to the credit crunch across the financial market many hotel owners are choosing to hold on to their investments and wait out the decline.

With Westmont's debt on the Fairmont Olympic set to expire in 2009, the lack of capital in the market could make the re-finance difficult.

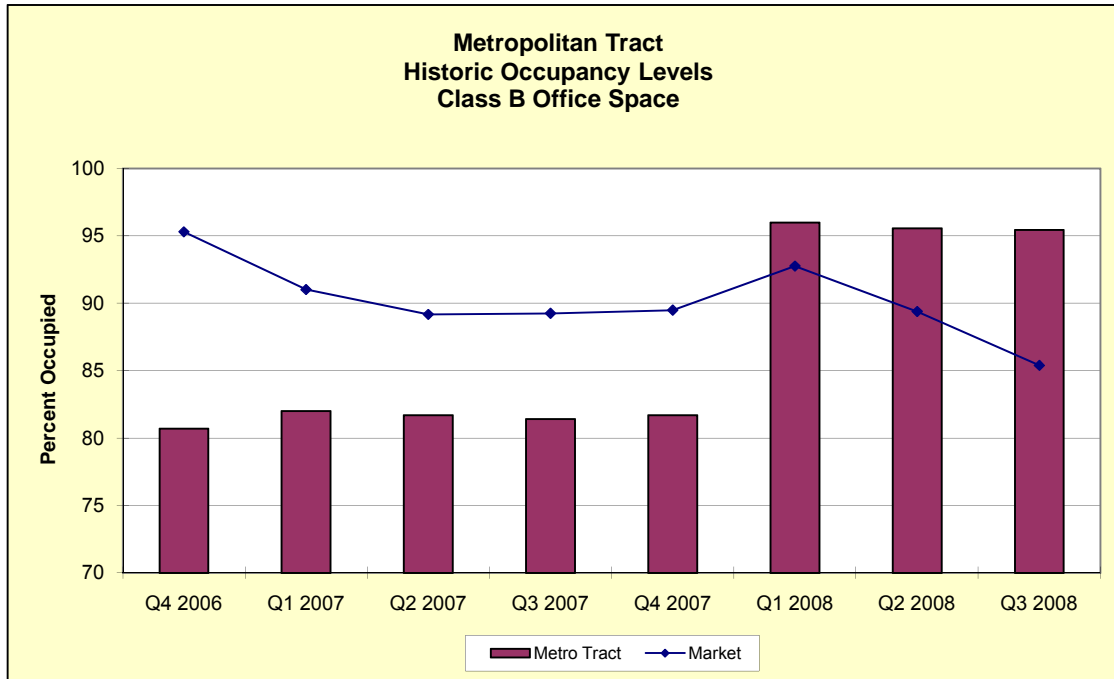
OFFICE BUILDING OCCUPANCY COMPARISON CHARTS

Last Eight Quarters

Quarter Ending September 30, 2008

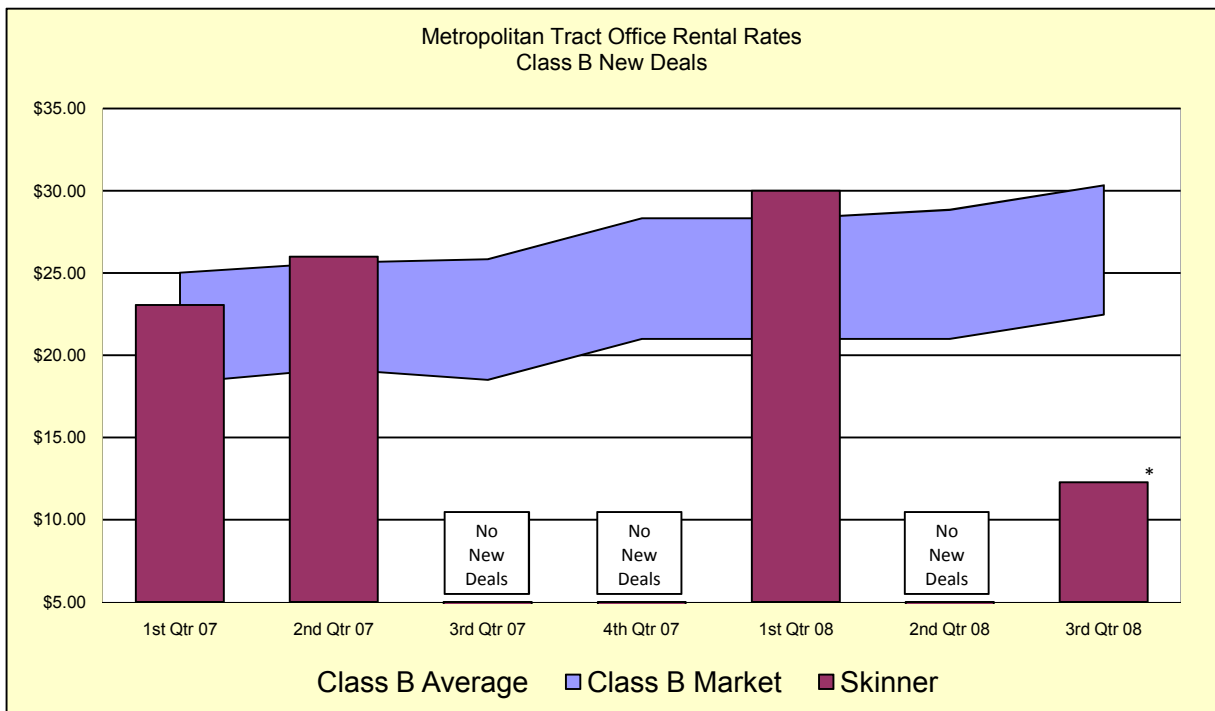
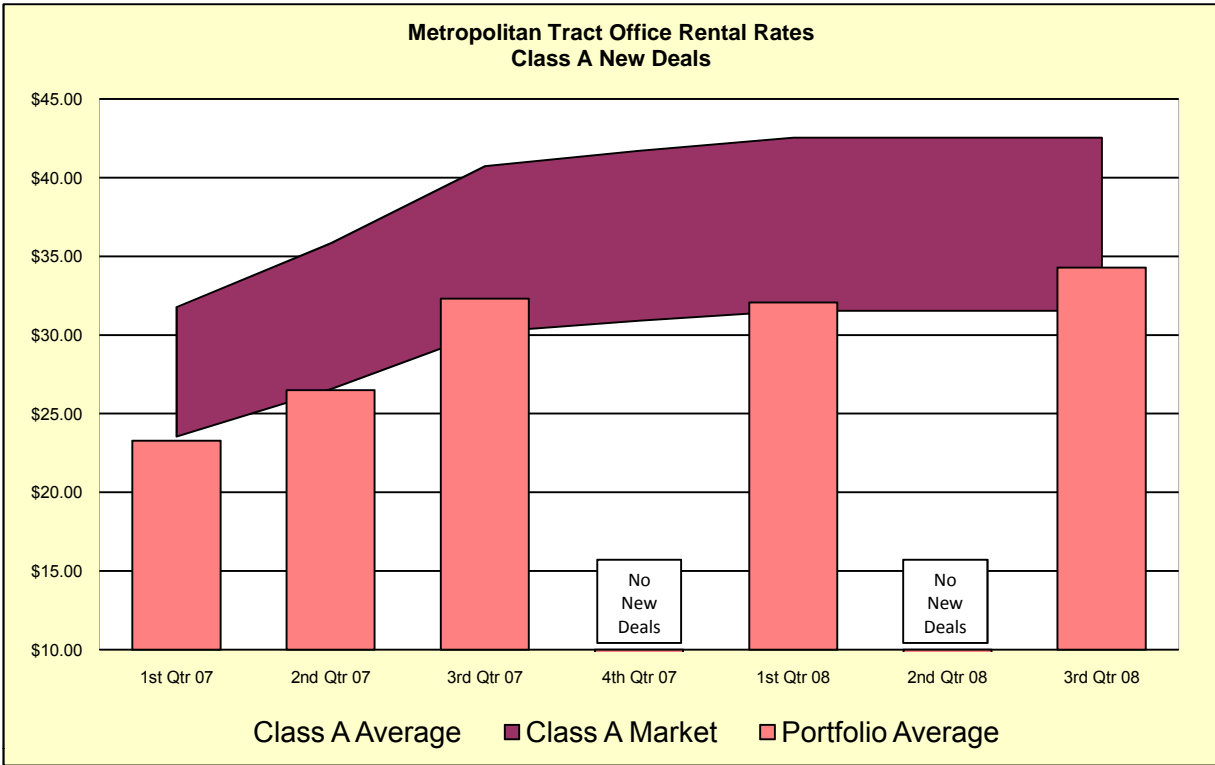


Includes Rainier Tower, Puget Sound Plaza, IBM Building and Financial Center



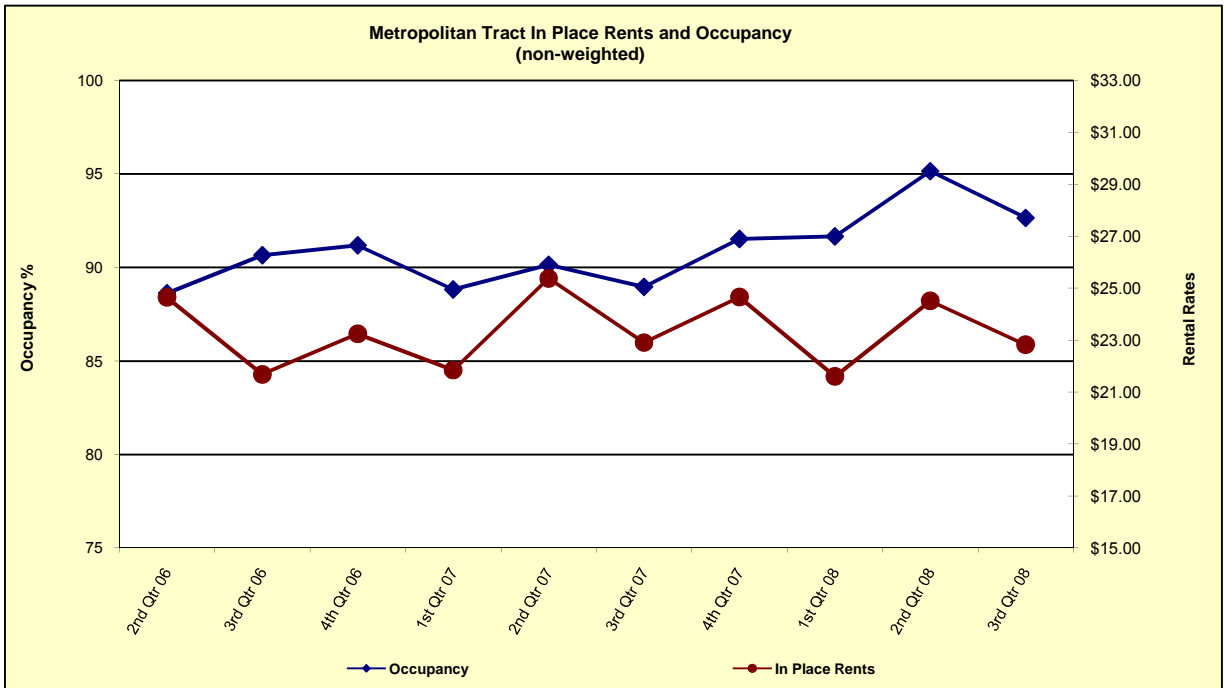
Includes Skinner Building

OFFICE BUILDING RENTAL RATE COMPARISON
 Last Seven Quarters
 Quarter Ending September 30, 2008

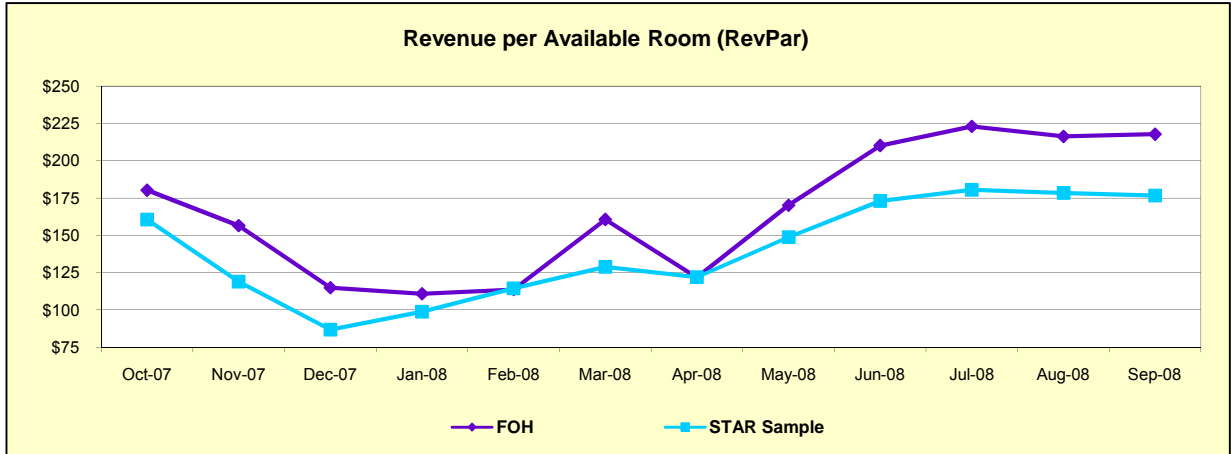


* Completed deal for basement portion of 5th Avenue Theater

University of Washington Metropolitan Tract
OFFICE BUILDING RENTAL RATE COMPARISON
 Last 3 Years
 Quarter Ending September 30, 2008

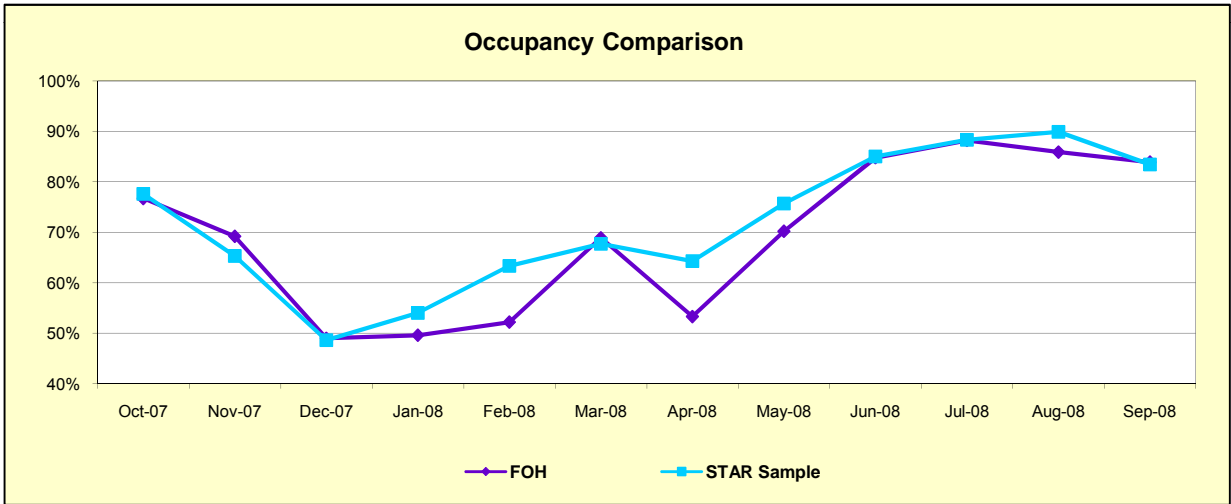


FAIRMONT OLYMPIC HOTEL MARKET COMPARISONS
Twelve Months Ended September 30, 2008



RevPar 12-months Average	Sep-08	Sep-07	Change from Prior Year \$
FOH	\$166.35	\$164.68	\$1.67
STAR Sample Avg <1>	\$140.64	\$146.75	(\$6.11)

RevPar Current Month Ended	Sep-08	Sep-07	Change from Prior Year %
FOH	\$217.89	\$192.75	\$25.14
STAR Sample Avg <1>	\$176.60	\$172.82	\$3.78

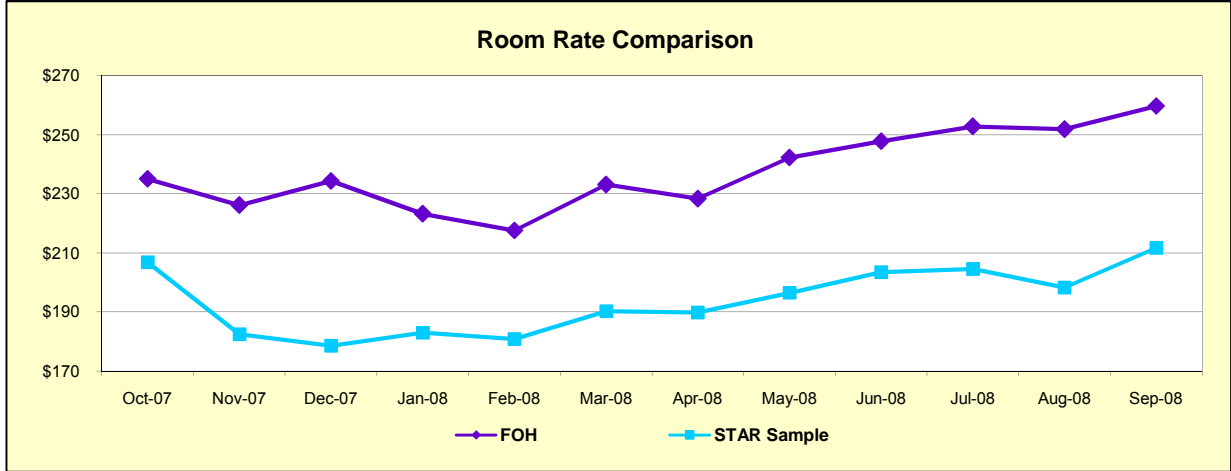


Occupancy 12-months Average	Sep-08	Sep-07	Change from Prior Year %
FOH	69.3%	71.8%	(2.5%)
STAR Sample Avg <1>	71.9%	74.9%	(3.0%)

Occupancy Current Month Ended	Sep-08	Sep-07	Change from Prior Year %
FOH	83.9%	82.7%	1.2%
STAR Sample Avg <1>	83.4%	84.7%	(1.3%)

<1> Information is based on Smith Travel Research (STAR) Report for the Sheraton Hotel, Hotel Vintage Park, Hotel Monaco, Seattle Alexis, Sorrento, Westin, W Hotel, Madison and Inn at the Market.

FAIRMONT OLYMPIC HOTEL MARKET COMPARISONS
Twelve Months Ended September 30, 2008



Average Daily Rate 12-months Average	Sep-08	Sep-07	Change from Prior Year \$
FOH	\$237.70	\$227.60	\$10.10
STAR Sample Avg <1>	\$193.81	\$194.82	(\$1.00)

Average Daily Rate Month Ended	Sep-08	Sep-07	Change from Prior Year \$
FOH	\$259.74	\$233.11	\$26.63
STAR Sample Avg <1>	\$211.71	\$204.01	\$7.70

<1> Information is based on Smith Travel Research (STAR) Report for the Sheraton Hotel, Hotel Vintage Park, Hotel Monaco, Seattle Alexis, Sorrento, Westin, W Hotel, Madison and Inn at the Market.

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Portage Bay Insurance Annual Report

On June 30, 2008, the University's captive insurance company, Portage Bay Insurance (PBI), completed its sixth year of operation. It is providing all coverage and services envisioned in its 2002 business plan.

GOVERNANCE AND MANAGEMENT

The PBI Board of Directors includes two outside directors as well as its captive manager and five University employees having significant responsibilities for risk management, liability management and asset management. PBI contracts with the University for claim and risk management services from the Office of Risk Management and for investment services from Treasury.

FY08 ASSET/LIABILITY GROWTH

PBI provides professional, general, automobile and employment practices liability insurance coverage for the University, its employees and students. Annual premiums are established through an independent actuarial study and are paid by the central administration and self-sustaining units. At the end of FY08, retained premiums and earnings were \$57 million (up 18% from FY07) and liabilities were \$33 million (up 24% from FY07). 99 claims were closed in the fiscal year, 45% without any payment to the claimant. Funds are invested in the University's invested funds portfolio which had a total return for the year of 5.3%, underperforming its benchmark by 110 basis points. Milliman, the University's independent actuary, has opined that PBI is adequately funded to meet its liabilities.

REINSURANCE

PBI reinsures against catastrophic losses with London, Bermuda, Swiss and American reinsurers having A.M. Best ratings of A- or better. On July 1, 2008, coverage with limits of \$100 million was renewed for a \$2.5 million premium, a reduction of 7.64%.

REGULATORY AND AUDIT

KPMG has issued its FY08 audit report with no findings. In 2007, a full regulatory review found PBI in compliance with all requirements of Hawaii, its state of domicile. The IRS has ruled that PBI qualifies as a 501c3 tax-exempt corporation and that it is not required to file 990 forms.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Portage Bay Insurance Annual Report (continued p. 2)

PROGRAM ACCOMPLISHMENTS

The Self-Insurance Revolving Fund (SIRF) was established in 1976 and covered claims arising through June 30, 2002. By 2007, only eight SIRF claims remained open. Due to Medicare and state law restrictions on the distribution of self-insurance funds, accrued SIRF assets not needed to cover the remaining claims were transferred to PBI as additional capital. Earnings on this amount were used to reduce premiums from UW Medicine and the central administration for the current year. This premium stabilization benefit will be available in the future depending on investment returns.

FY09 GOALS

This year, a PBI-funded "Patient Safety Innovations Program" will be introduced in UW Medicine. Six to eight grants of approximately \$40,000 will be awarded to faculty and staff for research into new methods of reducing the risks associated with patient care. Promising results may bring in external grant funding and any successful new loss prevention techniques will be implemented in UW facilities.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Sound Transit University Link Final Design – Approval for Construction

RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents formally approve the Sound Transit University Link design for the light rail facilities on University property from the south side of the Montlake Cut and north through and including the University of Washington station located west of Husky Stadium and its support facilities (see attached map).

BACKGROUND:

Sound Transit’s operations on campus are governed by the 2000 Memorandum of Agreement (MOA) and the 2007 Master Implementation Agreement (MIA). These two agreements provide the framework on how Sound Transit is to respond to University requirements, approval processes and mitigation procedures, if necessary.

At a future meeting, the Board of Regents will be requested to approve the design for the next segment of Sound Transit’s North Link Light Rail which will extend the facilities north from the University of Washington Station to the next station located at Brooklyn and 45th. This is not expected to occur for approximately 2 years.

The U-Link Light Rail UW Station is a proposed extension of Sound Transit’s Link light rail system from downtown Seattle north to the Husky Stadium area. The facility is an approximately 100’ deep cut-and-cover tunnel station with an entrance near the center of the station platform. The station is located between Montlake Boulevard and Husky Stadium beneath the surface parking lot E11. Below grade facilities include two bored tunnels with track work and related system utilities, a crossover track south of the station platform, vertical circulation, emergency ventilation fans, stairwells, and systems rooms. The North Link extension alignment, which is projected to run from Husky stadium to Lynwood, was approved by voters on the November 4, 2008 ballot.

U-Link program budget	\$1.8 Billion
Estimated U-Stadium Construction Cost:	\$610 million
Estimated Construction Start:	Utilities Dec 08 – Station Dec 09
Estimated Project Occupancy:	Revenue Service fall 2016

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Sound Transit University Link Final Design – Approval for Construction
(continued p. 2)

PREVIOUS ACTIONS:

MOA Approval – June, 2000

MIA Approval – June, 2007

Various information updates from staff and Sound Transit personnel

Attachment:

Sound Transit North Link Route Under Campus



Segment 2
North Link

Segment 1
U-Link

Sound Transit University Link Light Rail



***Board of Regents Meeting
November 20, 2008***

University Link Project

- 3.15-mile rail extension
 - Capitol Hill Station
 - UW Station and crossover
- Schedule
 - Construction begins 2009
 - Open for Service: 2016
- Project Budget
 - \$1.76 billion year of expenditure
 - \$1.95 billion (includes financing)



Project Status

- City of Seattle Light Rail Review Panel approved design – September '08
- First contract awarded – utility relocations begin early '09
- Since July:
 - Tunnel design from UW to Capitol Hill reached 100% design; to be advertised for bid next month
 - UW Station design is approaching 90% design
 - Reached agreement in principle on MF & Vibration Mitigation & Monitoring Plan
 - Construction schedule for the UW Station site has been refined – contractor will mobilize after the 2009 football season

Review and Approval Requirements

- BoR review/approval prior to construction of each Link Segment and prior to Operations
- Terms of Sound Transit access to and use of University Property (Easements and ROEs)
- Mitigation requirements
 - 66 month construction duration, size limits, acre-days
 - Protection of University activities, management plans, operations
 - Monitoring Program
 - UW to manage parking replacement

Agreements

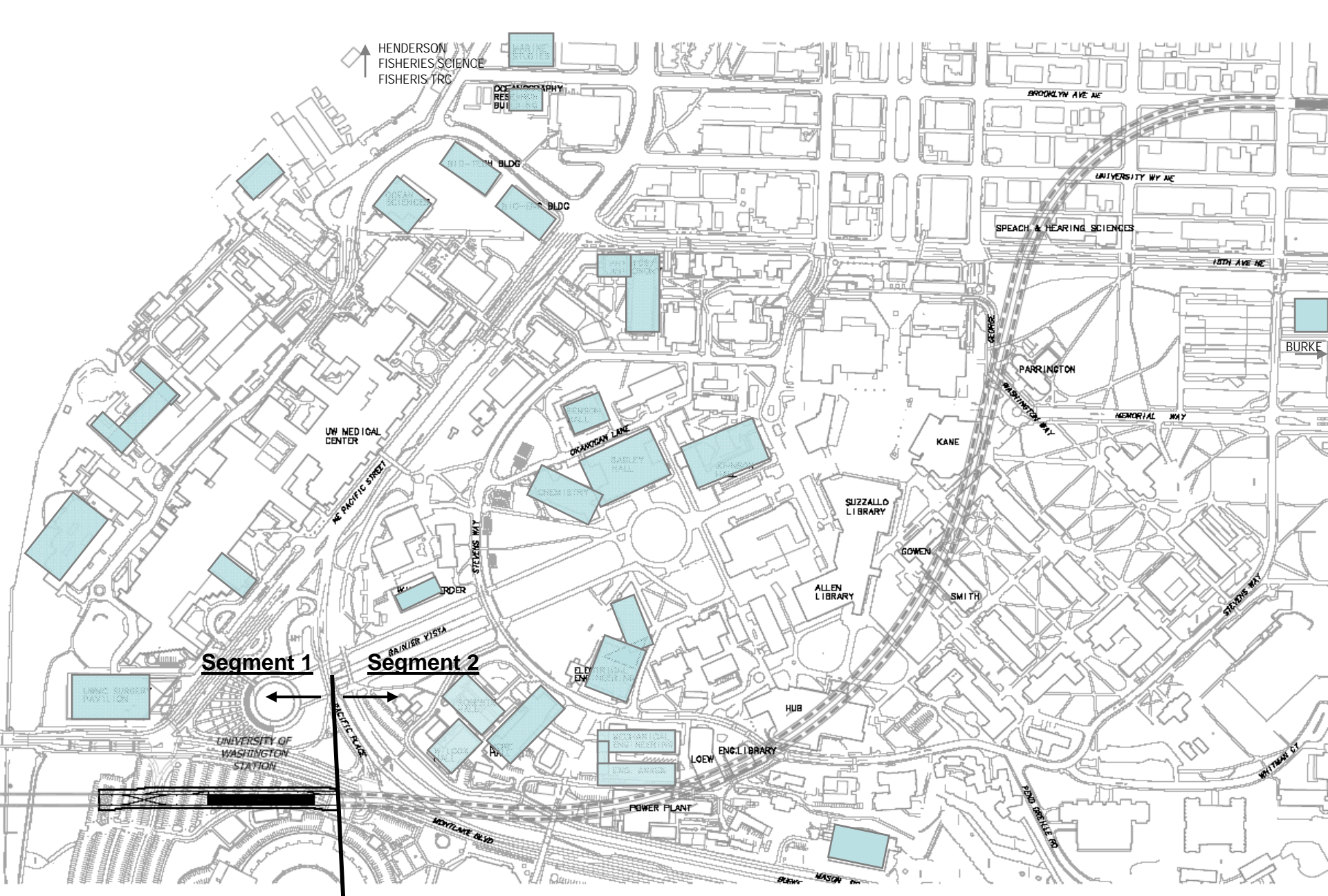
- Memorandum of Agreement, May 2000
- Master Implementation Agreement, July 2007
- E10 Fence line, October 2007
- Easements, May 2008
- Operating Agreement for Utilization of Construction Easement Segment 1, May 2008
- Other Operating Agreements in progress
 - water, security, maintenance, monitoring, utility upsize...



STATION AERIAL VIEW

Strategic Items

- Electromagnetic Interference / Vibration impacts
- Stadium Perimeter Roadway
- Construction Impacts
- Electromagnetic / Vibration monitoring plan
- Future building rights/opportunities
- Pedestrian pathways



HENDERSON FISHERIES, SCIENCE FISHERIS TRC

OCEANOGRAPHY RES BUI

BROOKLYN AVE NE

UNIVERSITY WY NE

SPEECH & HEARING SCIENCES

15TH AVE NE

BURKE

PARRINGTON

MEMORIAL WAY

UNI MEDICAL CENTER

GRANDWAY LANE

KANE

NE PACIFIC STREET

CHEMISTRY

SUZZALLO LIBRARY

GOWEN

Segment 1

Segment 2

ALLEN LIBRARY

SMITH

STEWART WAY

LOWIC SURGERY PAVILION

UNIVERSITY OF WASHINGTON STATION

BLD EN

HUB

WHITMAN ST

MEDICAL ENG RESHING

ENG LIBRARY

POD GRILLE RD

POWER PLANT

BURKE

MASON DR

NORTH LINK ALIGNMENT

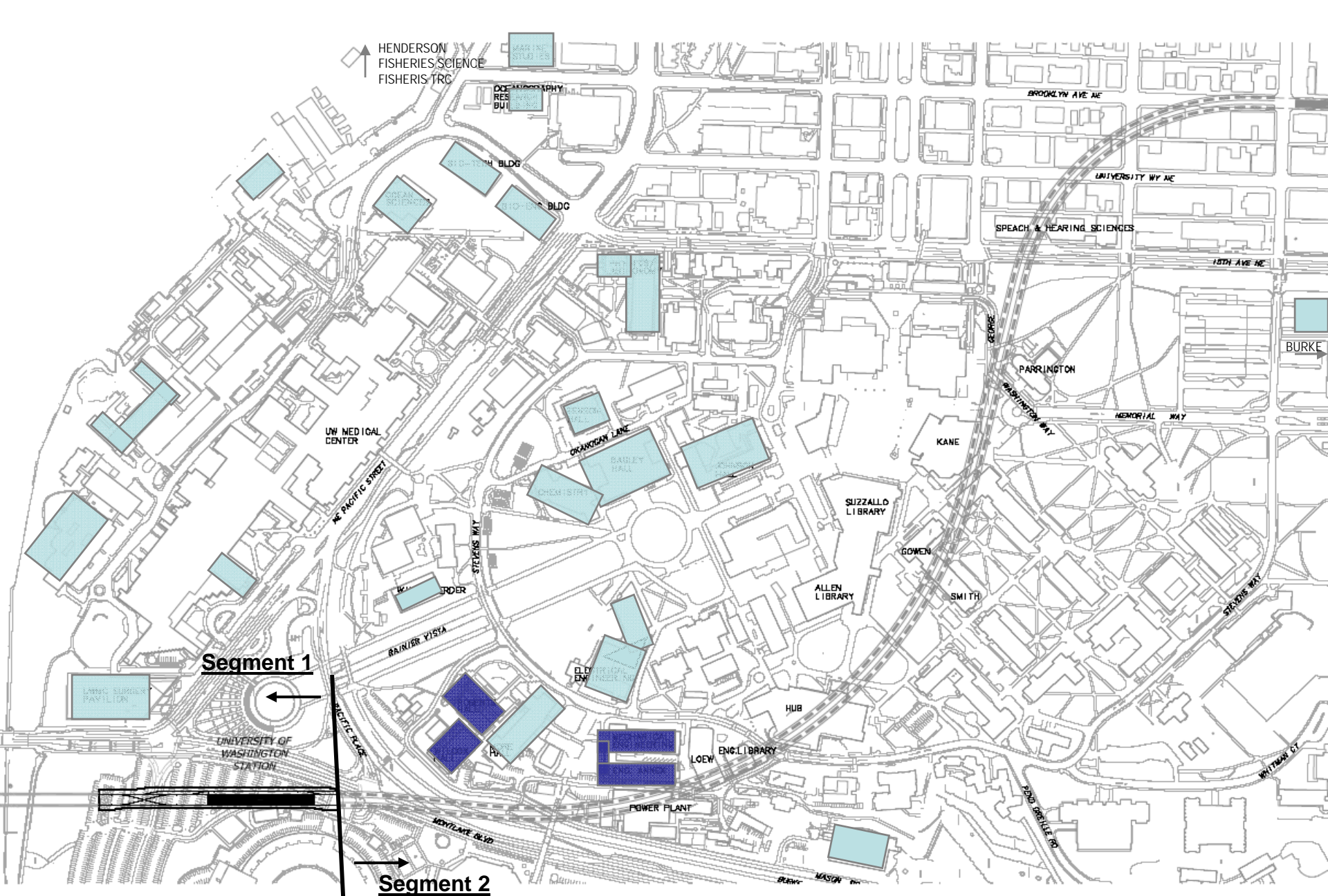
VIBRATION / MAGNETIC FIELDS

University Link (Segment 1)

- Predictions for all UW Thresholds met for vibration and magnetic fields
- No Impacts anticipated
- Monitoring system design in-progress

North Link (Segment 2)

- All defined UW Thresholds are met (Group 1)
- Predictions for some Group 2 buildings still exceed Requested Thresholds in 2007 Agreement
 - Vibration: 3 buildings (Wilcox Hall, Mechanical Engineering and Annex)
 - Magnetic Fields: 4 buildings (Wilcox Hall, Mechanical Engineering and Annex, Roberts Hall)
- Final design pending



NORTH LINK ALIGNMENT

Strategic Items

- Electromagnetic Interference / Vibration impacts
- **Stadium Perimeter Roadway**
- Construction Impacts
- Electromagnetic / Vibration monitoring plan
- Future building rights/opportunities
- Pedestrian pathways

UNIVERSITY OF WASHINGTON STATION

UNIVERSITY LINK



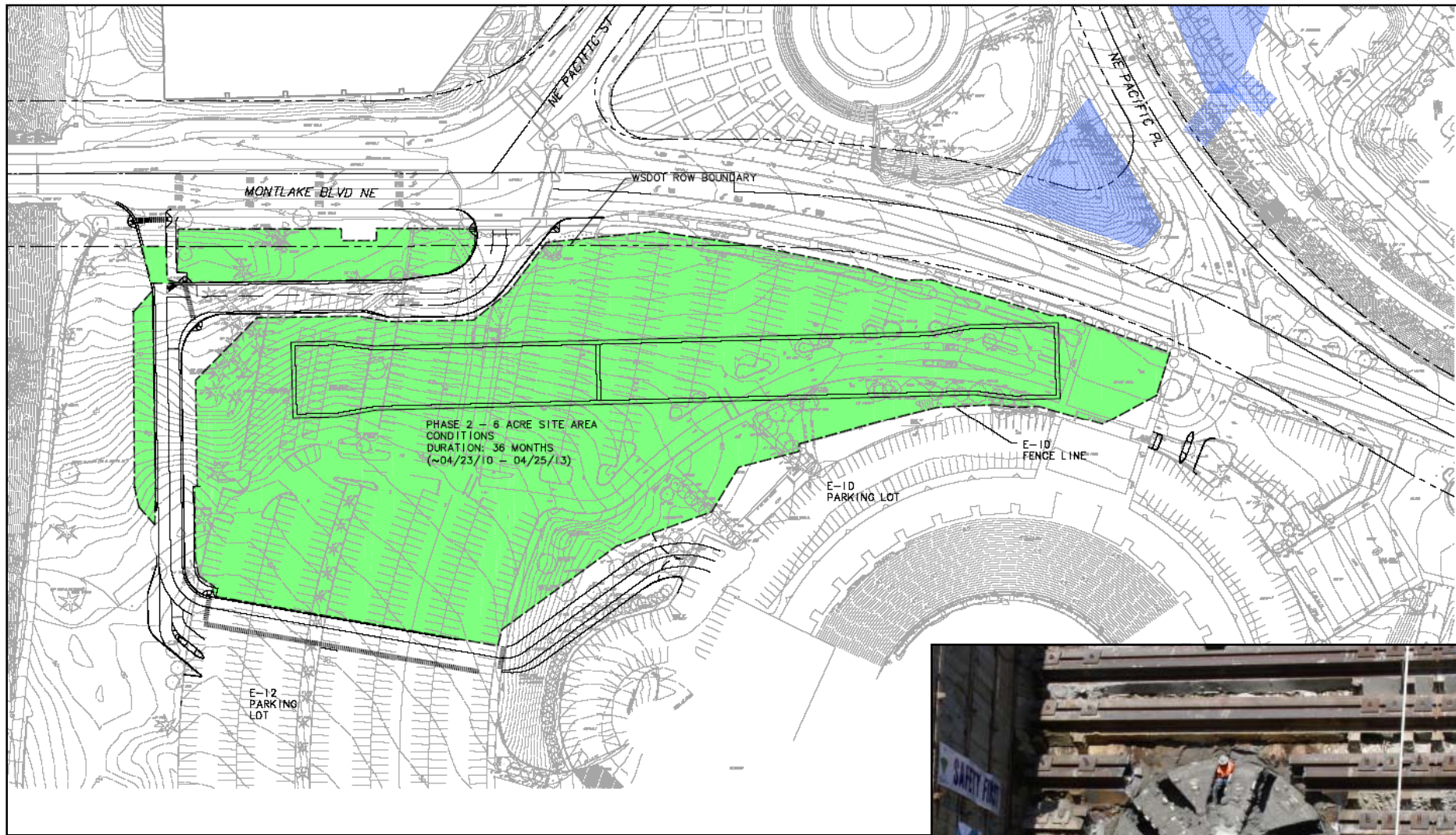
SITE PLAN – BRIDGE LEVEL

SWIFT COMPANY LLC



Strategic Items

- Electromagnetic Interference / Vibration impacts
- Stadium Perimeter Roadway
- **Construction Impacts**
- Electromagnetic / Vibration monitoring plan
- Future building rights/opportunities
- Pedestrian pathways



6 ACRE CONSTRUCTION STAGING AREA (up to 36 months)



Strategic Items

- Electromagnetic Interference / Vibration impacts
- Stadium Perimeter Roadway
- Construction Impacts
- **Electromagnetic / Vibration monitoring plan**
- Future building rights/opportunities
- Pedestrian pathways

Strategic Items

- Electromagnetic Interference / Vibration impacts
- Stadium Perimeter Roadway
- Construction Impacts
- Electromagnetic / Vibration monitoring plan
- **Future building rights/opportunities**
- Pedestrian pathways

Strategic Items

- Electromagnetic Interference / Vibration impacts
- Stadium Perimeter Roadway
- Construction Impacts
- Electromagnetic / Vibration monitoring plan
- Future building rights/opportunities
- **Pedestrian pathways**

UNIVERSITY OF WASHINGTON STATION

UNIVERSITY LINK



SITE PLAN – BRIDGE LEVEL

SWIFT COMPANY LLC

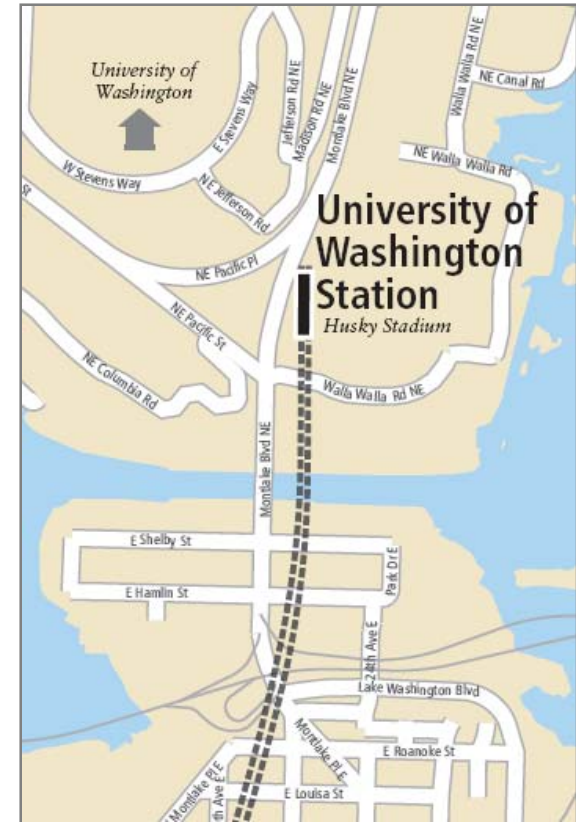


Strategic Items

- Electromagnetic Interference / Vibration impacts
 - Stadium Perimeter Roadway
 - Construction Impacts
 - Electromagnetic / Vibration monitoring plan
 - Future building rights/opportunities
 - Pedestrian pathways
-

- Recommend approval of Segment 1 construction

Discussion





TRUCK HAUL ROUTE

DAY: *peak hour restrictions
5 hrs. (9am to 2pm)*

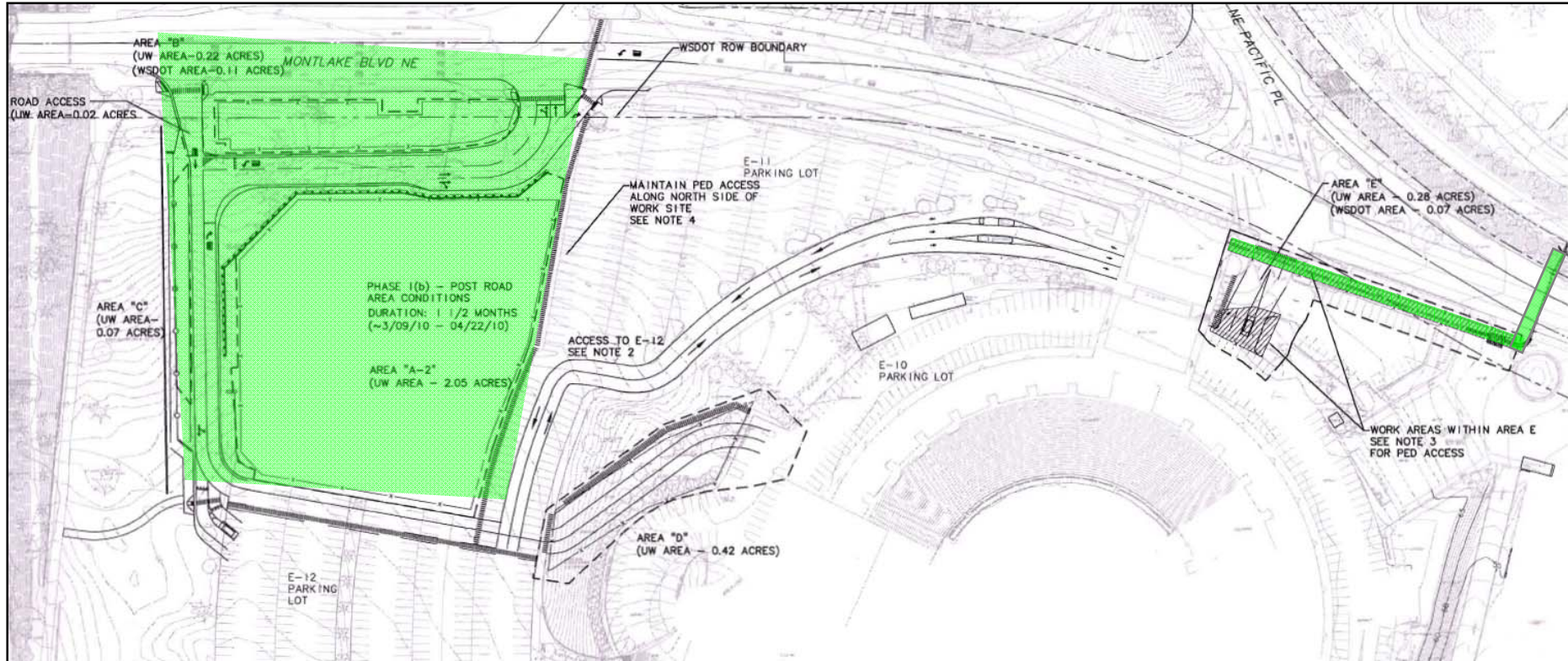
NIGHT: *9 hrs. (10pm to 7am)*

Traffic signal modification

Highest truck volumes occur between June 2011 and Dec. 2012

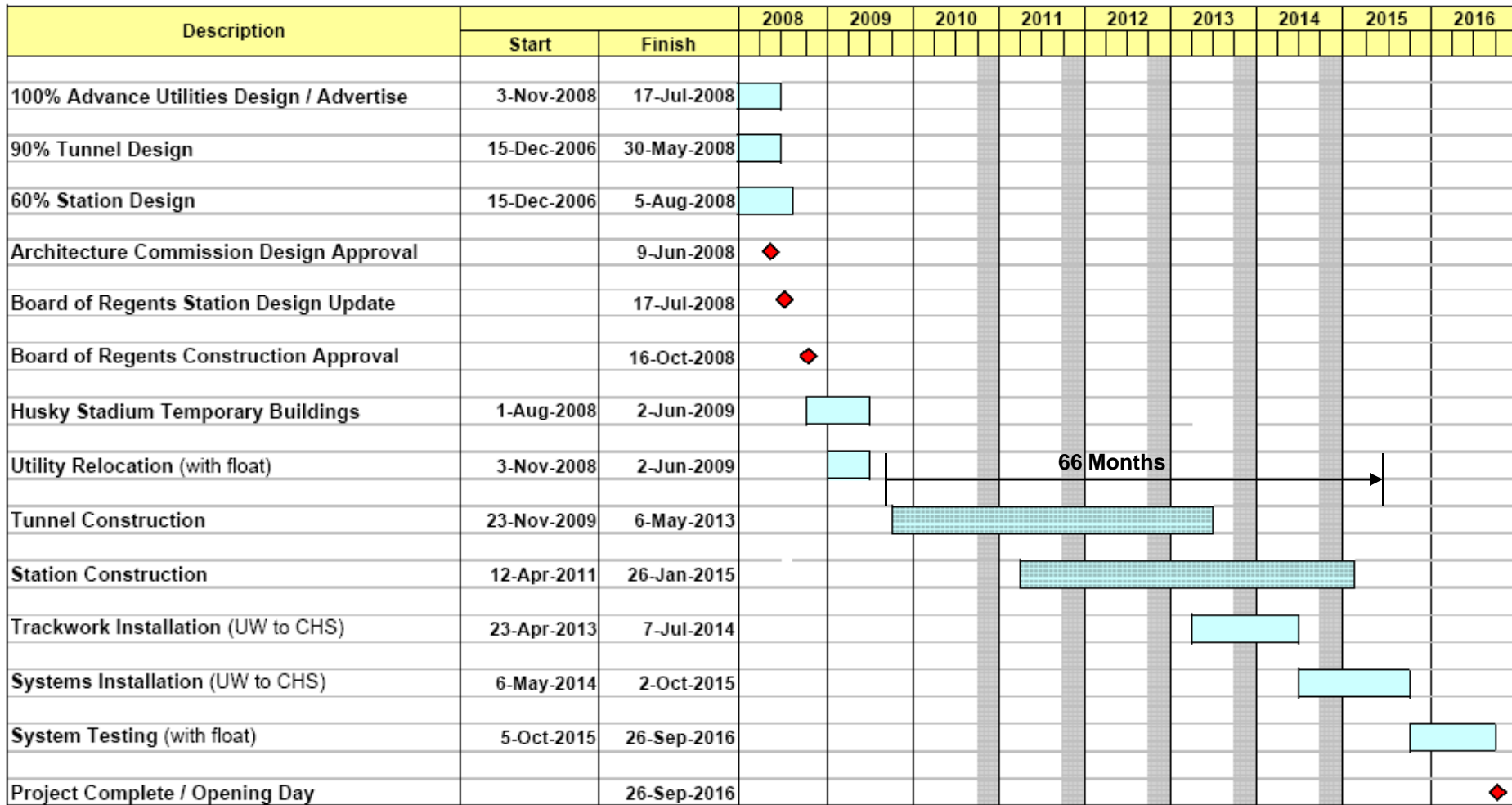
Noise variance application, late 2008

UW Station Construction Staging

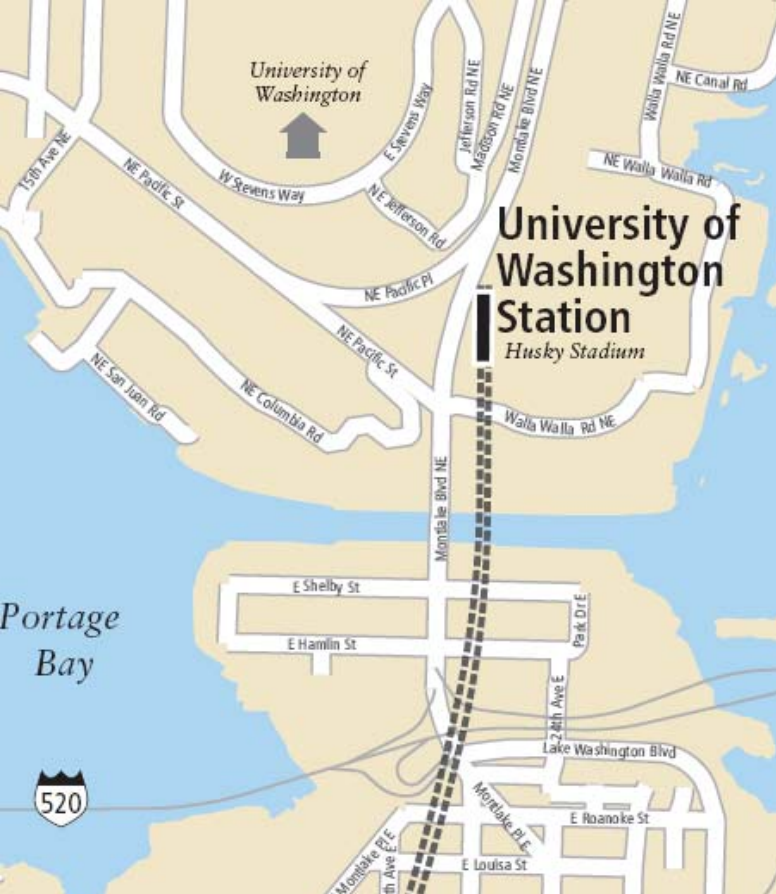


FIRST PHASE - STAGING AREA
(site access, grading, utility work)

U-LINK SCHEDULE

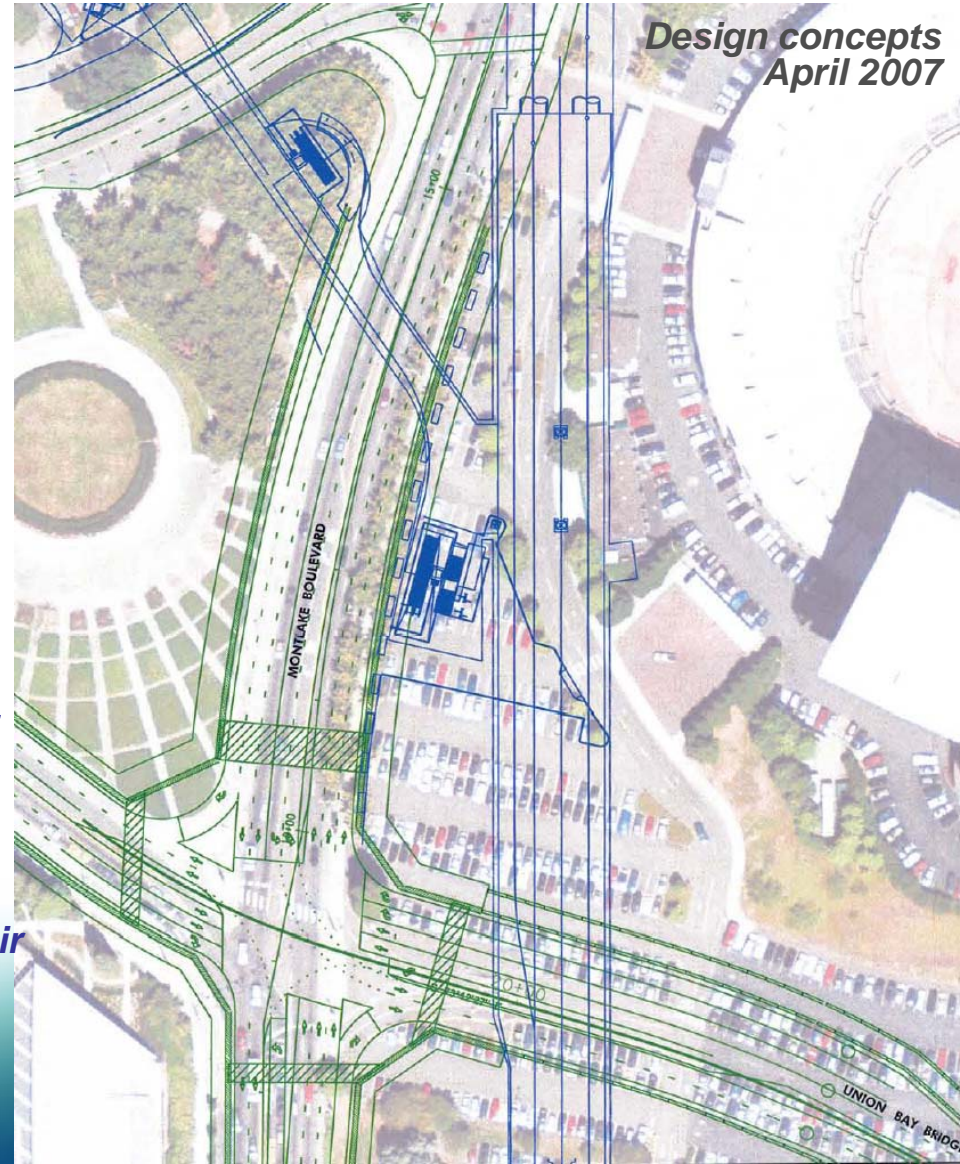


SR520 Project



2007 ST-WSDOT agreement
“Not to unreasonably preclude”
either project

ST Allows: ~20’ wider Montlake Blvd
Lane approach width between station vent and stair
Deeper lid on track crossover box



VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Purchase of Cavalier Apartment BuildingRECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents:

1. Approve the purchase of the Cavalier Apartments property for \$6.6 million;
2. Approve the use of the Internal Lending Program to fund up to \$7 million in acquisition costs; and
3. Delegate to the president or his designee the authority to execute all documents related to this transaction.

BACKGROUND:

Property Description: The Cavalier Apartments, located at 1303 NE Campus Parkway at the corner of Brooklyn Ave NE and NE Campus Parkway, was constructed in 1926 and consists of approximately 52,250 GSF on a site that is 10,300 SF. The building has 48 residential units on 5 floors (studios and 1 bedroom units), one commercial unit (hair salon), and garage parking for 35 vehicles. Current zoning is MIO-105-MR (Major Institutional Overlay, 105' height limit, Multi-Family Residential). The property is owned by the Raden Family LLC. All of the other property on this block is owned by UW.

Purpose and Benefit: Purchase of the Cavalier Apartments is a component of Housing and Food Services' (HFS) Master Plan, and the site has been identified for future student housing. UW Campus Plan Site 35, which contains the Cavalier Apartments, will be redeveloped in the first phase of the Housing Master Plan. Demolition of the Cavalier and subsequent redevelopment of Site 35 will result in a residence hall for 450-500 undergraduate students. Design is currently underway by Mahlum Architects.

Purchase of Real Estate:

The Purchase and Sale Agreement for the Cavalier contains the following essential business terms:

- Seller: The Raden Family, LLC
- Purchase Price: \$6,600,000 (appraised value)
- Closing Date: December 31, 2008

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Purchase of Cavalier Apartment Building

- Contingencies:
 - UW approval of property condition
 - UW approval of title report
 - Regent and HEC Board Approval

Property Condition:

Phase 1 and Phase 2 environmental assessments have been completed and show no environmental issues. A building condition assessment was completed and only minor items were noted. The building is not on local, state or federal historic registers, but it is listed on Seattle's "Potentially Eligible" Historic Resources Survey.

Financing Plan:

Although this building site is a key element of the Housing Master Plan and is planned for demolition, for purposes of financial analysis the base-case assumption is that the building continues to be operated as apartments with potential conversion to student housing. The property acquisition is affordable to HFS and is not dependent on successful future phases of the Housing Master Plan. Over the planning period, HFS debt service coverage averages 2 times and available reserve balances average \$18 million per year (see financial analysis spreadsheet attached).

Interim Management Plan:

Until demolition, the existing apartment rentals will be continued with current tenants and managed by a third-party property manager. Interim management is expected through June 2010, at which time the property would be fully vacated in preparation for demolition. Tenant relocation requirements may apply and the interim management plan will consider the appropriate tenant relocation process. If for any reason demolition isn't feasible, the building will be converted to student use with management by HFS.

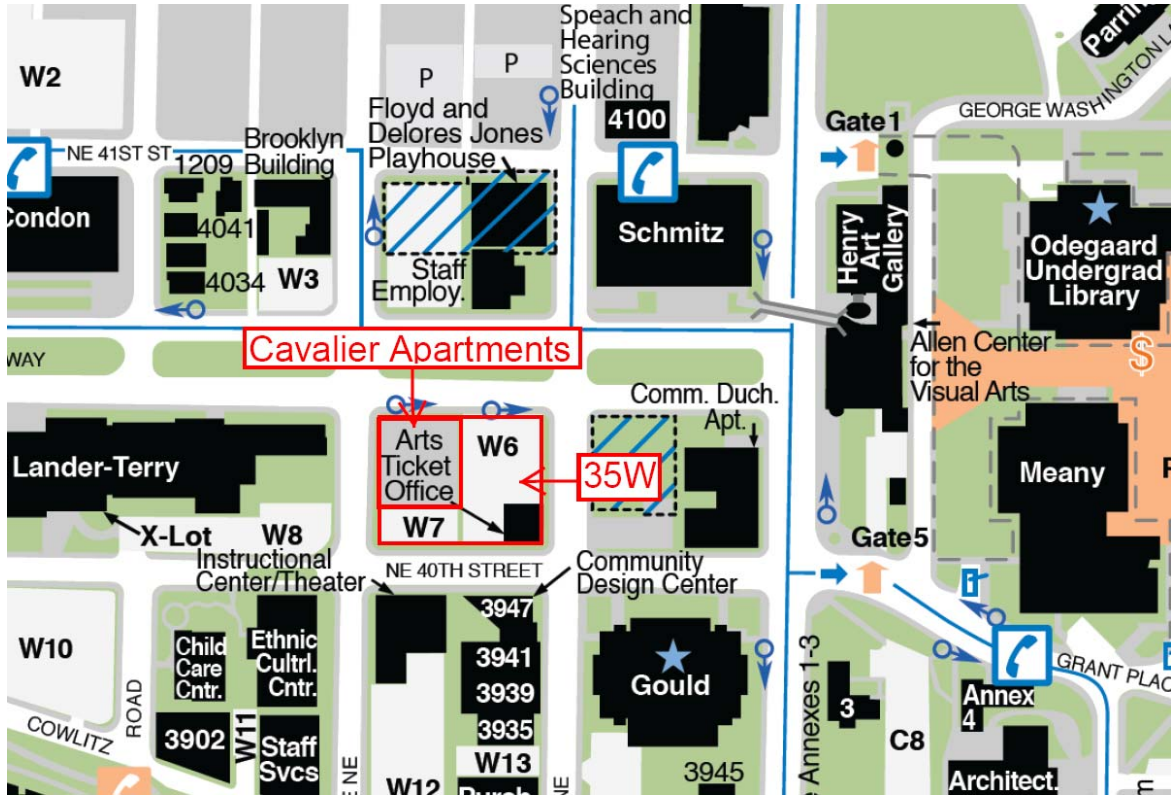
REVIEW & APPROVAL

Purchase of the Cavalier Apartment Building and financing of the purchase price has been reviewed and recommended for approval by the Senior Vice President, Finance & Facilities, the Vice Provost, Student Life, the Director of Housing & Food Services, the Assistant Vice President, Treasury, and the Director of Real Estate.

Attachments:

1. Map
2. Proforma

LOCATION MAP



Attachment 1

Housing and Food Services Summary Proforma FY 2008-2018
Cavalier Purchase as Standalone

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Total Operating Revenue (1)	55,758	58,151	60,917	63,341	65,862	68,484	71,210	74,044	76,992	80,058	83,245
Total Operating Expense	43,790	47,392	49,393	51,369	53,423	55,560	57,783	60,094	61,939	63,859	65,854
Net Operating Income	11,968	10,759	11,524	11,973	12,439	12,923	13,427	13,950	15,053	16,199	17,391
Operating Income Public Private Partnerships	7,625	7,930	8,248	8,578	8,921	9,278	9,649	10,035	10,436	10,853	11,288
Non Operating Income	3,789	2,512	2,591	2,716	2,834	2,972	2,773	2,678	2,862	3,064	3,285
Total Income Before Debt Service and Capital Expenditures	15,757	13,272	14,115	14,688	15,273	15,895	16,200	16,629	17,915	19,263	20,675
Debt Service											
HFS Debt Service	5,766	5,749	4,537	5,736	5,739	5,741	5,175	5,173	5,169	5,175	5,168
Cavalier Debt Service	-	241	481	481	481	481	481	481	481	481	481
Public Private Debt Service	6,243	6,204	6,312	6,421	6,540	6,653	6,718	6,797	6,894	6,902	6,875
Total Debt Service	12,009	12,194	11,330	12,638	12,760	12,875	12,374	12,451	12,544	12,558	12,524
Cash Flow Before Debt Service	9,991	7,522	9,578	8,952	9,533	10,154	11,025	11,455	12,746	14,088	15,507
HFS System Coverage	2.73	2.22	2.81	2.36	2.46	2.55	2.86	2.94	3.17	3.41	3.66
Total System Coverage (2)	1.75	1.66	1.89	1.77	1.83	1.89	2.02	2.07	2.19	2.33	2.48
HFS Capital Expenses (3)	5,300	6,862	7,214	6,188	6,761	7,646	8,663	9,829	11,168	12,704	14,469
HFS Income after Capital Expenses and Debt Service	4,690	420	1,883	2,283	2,292	2,026	1,881	1,145	1,098	903	558
HFS Beginning Reserve Balance	8,077	12,768	13,188	15,070	17,354	19,646	21,672	23,553	24,699	25,796	26,699
Plus HFS Income	4,690	420	1,883	2,283	2,292	2,026	1,881	1,145	1,098	903	558
Ending Reserve Balance	12,768	13,188	15,070	17,354	19,646	21,672	23,553	24,699	25,796	26,699	27,257
Reserve Balance distribution											
Repair and Replacement Fund	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Facility Improvement Fund	8,476	8,666	10,314	12,349	14,380	16,132	18,083	19,551	20,957	22,152	22,987
Retail and Remote Fund	1,291	1,521	1,756	2,005	2,266	2,540	2,471	2,148	1,840	1,547	1,270
Total Reserve	12,768	13,188	15,070	17,354	19,646	21,672	23,553	24,699	25,796	26,699	27,257

NOTES:

(1) Includes Housing and Dining System and Retail and Remote

(2) Includes debt service for Housing and Dining System, Retail and Remote, and Public Private Partnerships

(3) Includes \$2.7M in capital expenses for Cavalier upgrades in FY 2009-2010

VII. STANDING COMMITTEES**B. Finance, Audit and Facilities Committee**Amendment to the Consolidated Endowment Fund Investment PolicyINFORMATION:

Today's discussion is intended to provide background on endowment spending practices at the University of Washington and at other colleges and universities. The discussion is topical. Recent market volatility has had a profound negative impact on endowed market values. A significant decline in endowed program spending is inevitable in the near future. If supported by today's discussion, a recommendation to lengthen the averaging period in the endowment investment policy from three to five years and a recommendation to hold endowment distributions in FY09 at FY08 spending levels will be brought before the Board of Regents in January 2009.

BACKGROUND:

In 1988, the Board of Regents adopted the "Statement of Investment Objectives and Policy for the Consolidated Endowment Fund". This policy defines the spending policy as "five percent of the average market value of the CEF for the previous three years." Later policy amendments capped year-to-year spending increases at 5%. The cap was removed in December 2000, resulting in significant increases in payouts in the ensuing years.

Endowment spending policies typically include a smoothing mechanism to create a more predictable payout stream. Extreme positive or negative movements in the capital markets work their way through the spending calculation over a number of years enabling program managers to effectively plan for change.

With financial markets suffering through an unprecedented period of turbulence, global recession is now a reality. It is feared that it will be deeper and more prolonged than originally predicted. Concerns over the impact of extreme volatility and downward price pressures on the endowment, precipitated this review of the endowment spending policy.

OBJECTIVES OF A GOOD SPENDING POLICY:

A good spending policy attempts to achieve a number of objectives. First and foremost, it seeks to balance the needs of current and future program beneficiaries. This objective is met by maintaining or slightly growing the real (net of inflation) endowment value over the long run. The second objective of a

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to the Consolidated Endowment Fund Investment Policy (continued p. 2)

good spending policy is to provide a reasonable and stable flow of dollars in support of current programs thereby facilitating effective program management. The most common method of dampening spending volatility is to base the distribution itself on a market value averaged over three to five years. The longer the averaging period, the lesser the impact of current market conditions on the distribution.

OPTIONS CONSIDERED:

In developing this proposal, three options were considered:

- No change. *“Spend 5% of a 3 year average market value”*
- Lower the spending rate to 4 ½%. *“Spend 4 ½% of a 3 year average market value”*
- Lengthen the averaging period to 5 years. *“Spend 5% of a 5 year average market value”*

A series of forward looking and conservative return forecasts led to the following conclusions. Without the initiation of a freeze in spending at FY08 levels, near term distributions using both the current spending policy AND the recommended spending policy which lengthens the averaging period will lead to a spending increase over FY08. This increase would require additional liquidation of securities in a down markets, further eroding the endowment market value. Over the subsequent five years, lengthening the averaging period will be dramatically less detrimental to endowed programs than the other options. Rephrased, programs will be better supported (spend more) over this period than in other options. Finally, the impact on endowed market value is similar in all options confirming that the sensitivity of market values to spending is best seen over very long time horizons (20 to 30 year periods).

POLICY IMPACT:

The proposed action holds FY09 spending at FY08 levels. This is 5% below what the policy spending calculation with its current smoothing mechanism would have generated. Importantly, approval will result in a change in spending policy which will lengthen the averaging period to five years. Lengthening the averaging period will have the least detrimental impact on campus during these difficult and troubling times. The longer averaging period has the added benefit of dampening market volatility during market extremes – providing higher levels of support

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Amendment to the Consolidated Endowment Fund Investment Policy (continued
p. 3)

when markets are down and lower levels of support when markets are up. A longer averaging period also facilitates forecasting and allows programs to effectively plan for change.

REVIEW AND APPROVALS:

This policy recommendation has been reviewed by the Senior Vice President and the administration, the Chief Investment Officer and by the University's investment consultant, Cambridge Associates. It requires review and approval by the full Board of Regents

Attachment

Consolidated Endowment Spending

University of Washington Board of Regents



Consolidated Endowment Spending

November 21, 2008

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Endowments Underwater	13

University of Washington

On Spending Policy

- In light of the weakness in markets and falling endowment values, institutions are reviewing distributions to campus (as well as other ways to preserve liquidity).
- The “spending rule” of distributing 5% of a moving average of endowment values is by far the most common rule.
- By extending the averaging time, near term distributions will be slightly less than with the current policy. When markets are appreciating the longer averaging period distributes slightly less to campus than with a shorter averaging time. The longer averaging time facilitates budgeting because future distributions are more stable and predictable.
- Moving to a distribution policy of 5% of a trailing 20-quarter moving average will distribute slightly less to campus during normal markets but also will reduce the volatility of distributions year-on-year.

Spending Policy Issues

At the heart of endowment investment planning is the attempt to mediate among the following conflicting objectives:

- Maximize long-term total return
- Maximize annual spending from the fund
- Preserve the real value (purchasing power) of the fund's principal and of its spending distributions over the long term
- Maximize the stability and predictability of spending distributions. In other words, minimize spending shortfall risk

The purpose of a spending policy is to determine and document how Institution X intends to balance these objectives. Typically, a spending policy has two components:

- **Target Rate:** The annual amount withdrawn from the endowment expressed as a percentage of the endowment's market value.
If the Target Rate corresponds with the real return on the endowment over a given period, the real value of the spending stream and of the endowment's assets will have been maintained over that period.
- **Spending Rule:** The formula for determining annual spending withdrawals and the mechanics of its implementation.

The Spending Rule is designed to reduce annual variability in spending.

Note: *New gifts to the endowment should be used to enhance programs rather than to maintain the status quo. In other words, gifts should not be used to subsidize excessive spending; rather, the spending policy should ensure that over the long term the real value of the fund—adjusted to reflect new additions from gifts—is maintained.*

Alternative Spending Rules

Five common spending rules:

I. **Spend Income Only:** Spend all or a portion of current investment income (dividends and bond coupon payments) and reinvest all capital gains.

- Spending will increase or decrease with interest rates and dividend policies.
- Spending needs may influence portfolio asset allocation as well as sector and security selection (e.g., overweighting higher yielding stocks).
- Spending may exceed a long-term sustainable rate during periods of high inflation.

II. **Spend on a Total Return Basis:** Spend a fixed percentage of the portfolio's average market value (e.g., spend 5.0% of the average market value of the previous 12 quarters).

- Spending increases or decreases with investment results, reflecting the variability of the capital markets. The year-to-year fluctuations in spending can be dampened somewhat by including more periods in the calculation of the average market values.
- If the spending rate is less than or equal to the fund's real return, the fund's purchasing power will be maintained.

III. **Spend a Fixed Amount Every Year Adjusted for Inflation**

- The purchasing power of the spending payout will be maintained over time.
- The real purchasing power of the endowment may erode over time depending on investment performance.

IV. **Spend based on a Constant Growth Rule:** Determine base year spending and increase annually by a specific growth rate (e.g., inflation).

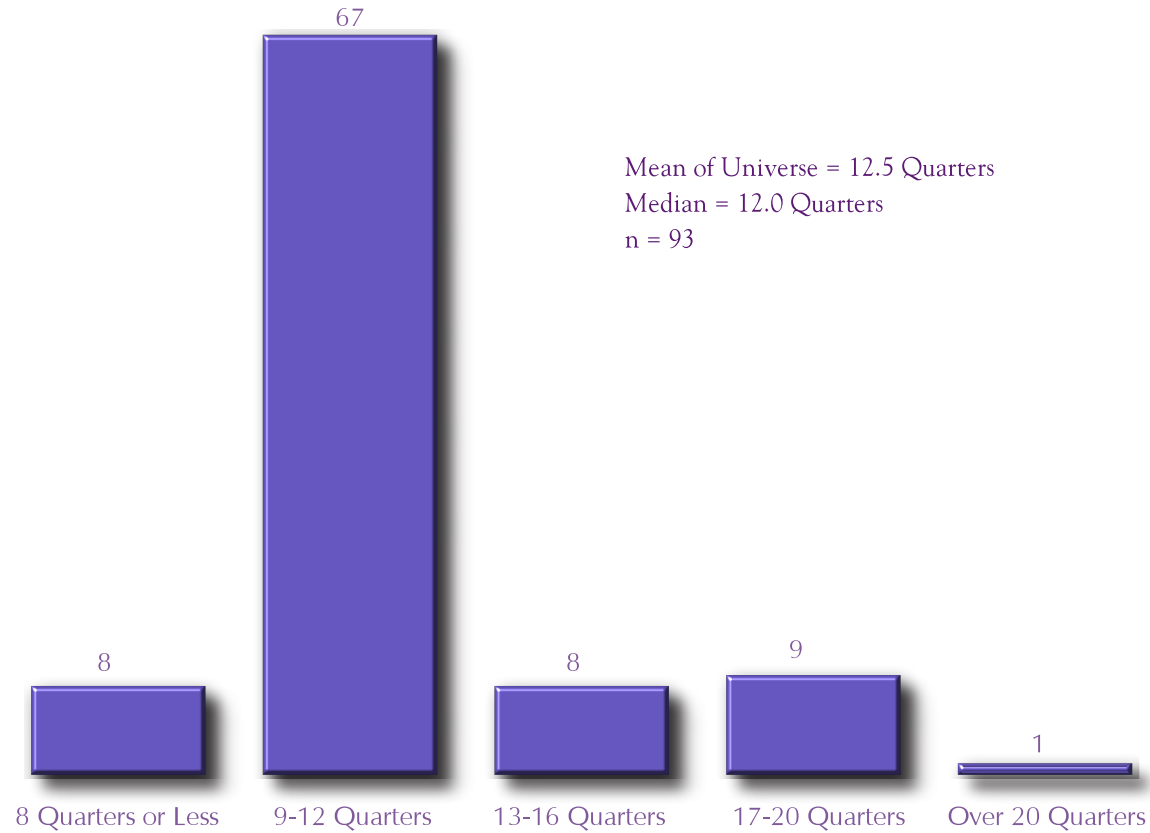
- Spending from the portfolio is easier to budget and exhibits no volatility unless a collar is in place (see below). One needs to make sure this approach does not result in spending that is too high or too low on a percentage basis of the principal value.
- Consider placing a collar on the spending rate (e.g., spend not more than 5% and not less than 2% of principal—calculated as the average principal value over the preceding 12 quarters—in a given quarter). Ensures the principal value of the portfolio is not eroded by reducing spending when portfolio values decline substantially, and will enable increased spending in times of extraordinary capital market performance.
- A constant growth rule with a collar will result in a spending stream that exhibits no volatility unless the cap or the floor of the collar is reached in which case the volatility in that period may be substantial.

V. **Spend based on a Hybrid Rule – Example: Yale**

- Yale's spending rule uses a long-term spending rate of 5.25% combined with a smoothing rule that adjusts spending gradually to changes in the endowment's market value. The amount released under the spending rule is based on a weighted average of prior spending adjusted for inflation (80% weight) and the amount that would have been spent using 5.25% of current endowment market value (20% weight).

College and University Spending Policy

As of June 30, 2007

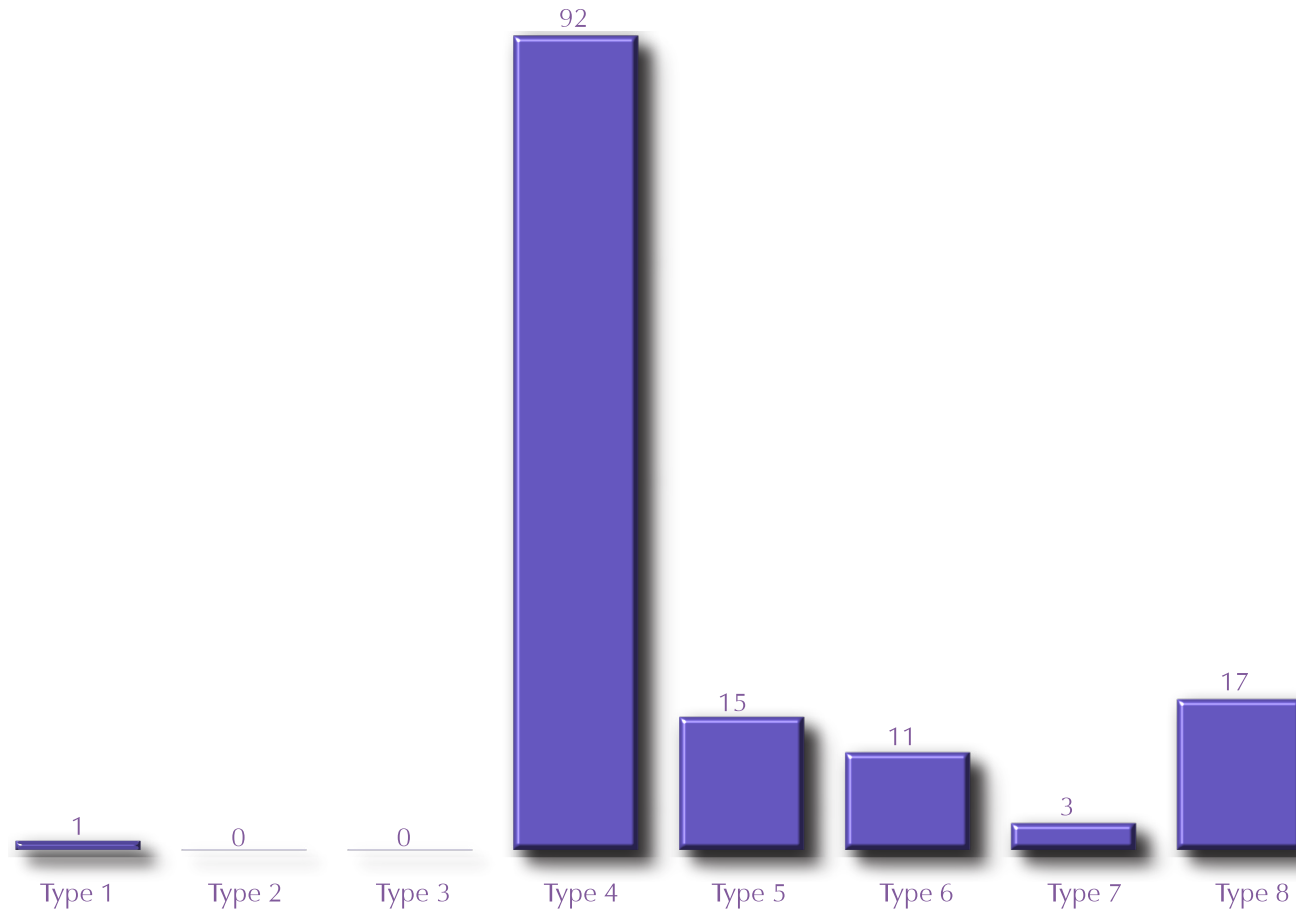


Source: Cambridge Associates LLC report entitled *Analysis of College and University Investment Pool Returns 2006-2007*.

Note: 72% of institutions in this universe use an endowment average of 12 quarters in the market value calculation period.

College and University Spending Rule Types

Numbers of Institutions as of June 30, 2007



Type 1: Spend all current income.

Type 2: Spend a prespecified percentage of current income.

Type 3: Spend a prespecified percentage of beginning market value.

Type 4: Spend a prespecified percentage of a moving average of market values.

Type 5: Increase prior year's spending by a prespecified percentage.

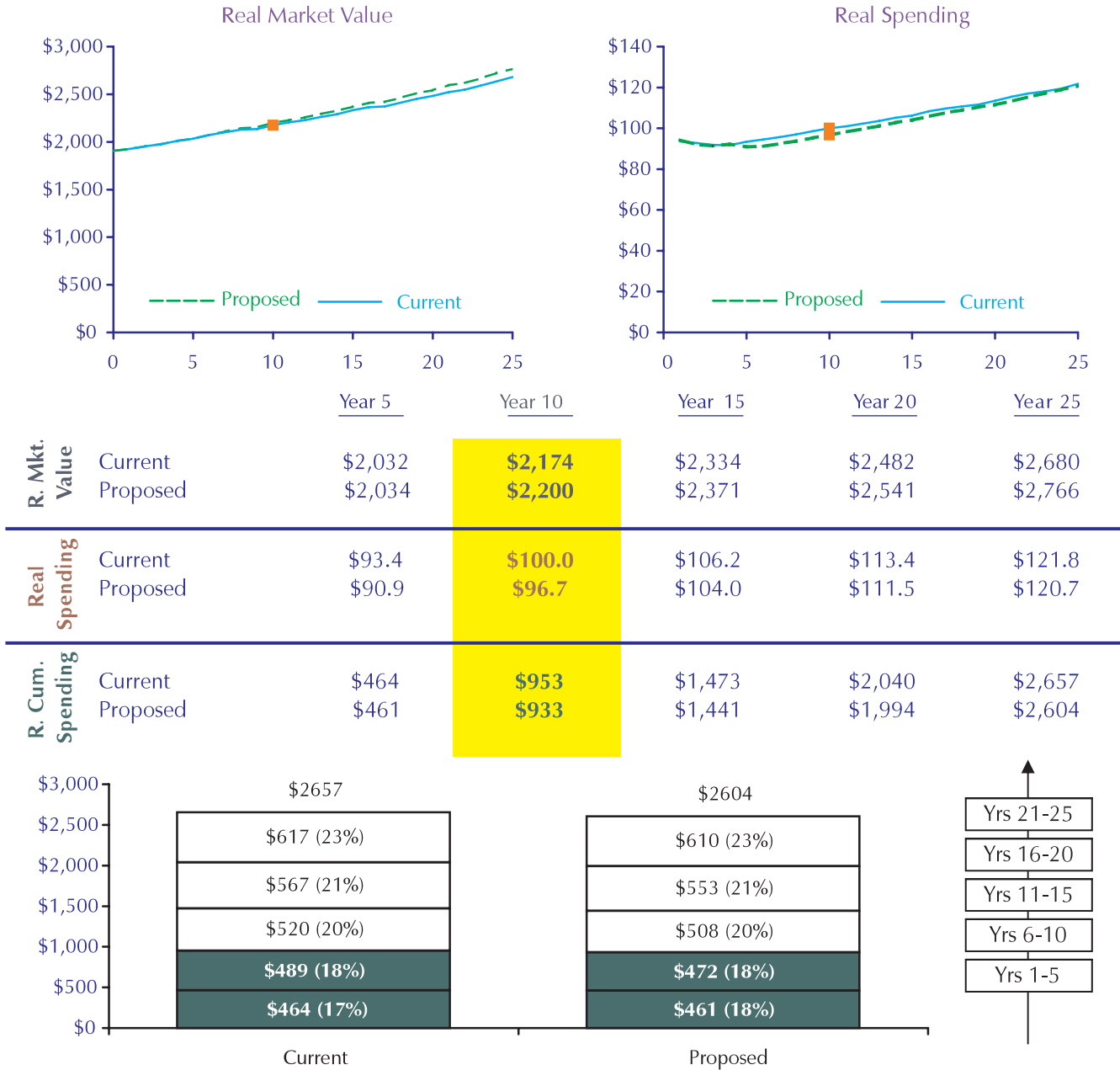
Type 6: Decide on an appropriate rate each year.

Type 7: No established policy

Type 8: Other rule.

Source: Cambridge Associates LLC report entitled "Analysis of College and University Investment Pool Returns 2006-07."

Baseline Expectations: Real Spending and Market Values



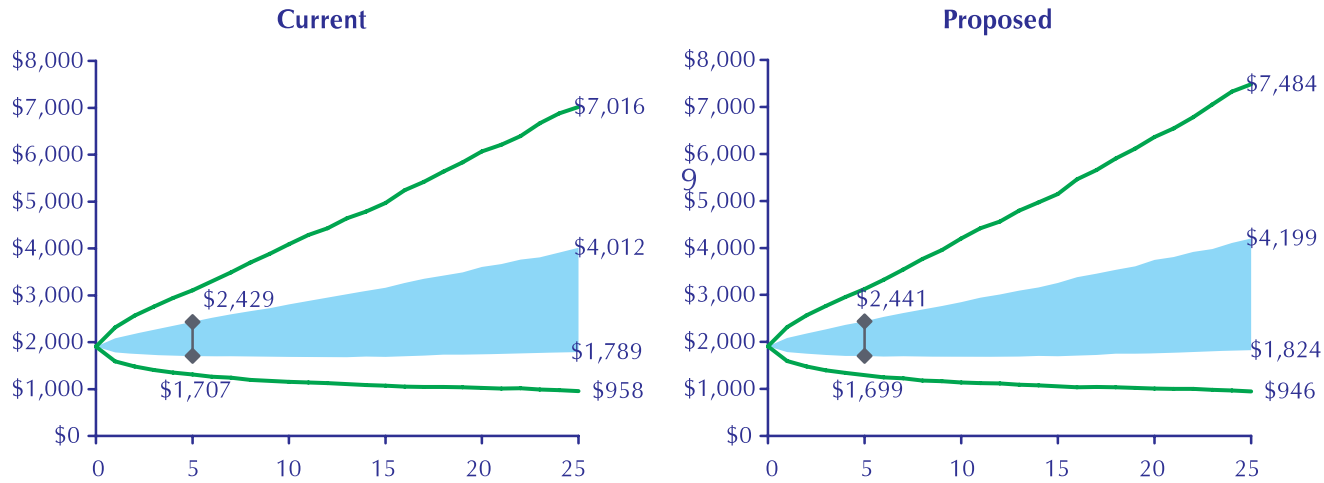
Range of Expectations:

Real Market Values

Probability of Maintaining Purchasing Power

	5 Years	10 Years	15 Years	20 Years	25 Years
Current	60%	64%	68%	70%	72%
Proposed	61%	66%	69%	71%	73%

Expected Range¹ of Real Market Values



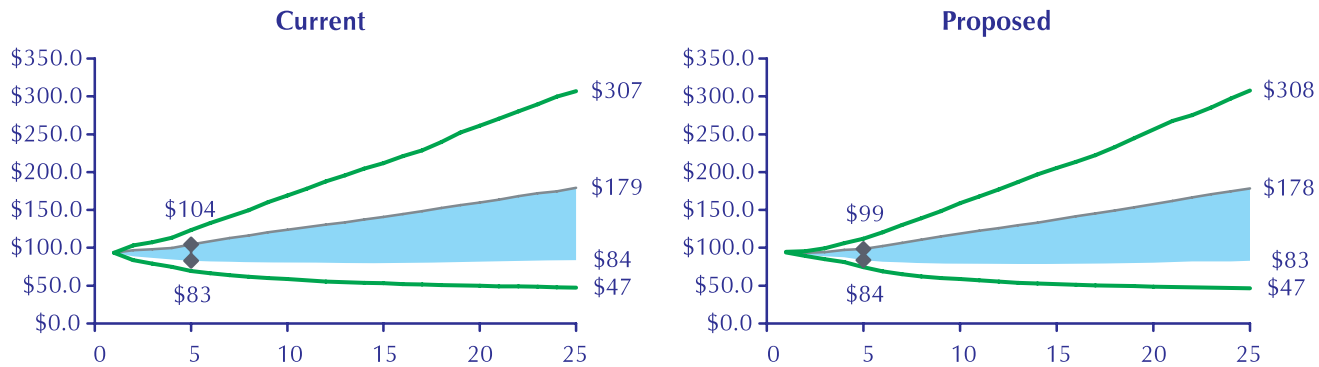
	5 Years	10 Years	15 Years	20 Years	25 Years
Current	\$1707–2429	\$1684–2803	\$1685–3163	\$1739–3604	\$1789–4012
Proposed	\$1699–2441	\$1684–2846	\$1693–3253	\$1759–3747	\$1824–4199

¹ Range includes 50% of the distribution (25th to 75th percentile)

Range of Expectations: *Real Spending*

Probability of Maintaining Purchasing Power

	5 Years	10 Years	15 Years	20 Years	25 Years
Current	61%	65%	68%	70%	72%
Proposed	62%	66%	69%	71%	73%



	5 Years	10 Years	15 Years	20 Years	25 Years
Current	\$82.9–104.2	\$80.7–123.8	\$80.0–140.8	\$82.2–159.7	\$83.8–179.1
Proposed	\$83.7–98.6	\$79.1–118.6	\$78.7–137.5	\$80.3–157.8	\$82.7–178.3

Expected Range¹ of Real Cumulative Spending

	5 Years	10 Years	15 Years	20 Years	25 Years
Current	\$438–491	\$854–1068	\$1272–1732	\$1698–2478	\$2146–3317
Proposed	\$446–478	\$851–1028	\$1259–1673	\$1675–2409	\$2113–3243

¹ Range includes 50% of the distribution (25th to 75th percentile)

Spending and Shortfall Model

Summary of Inputs

Spending Rule Summary

Current Spending Rule(s) 5% of average ending market value, trailing 12 quarters

Proposed Spending Rule(s) Move from 5% of average ending market value, trailing 12 quarters, to 5% of average ending market value, trailing 20 quarters, on a quarterly basis.

Beginning Market Value	\$1907
Inflation Rate	3%
U.S. Equity	16%
Global ex U.S. Equity	17%
Emerging Markets Equity	10%
Absolute Return	18%
Venture Capital	6%
Private Equity	9%
Commodities	1%
Natural Resource Equity	4%
REITs	1%
Real Estate	5%
Oil & Gas	4%
U.S. Fixed Income	4%
U.S. TIPS	1%
Global Fixed Income	2%
Cash	2%
Arithmetic Return	6.8%
Standard Deviation	11.9%

Consolidated Endowment Spending
Appendix

Characteristics of the CEF

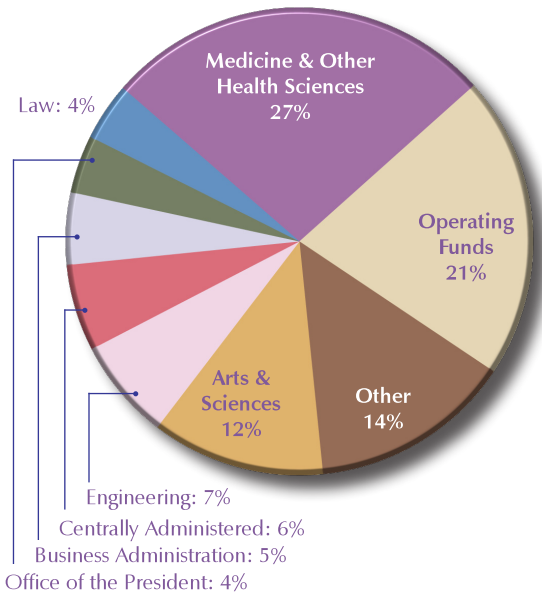
Endowment Overview as of June 30, 2008 (\$=M)

Endowed Program Support*

By Purpose

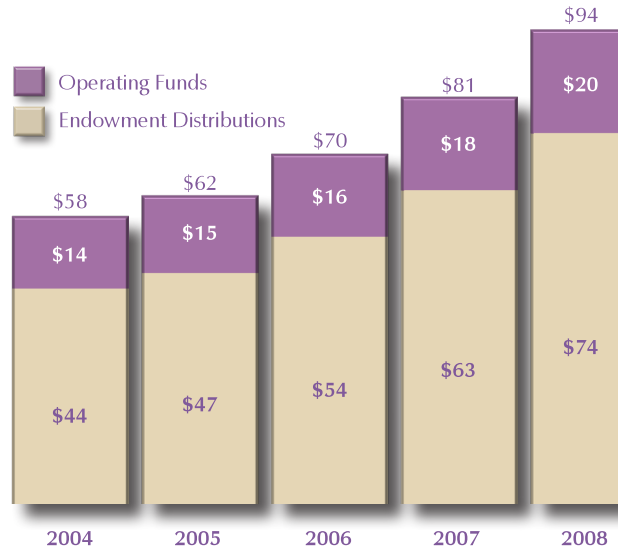


By School and College



* Includes operating funds invested in the CEF

Endowed Dollars Distributed

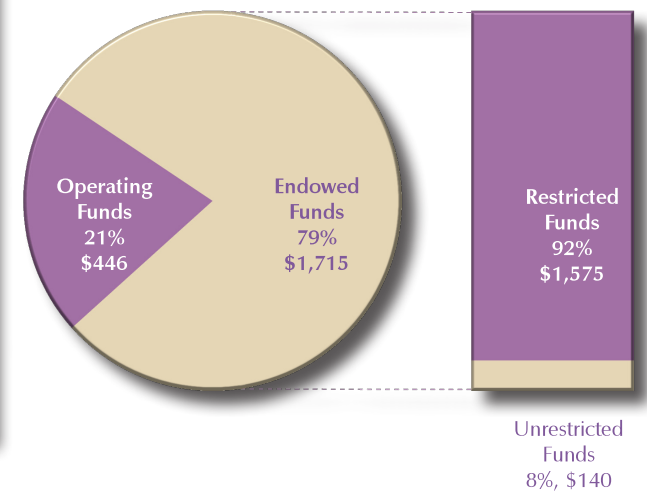


Endowment Distributions as a % of Total UW Revenues

Fiscal Years	Annual UW Revenues	Endowment Distributions	%
2002	\$2,322	\$55	2.3%
2003	\$2,683	\$57	2.1%
2004	\$2,797	\$58	2.1%
2005	\$3,025	\$62	2.0%
2006	\$3,455	\$70	2.0%
2007	\$4,093	\$81	2.0%
2008*	\$3,456	\$94	2.7%

* Preliminary UW revenue

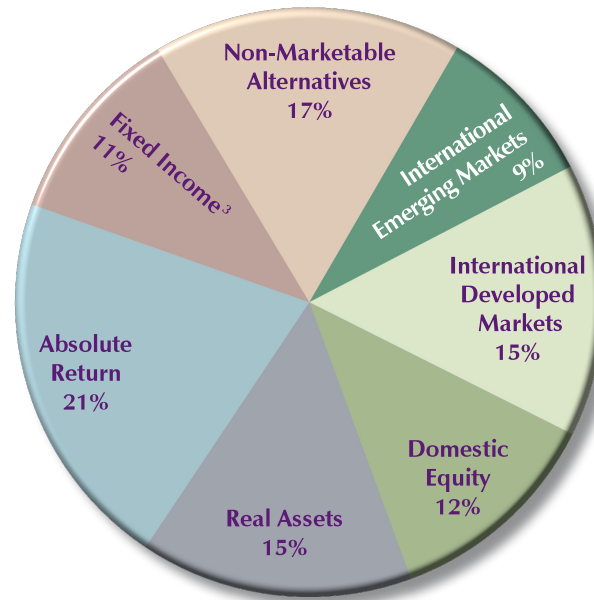
Endowment Composition—\$2,161



92% of the University's endowed funds are restricted. In restricted endowments, distributions may be used only for donor-specified purposes. Unrestricted endowment funds may be used for any legitimate purpose of the institution, whether it be scholarships or building maintenance.

Asset Allocation as of October 31, 2008 (est.)

Consolidated Endowment Fund¹—\$1,725 MM



Dollars in Millions

	Current Allocation ²		Policy Target	Policy Range
Non-Marketable Alternatives	\$298	17%	12%	5%-25%
International Emerging Markets	\$150	9%	13%	5%-35%
International Developed Markets	\$260	15%	16%	5%-35%
Domestic Equity	\$209	12%	15%	5%-35%
Equity Fund	\$917	53%	56%	45%-75%
Real Assets Fund	\$263	15%	15%	5%-25%
Absolute Return	\$357	21%	18%	5%-25%
Fixed Income Fund ³	\$187	11%	11%	5%-35%
Total Consolidated Endowment Fund	\$1,725	100%		

1. At 6/30/08: International exposure: 43%, foreign currency exposure: 41%.

2. Current exposure percentage may not add to 100% due to rounding.

3. Includes allocation to cash.

Return Required to Meet Current CEF Spending Levels

Total Nominal Return* Required to Meet Current Spending

Endowment Distributions	5.0%	Policy Spending Level
Development Office	0.8%	} Administrative Fees
Treasury Office	0.2%	
Expected Inflation	2.5%	Consumer Price Index
Total Return Required	8.5%	

* Return is assumed net of investment fees (manager, consulting, custodial and legal) of approximately 50 b.p.

Required Nominal Return Matrix

		Spending Level and Administrative Fees				
		4.0%	5.0%	6.0%	7.0%	
Inflation	1.0%	5.0%	6.0%	7.0%	8.0%	
	2.0%	6.0%	7.0%	8.0%	9.0%	
	3.0%	7.0%	8.0%	9.0%	10.0%	
	4.0%	8.0%	9.0%	10.0%	11.0%	
	5.0%	9.0%	10.0%	11.0%	12.0%	
	6.0%	10.0%	11.0%	12.0%	13.0%	
	7.0%	11.0%	12.0%	13.0%	14.0%	
	8.0%	12.0%	13.0%	14.0%	15.0%	

 Current spending and inflation rate estimate

Endowments Underwater

Status as of September 30, 2008

	<u>Underwater Endowments</u>	<u>Above-water Endowments</u>	<u>Total</u>
By Number of endowments	812 28%	2,100 72%	2,912 100%
By Market Value	\$240.8 M 13%	\$1,666.6 M 87%	\$1,907.4 M 100%

- At 9/30/08, most endowments originated in FY06 or later are underwater—that is to say, the market value on these endowments is below cost.

	<u>Appreciation</u>	<u>Total Market Value</u>
Total CEF	\$478.5 M 33.4% over cost	\$1,907.4 M 100%

- Over the next several months, Treasury will meet with beneficiary departments to discuss appropriate spending from underwater endowments.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

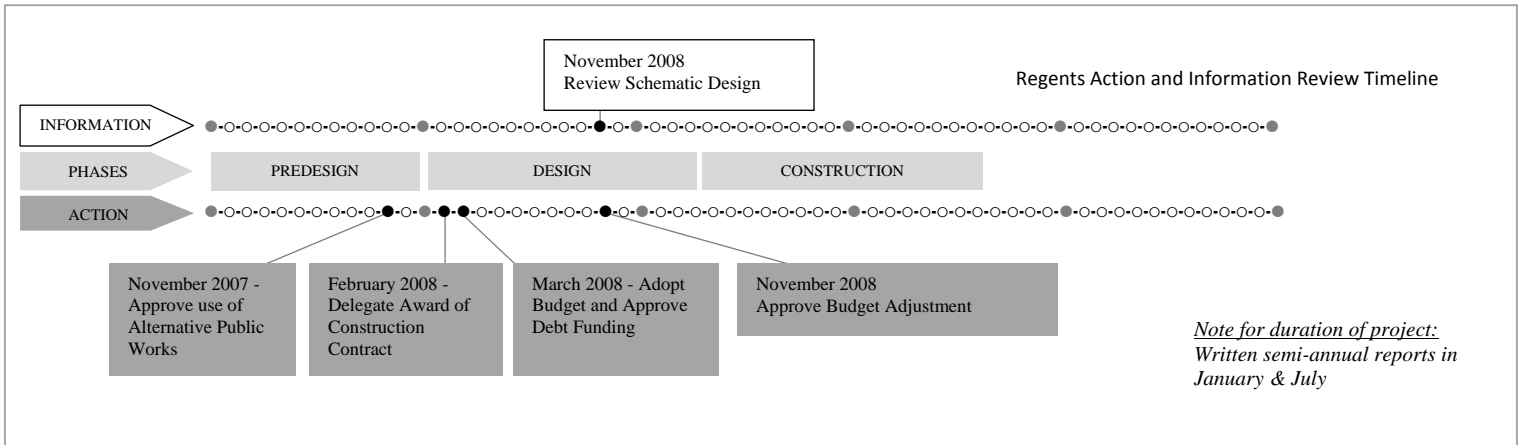
Debt Funded Project Review

This will be an oral presentation to the Board.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Washington Dental Service Building for Early Childhood Oral Health – Approve Budget Adjustment and Review Schematic Design



RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve revising the previously approved project budget for the Washington Dental Service (WDS) Building for Early Childhood Oral Health (ECO) from \$17,276,000 to \$19,769,000.

The Schematic Design phase of the project is complete and is being presented for information only.

PROJECT DESCRIPTION:

The project will renovate Building 25 at Sandpoint into a pediatric dental clinic and treatment center. Building 25 is an art deco building of approximately 28,000 gross square feet, formerly used as a Navy administration building.

PREVIOUS ACTIONS:

In August 2005 ,the Board of Regents approved the award of an architectural contract to ARC Architects for the design of this project. Following a prolonged pause, during which an affiliation agreement was completed between the UW and Children’s Hospital, the use of Alternative Public Works utilizing the GC/CM approach was authorized by the Board of Regents in November 2007. The award of the GC/CM contract to Bayley Construction was approved by the Board of Regents in February 2008. In March 2008, the Board of Regents approved the project budget and method of financing.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Washington Dental Service Building for Early Childhood Oral Health – Approve Budget Adjustment and Review Schematic Design (continued p. 2)

SCOPE OF THE PROJECT:

Building 25, a four-story building (includes daylight basement) of approximately 28,000 gross square feet, was constructed in three phases between 1927 and 1940. The exterior project scope includes installation of a new roof, cleaning and sealing of the masonry, selective window replacement and minor site work including accessibility issues. Renovation of the interior will include removal of existing mechanical, electrical, plumbing, communication systems, non-structural partitions, and all hazardous materials.

In addition to upgrading the building exterior, the project includes the installation of all new plumbing, electrical, and HVAC systems as well as the life/safety, circulation systems, accessibility issues, and partitions and finishes required for the dental clinic. The dentistry clinic will be the sole occupant of the building, with 100% of the interior renovation of the building serving its needs.

PROJECT SCHEDULE:

The terms of the Affiliation Agreement between the University of Washington and Children's Hospital require that the Washington Dental Service Building for Early Childhood Oral Health be ready for occupancy in September 2010.

Key project milestones are as follows:

Architect Selection	Completed August 2005
Predesign	Completed December 2007
Design Completion	March 2009
Construction	April 2009 through August 2010
Occupancy and Use	September 2010

PROJECT BUDGET:

This action item requests an increase in the project budget of approximately \$2.5 million. Roughly \$1 million of the increase can be attributed to various existing building conditions in this historic structure that have been discovered by the GC/CM in the current preconstruction phase. The CG/CM has conducted selective demolition, testing and investigations that have revealed such things as a need for unanticipated seismic bracing, beefing up existing foundations and more extensive exterior masonry restoration than was anticipated. The remaining \$1.5

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Washington Dental Service Building for Early Childhood Oral Health – Approve Budget Adjustment and Review Schematic Design (continued p. 3)

million of the overrun reflects a lack of a clear understanding, at the time the budget was set, of the operational and infrastructure needs of this ground-breaking program, and the costs of accommodating those needs within the constraints of the existing historic Navy building.

PROJECT FINANCING PLAN:

This project is being funded by contributions from Washington Dental Service and Children's Hospital, and new debt:

Sources and Uses of Funds

Sources of funds:

Washington Dental Service	5,000,000
Children's Hospital	1,000,000
ILP loan (including cap. interest & COI)	12,300,000
Equipment (separate financing)	2,600,000
Total sources of funds	<u>20,900,000</u>

Uses of funds:

Renovation of Bldg 25 & equipment	19,800,000
Capitalized interest & cost of issuance	1,100,000
Total uses of funds	<u>20,900,000</u>

Washington Dental Service's \$5,000,000 contribution will be received in increments during FY2008-FY2011. The University has received an initial \$2,000,000 payment and will receive separate \$1,000,000 payments in FY2009, FY2010, and FY2011. The Children's Hospital \$1,000,000 payment will be received in FY2012.

The bonds will be repaid from patient revenues and annual payments from Children's Hospital for partial occupancy of the building. Children's Hospital has also agreed to contribute \$500,000 for patient outreach expenses and to fund 30 percent of operating revenue shortfalls up to an aggregate total of \$1,000,000. Project equipment will be financed separately under delegated authority.

The Treasury Office has performed a revised analysis of the ten-year facility revenue proforma and believes that patient revenues and annual Children's Hospital payments will be sufficient to service the new debt. Expected project revenues have increased from the earlier proforma approved by the Board of

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Washington Dental Service Building for Early Childhood Oral Health – Approve Budget Adjustment and Review Schematic Design (continued p. 4)

Regents, based on revised revenue projections of operating room income. Children's Hospital and Washington Dental Service have also analyzed the proforma in detail as part of the due diligence review for their financial participation in the project.

The primary financial risk to the facility is from patient revenues less than projected, but the facility sponsors have identified a pool of potential patients that has been confirmed by several sources, including the State, Children's Hospital, Washington Dental Service, and in the regional academic literature on pediatric dentistry. The \$500,000 patient outreach contribution from Children's Hospital, combined with a proposed ongoing program marketing expenditure, will support patient recruitment and retention efforts for the facility.

INTERNAL REVIEW AND APPROVALS:

The project financing plan has been reviewed and approved by the Senior Vice President for Finance and Facilities and the Vice Provost for Planning and Budgeting.

SIGNIFICANT CONSTRUCTION RISKS AND OPPORTUNITIES:

This project is historically significant and therefore subject to review and approval by local and state agencies. The challenge will be to meet the historical review requirements while meeting the programmatic and space requirements of the pediatric dentistry clinic.

The project presents a tremendous opportunity for the University, in partnership with Children's Hospital and Regional Medical Center, to contribute to dramatic improvements in early childhood oral health, by implementing new clinical methods, expanding clinical services and providing greater visibility and accessibility to the community.

Attachments

1. Budget
2. Proforma

**UNIVERSITY OF WASHINGTON
CAPITAL PROJECTS OFFICE • SUMMARY PROJECT BUDGET**

PROJECT: WDS Early Childhood Oral Health (ECOH)

Project Number: 200786

ESTIMATED DATE OF COMPLETION: July 2010

Current Approved Budget	Forecast Cost at Completion
-------------------------------	-----------------------------------

BUDGET SUMMARY:

A. ACQUISITION	0	0
B. CONSULTANT SERVICES		
1. PREDESIGN	\$ 168,000	\$ 151,000
2. BASIC DESIGN SERVICES	\$ 938,000	\$ 934,000
3. EXTRA SERVICES/REIMBURSABLES	\$ 294,000	\$ 342,000
4. OTHER SERVICES	\$ 128,000	\$ 110,000
5. DESIGN SERVICES CONTINGENCY	\$ 342,000	\$ 333,000
TOTAL CONSULTANT SERVICES	\$ 1,870,000	\$ 1,870,000
C. PRIMARY CONSTRUCTION CONTRACTS		
1. MAX.ALLOW.CONST.COST (MACC)	\$ 7,698,000	\$ 9,091,000
2. GC/CM OR DB COSTS	\$ 1,390,000	\$ 1,926,000
3. SALES TAX ON CONSTRUCTION	\$ 809,000	\$ 991,000
GUARANTEED CONTRACT COST	\$ 9,897,000	\$ 12,008,000
4. CONSTRUCTION CONTINGENCY	\$ 1,540,000	\$ 1,818,000
5. SALES TAX ON CONTINGENCY	\$ 137,000	\$ 164,000
TOTAL CONSTRUCTION COSTS	\$ 11,574,000	\$ 13,990,000
D. EQUIPMENT	\$ 2,649,000	\$ 2,636,000
E. ARTWORK	0	0
F. OTHER COSTS	\$ 159,000	\$ 225,000
G. PROJECT ADMINISTRATION	\$ 1,024,000	\$ 1,048,000
H. RELATED PROJ/MITIGATION	0	0
TOTAL PROJECT BUDGET	\$ 17,276,000	\$ 19,769,000
Included in Above:		
**Escalation	\$ 1,187,000	\$ 518,436
SOURCE OF FUNDS:		
UW BUILDING ACCOUNT/BRF		
STATE GEN'L FUND GO BONDS/NOTES		
UW NON-STATE REVENUE	\$ 17,276,000	\$ 19,769,000
TOTAL SOURCE OF FUNDS	\$ 17,276,000	\$ 19,769,000

WDS Bldg - Early Childhood Oral Health (ECOH)
Project Budget = \$19,768,579
November 5, 2008

	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY 2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>FY2018</u>	<u>FY2019</u>	<u>FY2020</u>
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Gross income	6,937	10,761	11,675	12,280	13,168	13,686	14,230	14,802	15,402	16,032
Total expenses	(4,268)	(7,393)	(7,890)	(8,390)	(8,802)	(9,202)	(9,621)	(10,060)	(10,520)	(11,002)
Net income (Before debt service & capital reserves)	2,669	3,368	3,785	3,890	4,366	4,484	4,609	4,742	4,882	5,030
Debt service	(1,203)	(1,203)	(1,203)	(1,203)	(1,203)	(1,203)	(1,203)	(1,203)	(1,203)	(1,203)
Capital reserve	(196)	(202)	(208)	(214)	(221)	(228)	(234)	(241)	(249)	(256)
Annual income (After debt service & capital reserves)	1,269	1,963	2,374	2,473	2,942	3,054	3,172	3,297	3,430	3,571
Beginning fund balance	-	1,269	3,233	5,607	8,079	11,022	14,075	17,247	20,544	23,975
Ending fund balance	1,269	3,233	5,607	8,079	11,022	14,075	17,247	20,544	23,975	27,546
Debt service coverage (DSC)	2.22	2.80	3.15	3.23	3.63	3.73	3.83	3.94	4.06	4.18

WASHINGTON DENTAL SERVICE BUILDING FOR EARLY CHILDHOOD ORAL HEALTH



EXISTING CONDITIONS

Building 25

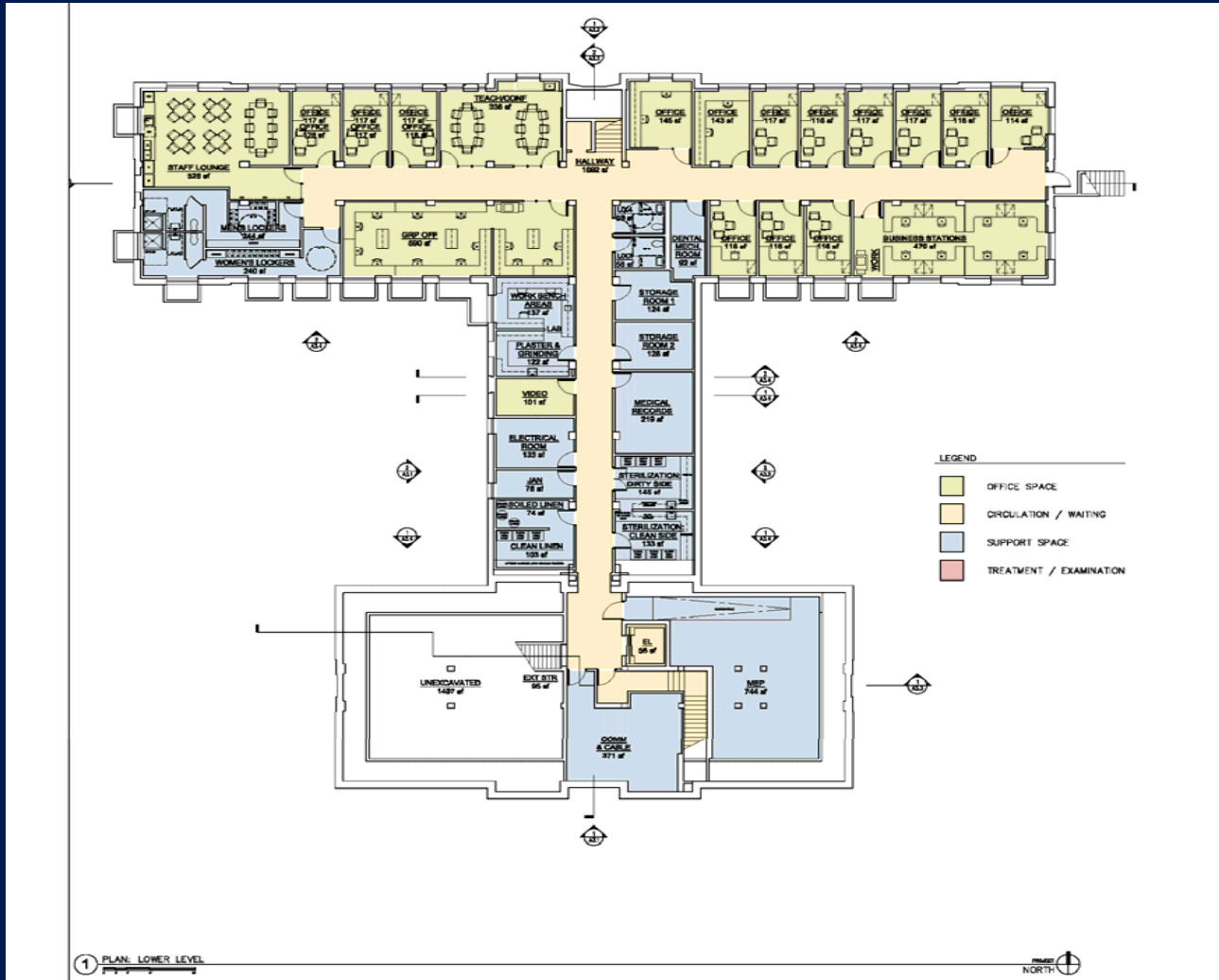
Building 25 is a "character defining" member of the former Sand Point Naval Air Station as defined in the Historic Properties Reuse and Protection Plan. Through the mid-twentieth century, it functioned as the administrative core for the Sand Point Navy Base. It contains 27,892 square feet over four levels including the basement (lower level).



BUILDING EXTERIOR



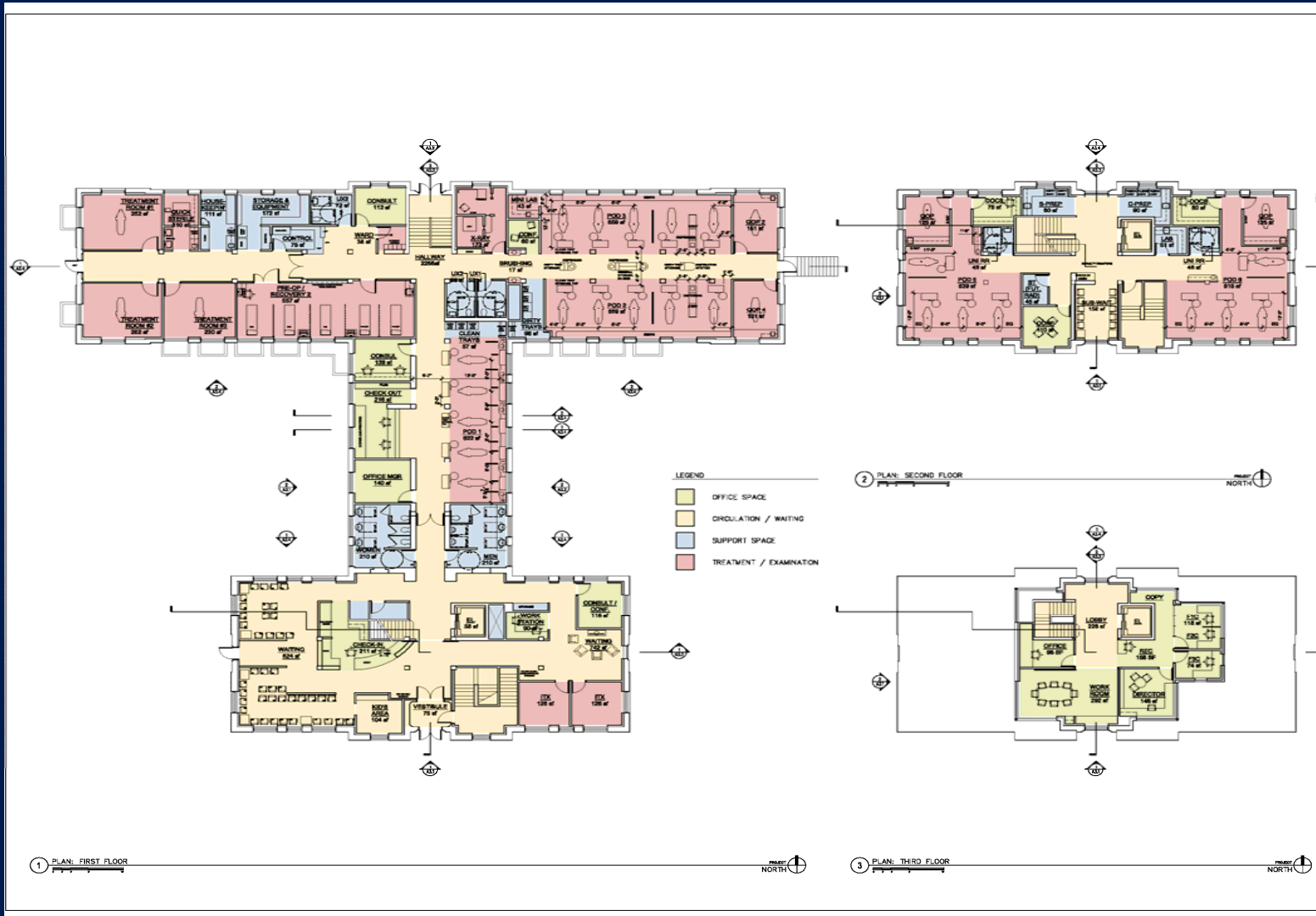
FLOOR PLAN - LOWER LEVEL



BUILDING INTERIOR



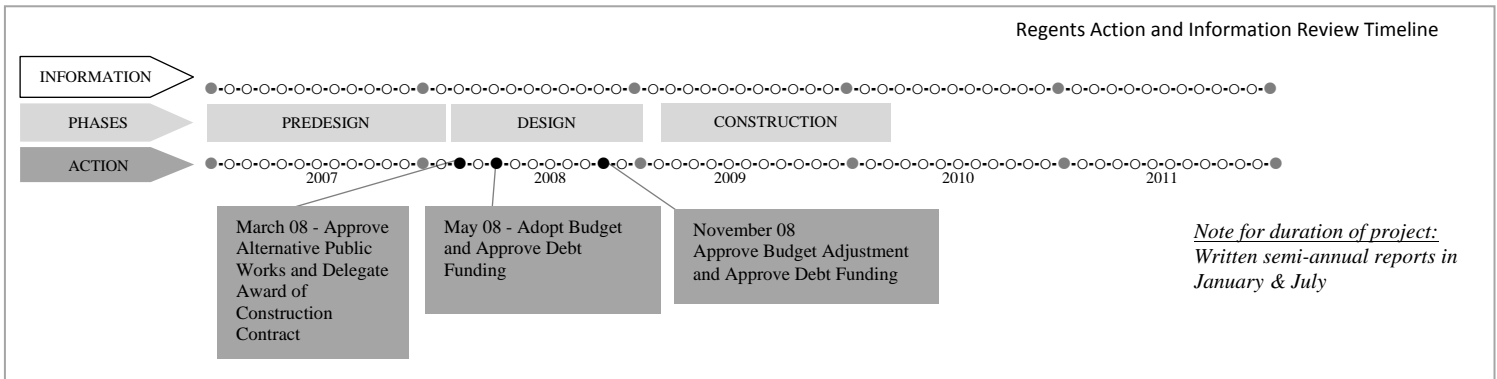
FLOOR PLANS - 1, 2, 3



VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Magnuson Health Sciences Center Sixth Floor and RR-Wing Renovation –
Approve Budget Adjustment and Approve Debt Funding



RECOMMENDED ACTIONS:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve:

1. adjusting the previously approved project budgets for the Magnuson Health Sciences Center (MHSC) Sixth Floor project and the MHSC RR-Wing 2-Floor project from a combined total of \$22.0 million to a new combined total of \$28.7 million;
2. using the Internal Lending Program to fund up to \$7 million in additional project costs.

BACKGROUND:

In autumn 2006, the University launched a multi-faceted program to address deficiencies resulting from a site visit by the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC). Execution of this program continues as reported to the Board of Regents (BOR) in March 2008, when it approved the budgets and financing plans for each of the programs.

This BOR action item applies solely to the two major phases of the AAALAC program: the MHSC 6th Floor and RR Wing 2-Floor projects. The two projects are being designed by separate architects, but will be constructed simultaneously by a single General Contractor/Construction Manager (GC/CM). For clarity in the budgeting, funding and management of these two projects, the administration

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Magnuson Health Sciences Center Sixth Floor and RR-Wing Renovation – Approve rove Budget Adjustment and Approve Debt Funding (continued p. 2)

has chosen to combine them as two phases of a single major project, hereafter referred to as the MHSC 6th Floor and RR Wing Renovation.

PREVIOUS ACTIONS:

In March 2008, the BOR approved the budget and financing plan and delegated authority to complete interim and permanent financing for the entire AAALAC compliance program. In May 2008, the BOR approved the use of the alternative public works GC/CM contracting method and delegated authority to award the construction contract for both phases of the MHSC 6th Floor and RR Wing Renovation.

PROJECT BUDGET ADJUSTMENT:

This request is for an increase in the MHSC 6th Floor and RR Wing Renovation budget in the amount of \$6.7 million. The original project budget failed to accurately identify the costs associated with the sophisticated infrastructure systems necessary to resolve the deficiencies in the two facilities. The relationships between relatively small program areas, high infrastructure needs and complicated installation requirements were not accurately reflected in earlier cost models. There are no existing similar facilities to compare and test earlier cost assumptions. Due to the fast-track nature of the design process, the project team did not have the benefit of the GC/CM's constructability and market expertise until the design was near completion. The revised cost forecast that forms the basis of this budget adjustment request is from the reconciled, independent estimates by the GC/CM and the design teams.

PROJECT SCOPE AND SCHEDULE:

MHSC Sixth Floor Scope

The MHSC Sixth Floor phase will renovate approximately 10,600 square feet of the Department of Comparative Medicine's existing vivarium facility on the sixth floor of the MHSC. This renovation focuses primarily on the G & H Wings portion of the vivarium, which were constructed in 1947. This phase will demolish the interior of the existing vivarium in the G & H Wings and construct a vivarium designed to have a useful life of 25 – 30 years. The work includes new architectural finishes, redundant mechanical, electrical, and plumbing infrastructure systems to be compliant with current AAALAC requirements. The mechanical ventilation, plumbing and electrical systems will be constructed in

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Magnuson Health Sciences Center Sixth Floor and RR-Wing Renovation – Approve rove Budget Adjustment and Approve Debt Funding (continued p. 3)

new penthouse space above the existing facility due to the limited floor height and to provide ease of maintenance. Adjacent areas in the E & F Wings will be upgraded as necessary to surge existing operations out of G & H Wings, and maintain animal care procedures in the remaining sixth floor vivarium.

MHSC RR-Wing Scope

The MHSC RR-Wing tower addition, including the area occupied by this phase, was constructed in 1966. This phase will renovate approximately 8,600 square feet of the Washington National Primate Research Center's (WaNPRC) existing vivarium facility on the minus one and first floor of RR-Wing. This renovation will demolish the interior of the existing facility and construct a vivarium designed to have a useful life of 25 – 30 years. The improvements will include new architectural finishes, redundant mechanical, electrical, and plumbing systems to be compliant with current AAALAC requirements. Improvements include a new two-stop elevator, improved circulation, separation of clean and dirty areas, security improvements and architectural enhancements addressing cleanable surfaces for the floors, walls and ceilings.

PROJECT SCHEDULE:

The project schedule has been revised to reflect the single, major project approach to bidding, demolition and construction, while maintaining the commitments made to AAALAC for the resolution of the facility deficiencies in both phases of the project.

Key remaining project milestones are as follows:

Phased Construction Documents	November 2008 through January 2009
Demolition	December 2008 through February 2009
Construction	March 2009 through March 2010
Ready to Occupy – 6 th Floor	January 2010
Ready to Occupy – RR Wing	April 2010

FUNDING AND FINANCING PLAN:

The total cost for the MHSC 6th Floor and RR Wing Renovation is \$28.7 million.

The sources and uses are below:

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Magnuson Health Sciences Center Sixth Floor and RR-Wing Renovation –
Approve rove Budget Adjustment and Approve Debt Funding (continued p. 4)

Sources and Uses of Funds

Sources of Funds

ILP Loan Approved March 2008 (See Note)	22,000,000
New Debt	<u>6,767,000</u>
Total Sources of Funds	<u><u>28,767,000</u></u>

Uses of Funds

HSC Sixth Floor Original Budget	11,500,000
HSC Sixth Floor Increase	<u>2,350,000</u>
Sub Total HSC Sixth Floor	<u>13,850,000</u>
HSC RR Wing Original Budget	10,500,000
HSC RR Wing Increase	<u>4,350,000</u>
Sub Total HSC RR Wing	<u>14,850,000</u>
Debt Cost of Issuance	<u>67,000</u>
Total Uses of Funds	<u><u>28,767,000</u></u>

NOTE: Excludes AAALAC projects approved in March 2008 that did not experience budget increases; Western Avenue Cage Wash, I-Wing Cage Wash, and Environmental Sensors.

CREDIT ANALYSIS:

The debt service will be paid from existing indirect cost. These projects do not generate new revenue, but they are critical to the quality of animal facilities and the continuing success of UW's research enterprise. The Treasury Office has reviewed indirect cost projections with the Office of the Provost and believes that existing indirect cost will be sufficient to pay the debt.

INTERNAL REVIEWS AND APPROVALS:

The financing plan has been reviewed and approved by the Senior Vice President and the Vice Provost for Budgeting and Planning.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Magnuson Health Sciences Center Sixth Floor and RR-Wing Renovation –
Approve rove Budget Adjustment and Approve Debt Funding (continued p. 5)

SIGNIFICANT PROJECT RISKS:

There are several significant risks for the project. Access and construction staging areas are severely limited and difficult. Moving materials to each project phase will be through occupied spaces with limited access. Staging areas are limited to the construction site. Access to the RR-Wing phase will be further hampered by the construction of the UWMC Expansion Project, which could impede access to the loading dock for moving materials.

Both phases of the project are technically challenging to design and construct, with extensive redundancy and reliability requirements for the mechanical and electrical systems. Given the redundant systems requirements, it will be a challenge to locate and install the necessary cooling, ventilation, and emergency power equipment. Both phases are located adjacent to occupied spaces that will remain in use during the construction.

Attachments

1. Project Budget
2. ICA Summary

MHSC 6th Floor and RR Wing Renovation

	<u>Total Escalated Cost*</u>	<u>% of TPC</u>
Pre-Schematic Design Services	\$428,000	1.5%
A/E Basic Design Services	\$1,795,000	6.3%
Extra Services	\$530,000	1.8%
Other Services	\$366,000	1.3%
Design Services Contingency	\$204,000	0.7%
Consultant Services	\$3,323,000	11.6%
Construction Cost	\$19,676,000	68.6%
Other Contracts	\$380,000	1.3%
Construction Contingencies	\$2,951,000	10.3%
Sales Tax (deferred)	\$207,000	0.7%
Construction	\$23,214,000	80.9%
Equipment	\$338,000	1.2%
Artwork		
Other Costs	\$435,000	1.5%
Project Management	\$1,390,000	4.8%
Other	\$2,163,000	7.5%
<hr/>		
Total Project Cost (TPC)*	\$28,700,000	100.0%
<u>Included in above:</u>		
*Escalation	\$305,000	1.1%
<u>Source of Funds</u>		
Long/Short Term Debt	\$28,700,000	100.0%
<hr/>		
Total	\$28,700,000	100.0%

*Escalaton based on GC/CM bid plan.

Magnuson Health Sciences Center Sixth Floor and RR-Wing Renovation

ICR Summary, 2008-2017 (\$000)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Sources</u>									
Indirect Cost Recovery (1)	198,000	203,000	207,000	211,000	216,000	221,000	227,000	232,000	237,000
<u>Uses</u>									
Research Cost Recovery (RCR)	65,780	66,990	68,310	69,630	71,280	72,930	74,910	76,560	78,210
Administrative Support	48,370	46,058	49,198	50,158	51,358	52,559	53,999	55,198	56,398
Utilities, Insurance, Property Rental	23,520	24,508	24,949	25,523	26,110	26,710	27,325	27,953	28,596
Research Support	21,750	19,442	14,828	14,596	15,060	16,029	17,505	17,967	18,044
Current Debt Service (2)	14,180	16,712	17,553	18,092	18,000	18,120	18,140	18,720	19,650
Animal Facilities (new)			482	482	482	482	482	482	482
Specific Building/Function	13,500	18,390	20,780	21,620	22,810	23,270	23,740	24,220	24,720
Transfer to Capital	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900	10,900
Total Uses	198,000	203,000	207,000	211,000	216,000	221,000	227,000	232,000	237,000

NOTES:

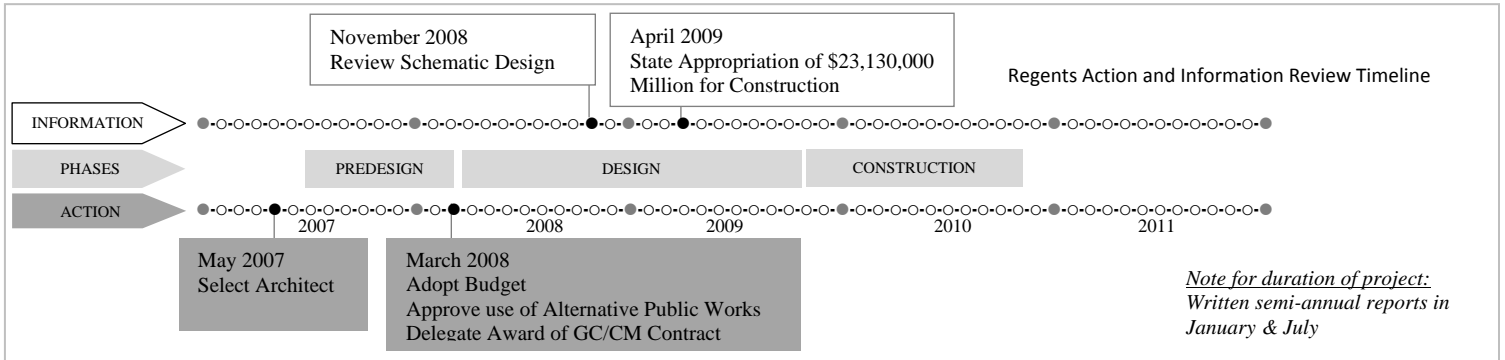
1) ICR growth from 2010 is based on CPI (State of Washington, Economic Revenue Forecast, September 2008, Table 1.1 U.S. Economic Forecast Summary)

2) Includes Animal Facilities (approved March 2008) and J-wing (approved September 2008) debt service

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Lewis Hall Renovation – Review Schematic Design



INFORMATION:

The schematic design phase of the project has been completed. This presentation is for information only.

PROJECT DESCRIPTION:

Lewis Hall was constructed in 1899 as a dormitory and is one of the oldest buildings on the Seattle campus. It is a part of the University’s “Restore the Core” program of major building renovations. The current Business School occupants will temporarily move to Condon Hall and will then be relocated to the new PACCAR Hall. The Information School (iSchool) assignment to Lewis Hall will allow for the iSchool’s Mary Gates Hall space to be used to consolidate key student services currently located in several other campus buildings. The relocated iSchool will be able to physically express its identity as a separate school as well as move into a space that has been specifically designed for a program that is a highly collaborative culture that fosters collegiality, inclusiveness, creativity, and innovation.

PREVIOUS ACTIONS:

At the May 2007 Board of Regents meeting, the President was delegated authority to award design contracts to Mithun Architects for the Lewis Hall Renovation project. At the March 2008 Board of Regents meeting the project budget of \$25,130,000 was established; the use of alternative public works utilizing the General Contractor/Construction Manager (GC/CM) method of contracting was approved; and the President was delegated authority to award a construction

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Lewis Hall Renovation – Review Schematic Design (continued p. 2)

contract, subject to no significant change in the scope, the forecast cost being within 10% of the budget and funding being in place.

SCOPE OF THE PROJECT:

Lewis Hall is proposed as the new home of the iSchool and the renovation and addition will be designed to fit the iSchool's program, history, style, and image. The program's history from Librarianship to the current information age is reflected in the architecture with the contrasting styles of the historic Lewis Hall and the new addition. The program includes learning spaces, faculty offices, administrative and collaboration spaces. In order to accommodate the iSchool's current space needs of 17,800 assignable square feet (asf) an addition of 5,800 asf will be added to the existing 31,415 gsf, 12,000 asf, building. This project will provide all new major building systems utilizing sustainability goals to achieve a State-mandated Leadership in Energy and Environmental Design (LEED) Silver certification or higher; address seismic, life safety and accessibility requirements; and ensure the preservation of this historic building.

SCHEDULE:

Pre-design	July 2007 to December 2007
Design	April 2008 to July 2009
Construction Permit	May 2009 to October 2009
Construction	November 2009 to December 2010
Occupancy	February 2011

CURRENT PROJECT STATUS:

The project has completed the Schematic Design Phase and Design Development has started as of October 2008. The GC/CM contractor was selected from seven firms that submitted for consideration. W. G. Clark Construction Co. was the highest scoring firm and the University has executed a Pre-Construction agreement. The Schematic Design cost estimates were prepared by the architect and GC/CM and the project is on budget.

SIGNIFICANT RISKS OR OPPORTUNITIES:

With this project comes an opportunity to develop a new identity and physical presence for the iSchool that represents the evolution from Librarianship to the current information age.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Lewis Hall Renovation – Review Schematic Design (continued p. 3)

The addition to the existing building must be sensitively designed with respect to the historic nature of the original structure without adversely impacting the architectural and historic significance of the building.

The State previously approved the \$2,000,000 design funding for the 2007-2009 Biennium and will need to approve the construction funding package of \$23,130,000 in the 2009-2011 budget.

Attachment

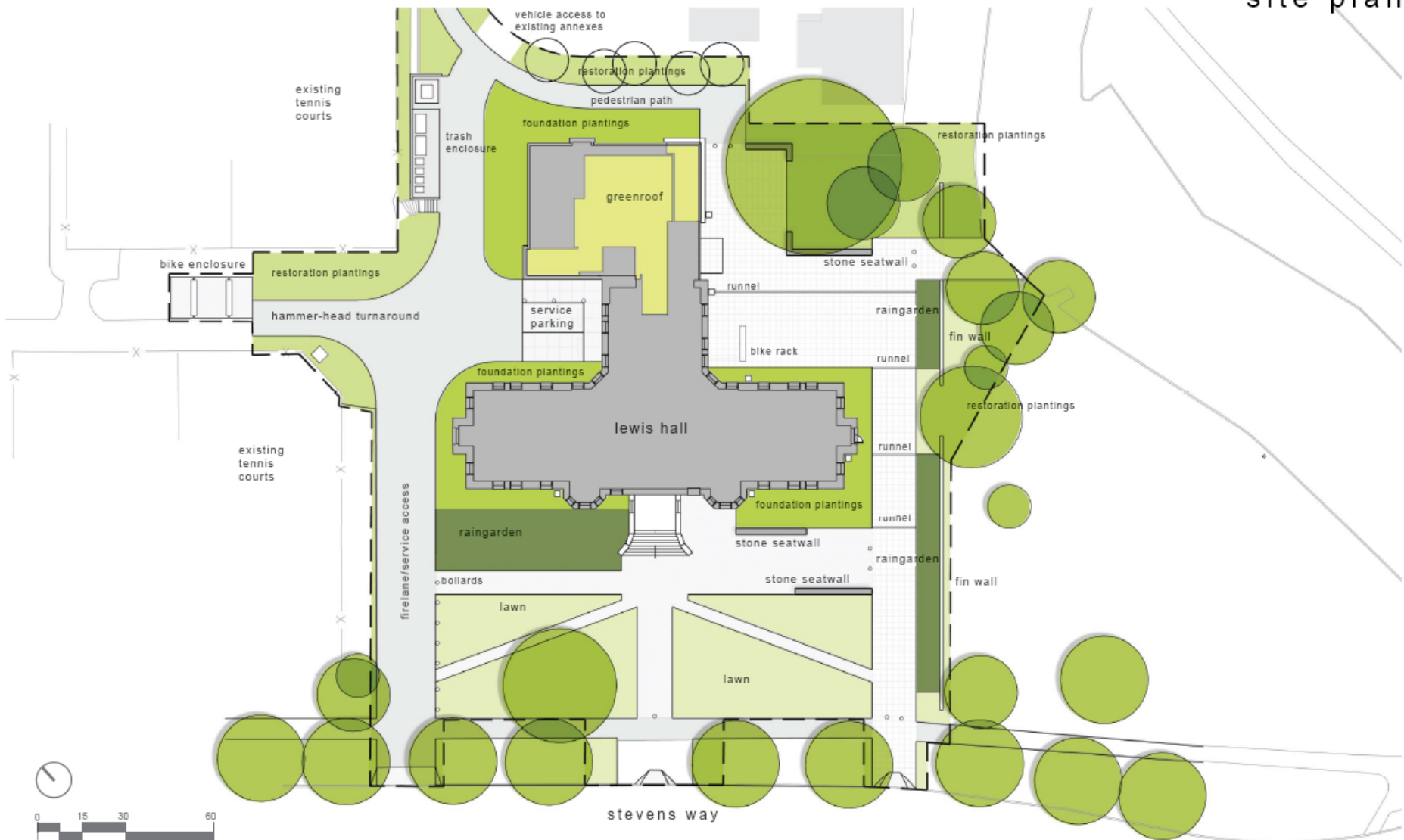
Renovation Presentation

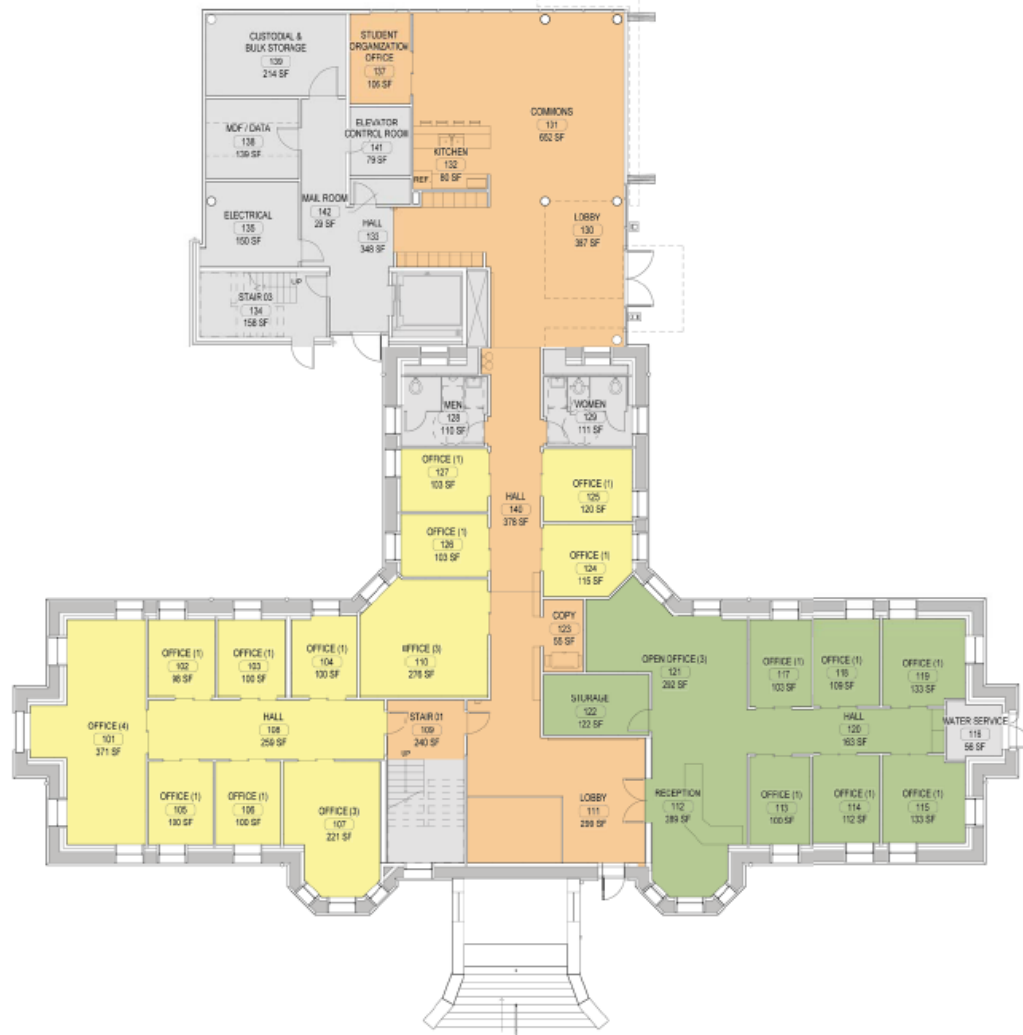


LEWIS HALL RENOVATION PRESENTATION



LEWIS HALL, NORTH CENTRAL CAMPUS





	ADMINISTRATIVE OFFICES
	FACULTY / LECTURER / PHD OFFICES
	LEARNING SPACES
	COLLABORATIVE / COMMUNAL SPACES
	SERVICE / CIRCULATION SPACES





	ADMINISTRATIVE OFFICES
	FACULTY / LECTURER / PHD OFFICES
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	SERVICE / CIRCULATION SPACES





isCHOOL

SCHEMATIC DESIGN

LEWIS HALL RENOVATION
September 15, 2006

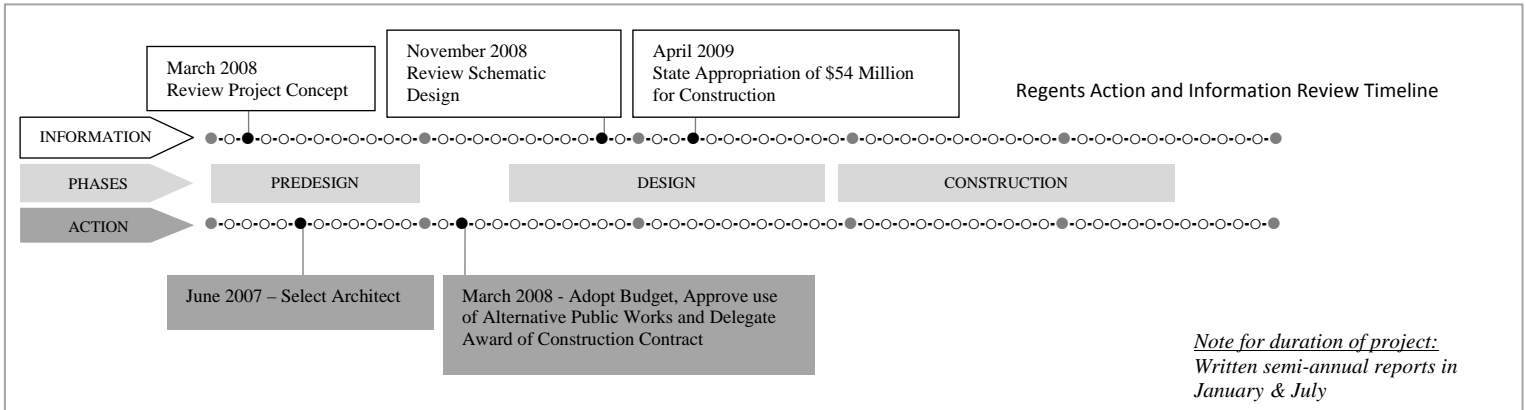
MITHÜN

UNIVERSITY OF WASHINGTON
Information School

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Tacoma Phase 3 – Review Schematic Design



INFORMATION:

The Schematic Design phase of the project has been completed. This presentation is for information only.

PROJECT DESCRIPTION:

The Phase 3 development on the Tacoma Campus will provide additional academic space to support expanded and new degree programs. The goal of the project is to develop capacity to accommodate at least 600 additional full-time equivalent students and transition to a model of a comprehensive four-year institution. The Phase 3 scope includes a major renovation to the Joy Building, new construction of a four-story, 40,000 square foot building, conversion of three rooms in the existing Science Building to wet labs and other associated capital improvements.

The Russell T. Joy Building (Joy Building) is an existing historic masonry structure, constructed in 1892, located on the west side of Pacific Avenue, in the Union Depot/Warehouse Special Review District. This three-story 47,000 gross square foot building is located between two UW Tacoma buildings, West Coast Grocery Building (WCG Building) to the south and the Pagni and Lenti Grocery Building (Grassi's) to the north. The Joy Building will house general assignment classrooms and department space for the Interdisciplinary Arts and Sciences Program. A shelled out space will be provided on the Pacific Avenue level and designated for retail use per the University's agreement with the City of Tacoma. A full major building renovation is proposed to correct seismic, structural, and life/safety code deficiencies.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Tacoma Phase 3 – Review Schematic Design (continued p. 2)

New construction of a four-story, 40,000 gross square foot building will be located directly south of the existing Jet Tioga Building on Jefferson Avenue. This building, currently referred to as the Jefferson Building, will house flexible office space, library expansion space, and a shelled-out retail space on the Jefferson Avenue level.

PREVIOUS ACTIONS:

At the June 2007 Board of Regents meeting, the President was delegated authority to award a design contract to Thomas Hacker Architects. In March 2008, the Board of Regents approved the project budget, approved the use of alternative public works utilizing the General Contractor/Construction Manager (GC/CM) method of contracting, and delegated authority to the President to award the construction contract.

SCOPE OF THE PROJECT:

The planned restoration of the Joy Building will address structural, seismic, life safety, hazardous materials, accessibility and other code deficiencies and will improve the building enclosure (windows and masonry systems) to ensure the long-term preservation of the facility and safety of its occupants. The project will also upgrade all major building systems including mechanical, fire protection, and electrical systems to improve performance and energy efficiency, and upgrade communications and interior finish systems to meet modern classroom and academic program needs. The University has evaluated other alternatives and determined that a total building renovation is the most reasonable and cost effective alternative for preserving and restoring this historic structure to a safe and useful condition.

The new construction of the Jefferson Building south of the Jet Tioga Building is the next planned expansion of the library, as noted in the 2003 UWT Master Plan Update. This four-story 40,000 square foot building will provide two levels devoted to library expansion and two levels of flexible office and program space that will respond to the campus need for faculty and department administrative space.

Three rooms in the existing Science Building will be converted to wet/dry labs.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

UW Tacoma Phase 3 – Review Schematic Design (continued p. 3)

SCHEDULE:

Architect Selection	Completed in June 2007
Predesign	Completed in December 2007
Design	May 2008 through May 2010
Construction	December 2009 through July 2011
Occupancy and Use	Fall Term 2011

CURRENT PROJECT STATUS:

Under Delegated Authority, the Capital Projects Office entered into a Preconstruction Services agreement with John Korsmo Construction as the General Contractor/Construction Manager after a selection process which saw five firms submit qualifications, four firms interviewed, and three firms selected to submit final proposals.

The schematic design submittal and cost estimate have been prepared by Thomas Hacker Architects, and their estimate reconciled with that prepared by Korsmo Construction. Currently, the cost estimate is approximately 3% over the project budget of \$60,150,000. Several cost reduction measures are being considered, and it is expected that the project will be brought back on budget with no impact to its function or quality.

SIGNIFICANT RISKS AND OPPORTUNITIES:

The UW Tacoma continues to be challenged to optimize each new opportunity for growth to meet the transitioning needs of their campus. As the campus adds 270 full-time equivalent students each year, options to adequately meet the space requirements to support this growing enrollment, expand academic programs and support areas increasingly diminish. The change from a commuter campus to a four-year university has presented UW Tacoma with the challenge of meeting student requests for housing, student life and services and other accommodations associated with on-campus living.

The UW Tacoma recognizes that existing contaminated soils and underground water on the campus will continue to be a potential impact to the cost of construction and that planning for this cost is imperative for a successful project.

The renovation of the Joy Building presents another opportunity to restore a long abandoned, historic masonry structure on Pacific Avenue. This building is the

VII. STANDING COMMITTEES

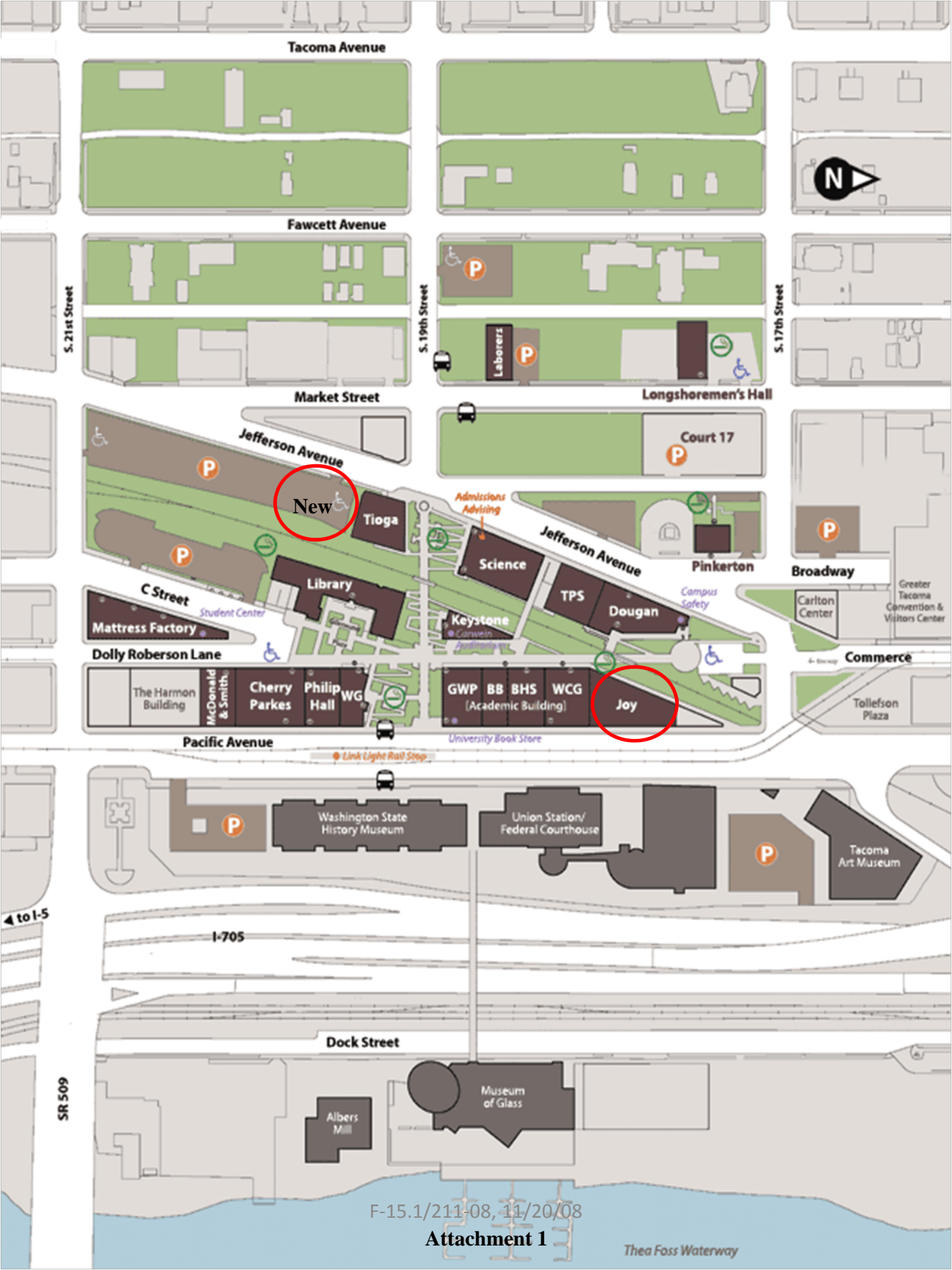
B. Finance, Audit and Facilities Committee

UW Tacoma Phase 3 – Review Schematic Design (continued p. 4)

last campus-owned building on this street, between 21st Avenue and 15th to be restored, and it will complete the restoration of the retail core in this area.

The Jefferson Building will provide the next opportunity to expand the campus west and uphill. This building is designated to be the beginning of a library expansion that will grow with the campus. The 2003 Master Plan Update envisioned this entire block of Jefferson, between 19th and 21st to be library expansion. This site will challenge us to plan and design a small building with the flexibility to accommodate other phases that increase functionality for the campus.

Attachment
Campus Map



New

Joy

F-15.1/211-08, 11/20/08

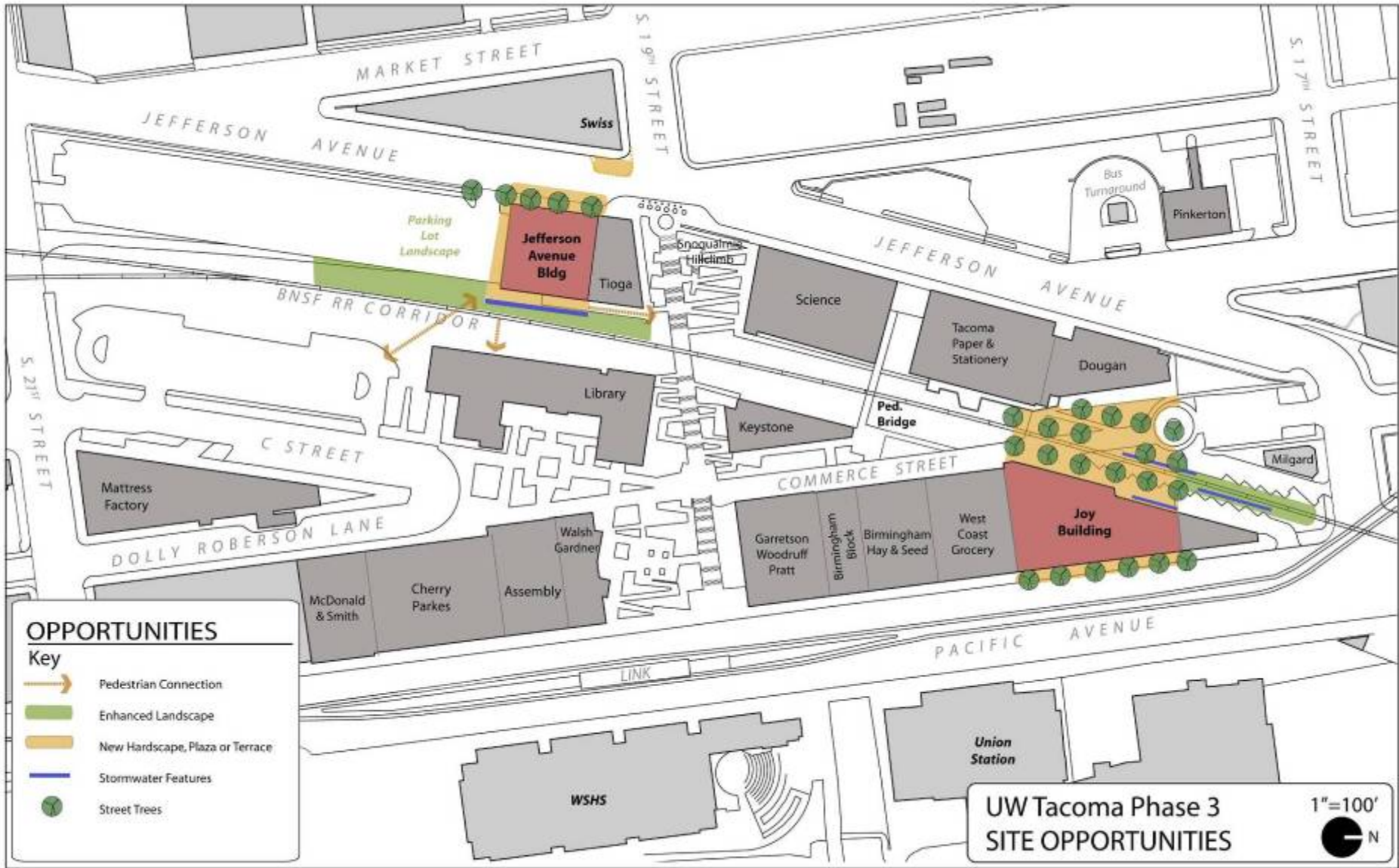
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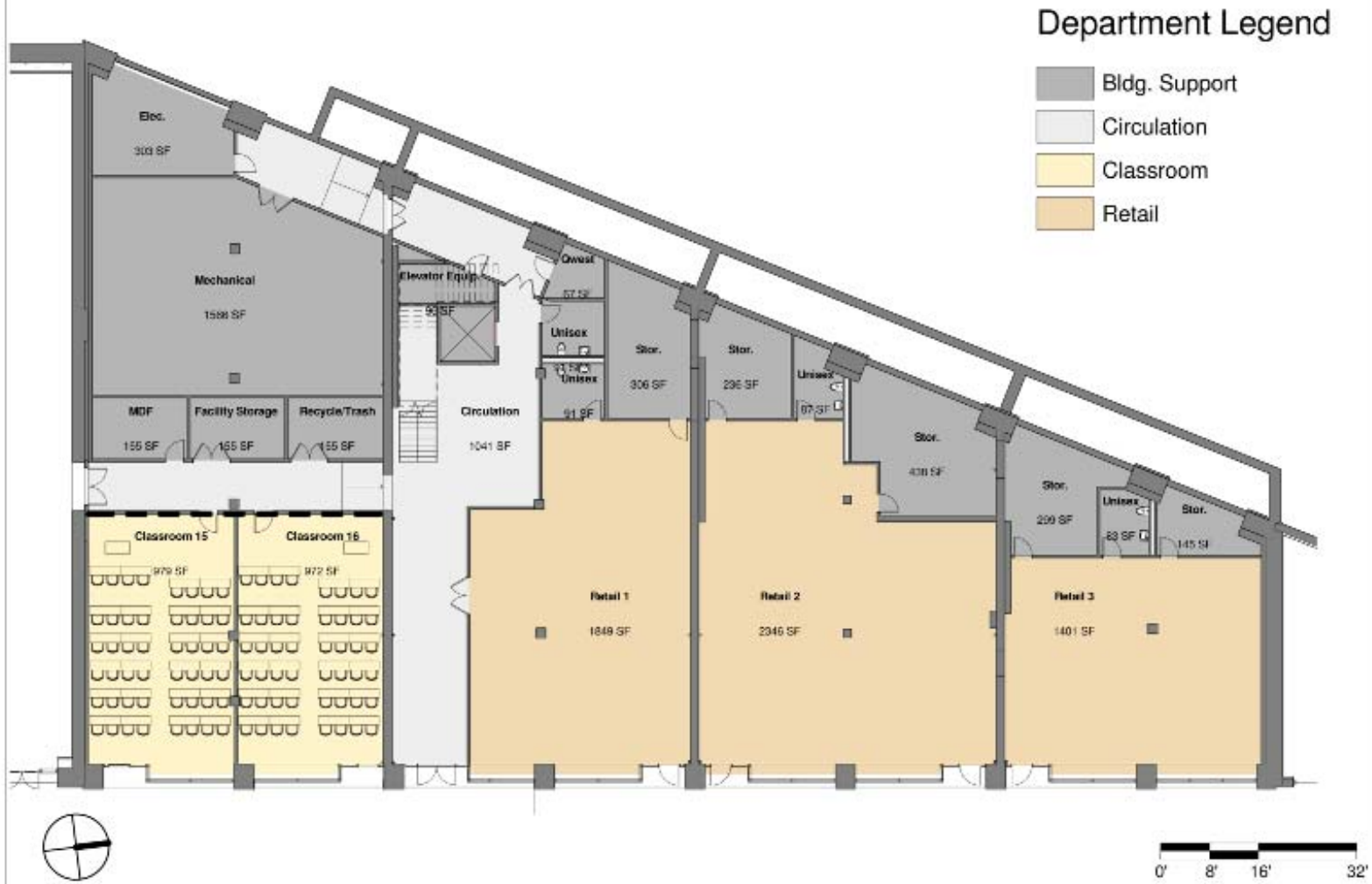
Thea Foss Waterway

UNIVERSITY OF WASHINGTON TACOMA

PHASE 3 EXPANSION

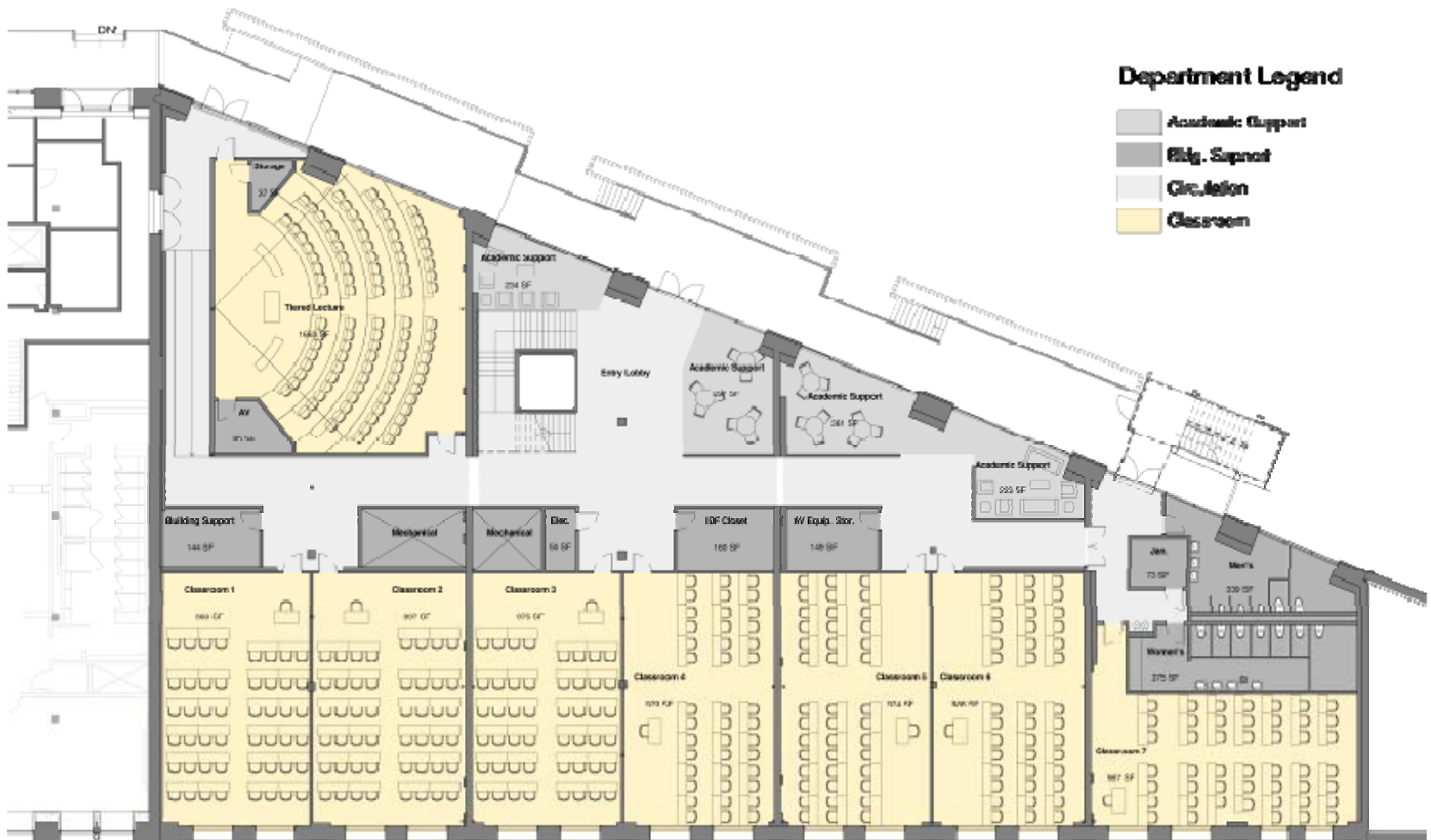






Ground Floor Plan

University of Washington Tacoma - Joy Building



First Floor Plan

University of Washington Tacoma - Joy Building

Department Legend

- Academic Support
- Utilty-Support
- Circulation
- Classroom
- IAS



Second Floor Plan - Lecture

University of Washington Tacoma - Joy Building



① Elevation - East
1/16" = 1'-0"



② Elevation - West
1/16" = 1'-0"



Elevations

University of Washington Tacoma - Joy Building



SE View of Hood Street



NE View of Hood Street





OPTION A - MASSING

Jefferson Avenue Building

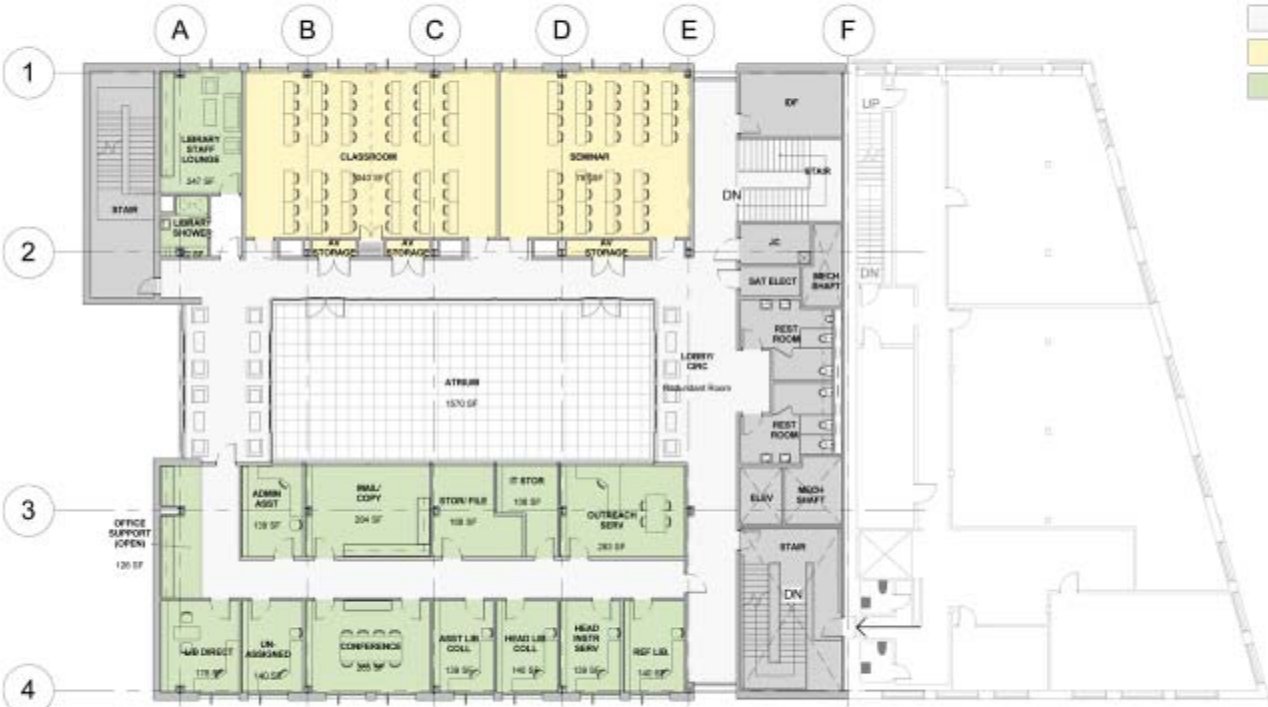


PRELIMINARY - FIRST FLOOR PLAN

Jefferson Avenue Building

Room Legend

- Bldg. Support
- Circulation/ Lobby
- Classroom
- Library



PRELIMINARY - SECOND FLOOR PLAN

Jefferson Avenue Building

Room Legend

- Bldg. Support
- Circulation/ Lobby
- Faculty Office



PRELIMINARY - THIRD FLOOR PLAN

Jefferson Avenue Building

Room Legend

- Bldg. Support
- Circulation/ Lobby
- Faculty Office
- Finance/ Administration



PRELIMINARY - FOURTH FLOOR PLAN

Jefferson Avenue Building

Room Legend

- Bldg. Support
- Circulation/ Lobby



OPTION A - GROUND FLOOR

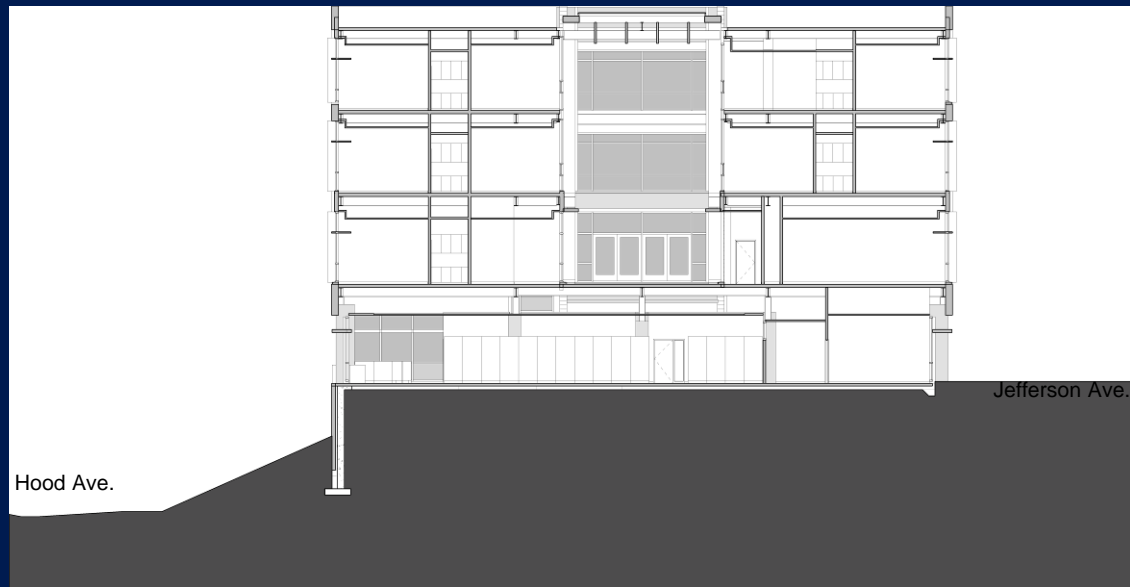
Jefferson Avenue Building



Jefferson Avenue Elevation – West



Hood Street Elevation – East



Jefferson Avenue Section –
East / West



Jefferson Avenue Section –
North / South

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

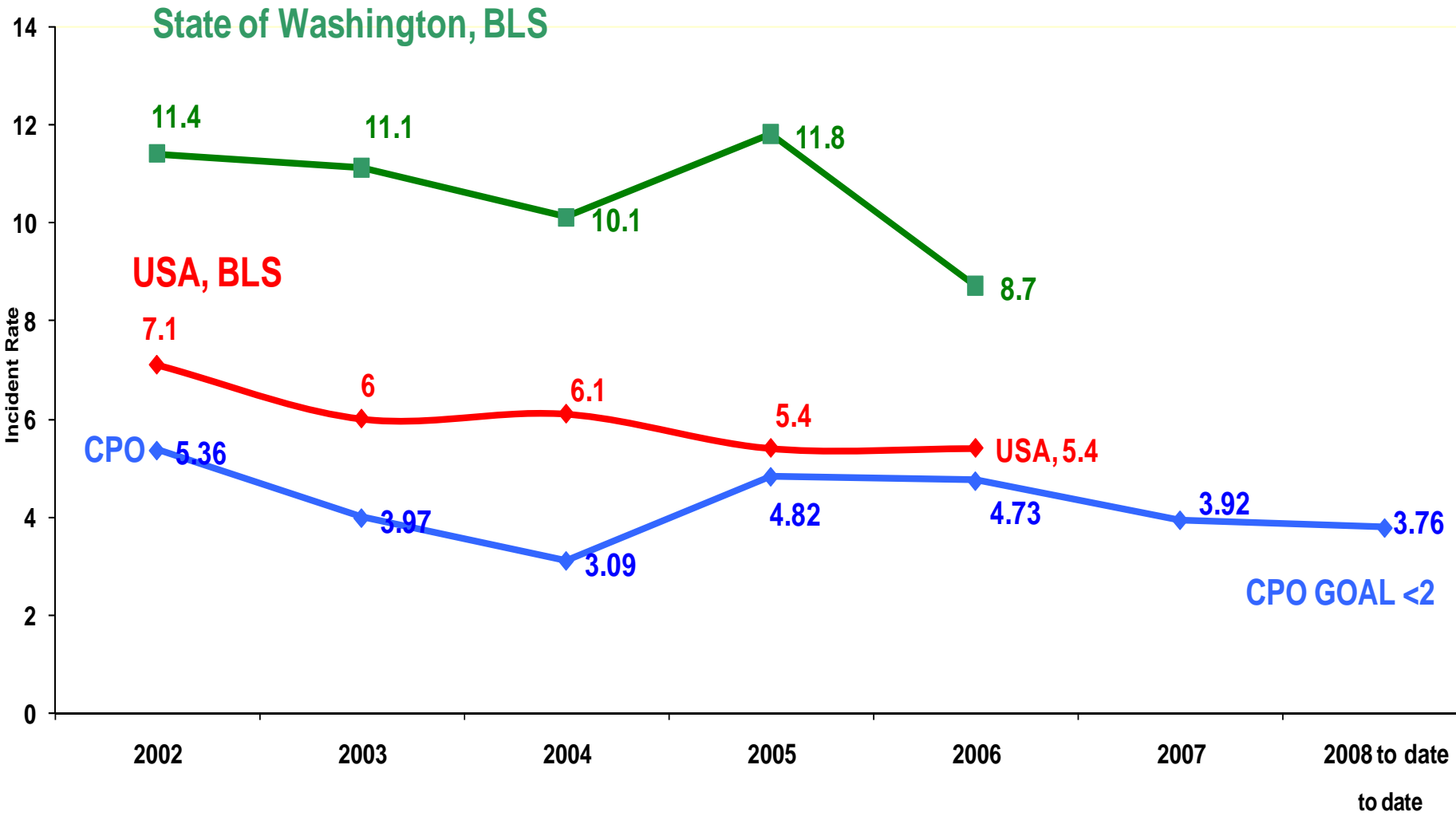
Capital Projects Office Semi-Annual Status Report – May 2008-October 2008



Capital Projects Office Semi-Annual Status Report

May 2008 - October 2008

TRIR Calendar Year

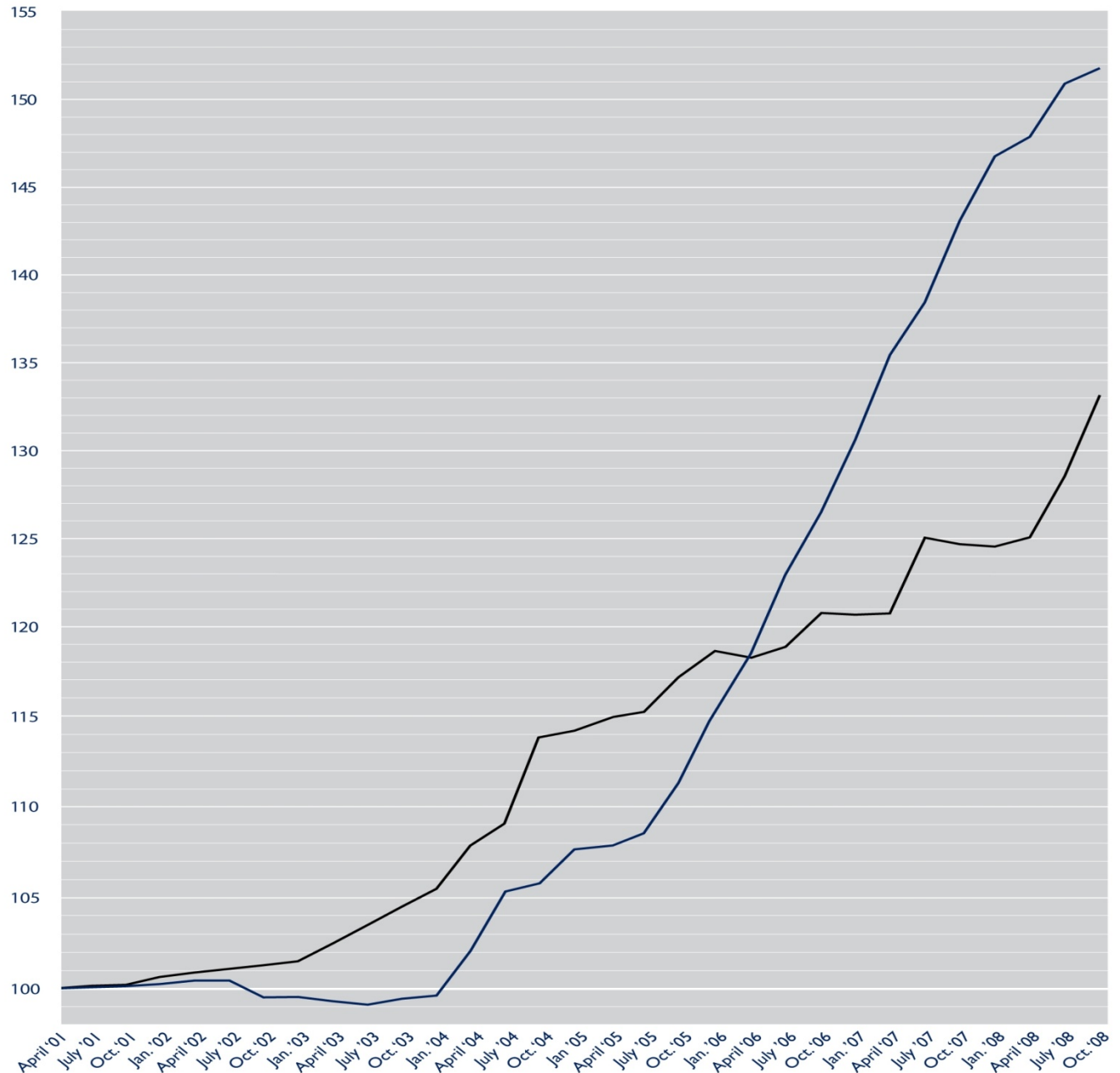


Construction Cost Index Comparison

	Rider Levett Bucknall Seattle	ENR
July 2001	100.11	100.14
October 2001	100.20	100.22
January 2002	100.33	100.65
April 2002	100.45	100.87
July 2002	100.45	101.09
October 2002	99.52	101.30
January 2003	99.58	101.52
April 2003	99.34	102.50
July 2003	99.12	103.47
October 2003	99.42	104.48
January 2004	99.65	105.48
April 2004	102.12	107.84
July 2004	105.37	109.04
October 2004	105.80	113.81
January 2005	107.66	114.19
April 2005	107.88	114.95
July 2005	108.56	115.22
October 2005	111.36	117.12
January 2006	114.65	118.64
April 2006	118.44	118.24
July 2006	122.95	118.86
October 2006	126.51	120.79
January 2007	130.61	120.68
April 2007	135.45	120.76
July 2007	138.43	125.05
October 2007	143.10	124.69
January 2008	146.77	124.56
April 2008	147.88	125.07
July 2008	150.90	128.55
October 2008	151.78	133.16

Base index April 2001 = 100
Recalibrated April 2005

— Rider's Seattle Construction Cost Index
— ENR National Construction Cost Index



LEED

- ▶ UW CPO does not contract for LEED consultants
- ▶ 1.1M SQ FT
- ▶ Current LEED Status

LEED FEES

Project	Budget	Gross Square Feet	Total Consultant Fees	USGBC LEED Fees	Total LEED Fees
PACCAR Hall Business School	\$ 95,000,000	133,000	\$ 99,792	\$ 3,570	\$ 103,362
Clark	\$ 18,100,000	30,568	\$ 92,383	\$ 1,245	\$ 93,628
Playhouse	\$ 9,886,000	12,940	\$ 64,351	\$ 842	\$ 65,193
Savery Hall	\$ 61,200,000	102,105	\$ 148,873	\$ 3,169	\$ 152,042
UWT Assembly Hall	\$ 12,070,000	20,250	\$ 95,551	\$ 977	\$ 96,528
Ben Hall Building	\$ 29,850,000	150,989	\$ 5,530	\$ 5,436	\$ 10,966
Ecogenomics Lab (Ben Hall)	\$ 4,000,000	10,829	\$ 65,000	\$ 390	\$ 65,390
Johnson Hall	\$ 52,290,000	121,573	\$ 40,438	\$ 5,155	\$ 45,593
Merrill Hall	\$ 17,052,500	17,022	\$ 98,194	\$ 600	\$ 98,794
UWT Phase 2B	\$ 44,349,000	133,000	\$ 99,530	\$ 3,870	\$ 103,400
Total	\$ 343,797,500	732,276	\$ 809,642	\$ 25,254	\$ 834,896

What are the current LEED projects on UW campuses and properties?

USGBC Certified LEED Projects

UW Tacoma Phase 2B	LEED-NC v2.0	Silver
Merrill Hall Center for Urban Horticulture	LEED-NC v2.0	Silver
Benjamin Hall Interdisciplinary Research	LEED-CS v1.0	Gold
**Nordheim Court Student Housing (Lorig)	LEED-NC v2.0	Certified

USGBC Registered Projects, Currently in Certification Review

Johnson Hall	LEED-NC v2.1	Anticipation: Certified
Center for Environmental Geonomics (Ben Hall)	LEED-CI v2.0	Anticipation: Silver
**The Cobb Building (Unico)	LEED-NC v2.1	Anticipation: Unknown

USGBC “Qualified” Projects

Architecture Hall	LEED-NC v2.1	Anticipation: Qualified
Guggenheim Hall	LEED-NC v2.1	Anticipation: Qualified

* *State Funded*

** *Third Party Developer*

What are the current LEED projects on UW campuses and properties?

USGBC Registered Projects, Currently in Construction

*Floyd and Delores Jones Playhouse Theatre	LEED-NC v2.1/v2.2	Anticipation: Silver
*Savery Hall	LEED-NC v2.1/v2.2	Anticipation: Gold
*Clark Hall	LEED-NC v2.1/v2.2	Anticipation: Gold
*UWT William W. Philip Hall (Assembly Hall)	LEED-NC v2.2	Anticipation: Silver
School of Business	LEED-NC v2.2	Anticipation: Silver

* *State Funded*

What are the current LEED projects on UW campuses and properties?

USGBC Registered Projects, Currently in Design

Denny Hall	LEED-NC v2.2	Anticipation: Gold
*Lewis Hall	LEED-NC v2.2	Anticipation: Gold
*Business School Phase 2 (Balmer Hall)	LEED-NC v2.2	Anticipation: Gold
*UWT Phase 3 (Joy Building)	LEED-NC v2.2	Anticipation: Gold
*UWT Phase 3 (Jefferson Building)	LEED-NC v2.2	Anticipation: Gold
*Molecular Engineering	LEED-NC v2.2	Anticipation: Gold

USGBC Projects in Pre-Design - Registration Pending

Husky Student Union (HUB)	LEED-NC Project Goal: Gold
Ethnic Cultural Center	LEED-NC Project Goal: <i>To Be Established</i>
Housing & Food Services – Site 32W	LEED-NC Project Goal: Gold
Housing & Food Services – Site 33W	LEED-NC Project Goal: Gold
Housing & Food Services – Site 35W	LEED-NC Project Goal: Gold
West Campus Parking Garage	LEED-CI Project Goal: Silver
Transportation Services - Tenant Improvement	

* *State Funded*

Emerging Projects

- ▶ Long House
- ▶ UW Bothell Phase 3



Other Projects

- ▶ Regional Scaled Nodes
- ▶ Sound Transit
- ▶ UW Tacoma Master Plan

Major Projects Closed

	Budget / Actual \$M	F'cst / In Use
Wm. Foege Building	150 / 146	3-06 / 7-06
Ed. Outreach	17.9 / 3	2-07 / cancelled
Graves Annex	5.3 / 5.7	9-07 / 10-07

Projects Under \$5 Million Closed



Number of Project Contracts Issued May 2008 - October 2008

	W/MBE	Total
Designers/Consultants	16 - (33%)	49
Contractors	23 - (30%)	76

Major Projects in Closeout

	Budget/Fcst \$M	U se Date / F'cst
Benjamin D. Hall Bldg.	29.9 / 29.4	9-05 / 3-06
Guggenheim Hall	28.3 / 27.8	9-07 / 10-07
Architecture Hall	24.5 / 23.8	9-07 / 9-07
Mag HSC H-Wing	43 / 40	10-08 / 10-09
Harborview Bond	221.1 / 221.1	4-08 / 9-09
UWT Philip Hall	12.1 / 11.6	9-09 / 9-09



Major Projects in Bid/Construction

	Budget/Fcst \$M	Use Date / F'cst
Playhouse	9.9 / 10.7	9-08 / 11-08
UWT Philip Hall	12.1 / 11.6	1-09 / 9-08
W. Campus Gar.	17.9 / 14.6	5-09 / 2-09
Clark Hall	18.1 / 18.1	3-09 / 3-09
Savery Hall	61.2 / 60.1	9-09 / 9-09
Tower Data Center	32.5 / 31.2	12-09 / 9-09
Business Phase 1	95 / 95	9-10 / 9-10
Radiation Oncology	5.3 / 5.3	6-09 / 6-09



UWT Philip Hall



Clark Hall



Playhouse Theater



West Campus Garage

Major Projects in Design

	Budget/Fcst \$M	Use Date / F'cst
Bus. School 2	46.8 / 46.8	9-12 / 9-12
MAG HSC 6 th Floor	11.5 / 13.9	11-09 / 1-10
RR Wing	10.5 / 14.9	4-10 / 4-10
Wash. Dental Bldg.	17.3 / 19.8	9-10 / 9-10
UWMC Expansion I	165 / 165	9-11 / 9-11



School of Business Ph 2



Lewis Hall



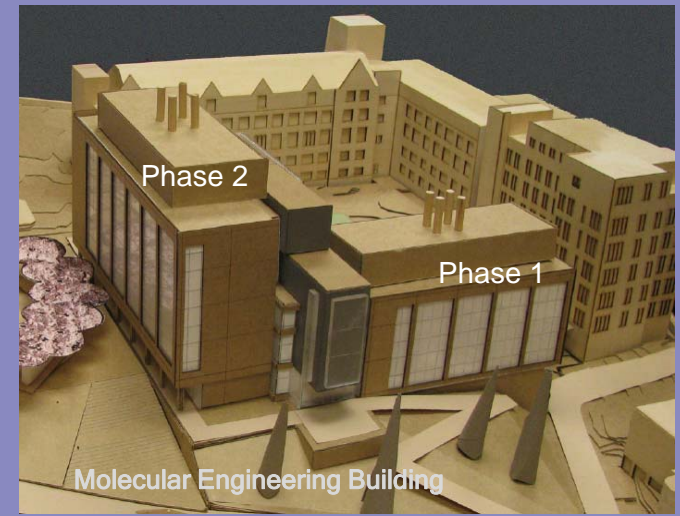
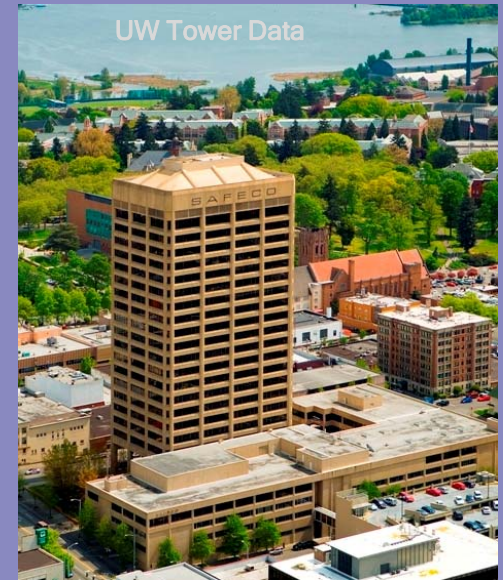
Denny Hall



UWT Phase 3

Major Projects in Design

	Budget/Fcst \$M	Use Date / F'cst
Denny Hall	57.0 / 57.0	9-11 / 9-11
Lewis Hall	25.1 / 25.1	1-11 / 1-11
Molecular Eng.	78.5 / 78.5	1-12 / 1-12
UWT Phase 3	60.2 / 60.2	9-11 / 9-11
Hall Health (\$9.7M)	1.03 / 9.7	TBD / 1-11
HUB (\$140-145M)	3 / 140	TBD / 1-13
Ethnic Center (\$15M)	.85 / 15	TBD / 9-11
Housing 1 (\$115M)	TBD	TBD / 9-11
		9-12



Major Projects in Design

	Budget/Fcst \$M	Use Date / F'cst
J-Wing Microbio.	23.5 / 23.5	3-11 / 3-11
Ben Hall iAMT	6.6 / 6.6	10-09 / 10-09
Ben Hall APL	5.6 / 8.3	10-08 / 7-09
Intercollegiate Athletics	TBD	TBD

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Investment Performance Report, First Quarter Fiscal Year 2009

UNIVERSITY OF WASHINGTON

INVESTMENT PERFORMANCE REPORT TO THE BOARD OF REGENTS

FIRST QUARTER FISCAL YEAR 2009

As of September 30, 2008



TREASURER, BOARD OF REGENTS
TREASURY OFFICE

Published November 2008

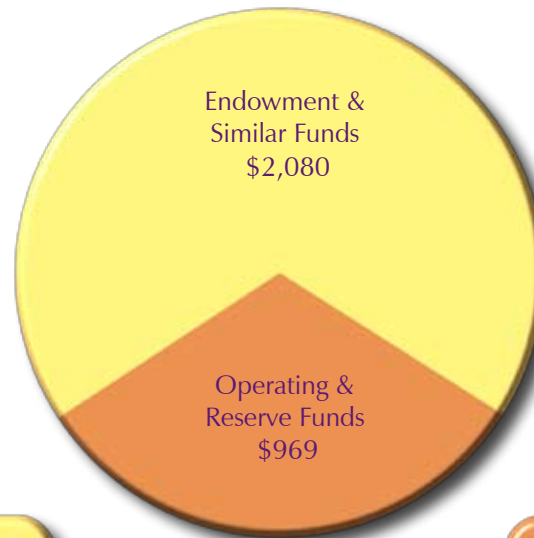
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Summary of Actions Taken Under Board Delegated Authorities January 1, 2008 through October 31, 2008.....	6-7

TREASURY ASSETS¹

As of 9/30/08—\$3.0 Billion

Dollars in Millions



Endowment & Similar Funds

Endowment Funds	\$1,521
Operating Funds	<u>387</u>
Consolidated Endowment Fund	1,907
Life Income Trusts	77
Outside Trusts	49
Non-CEF Endowments	18
Permanent Fund ⁶	<u>29</u>
	<u>\$2,080</u>

Operating & Reserve Funds

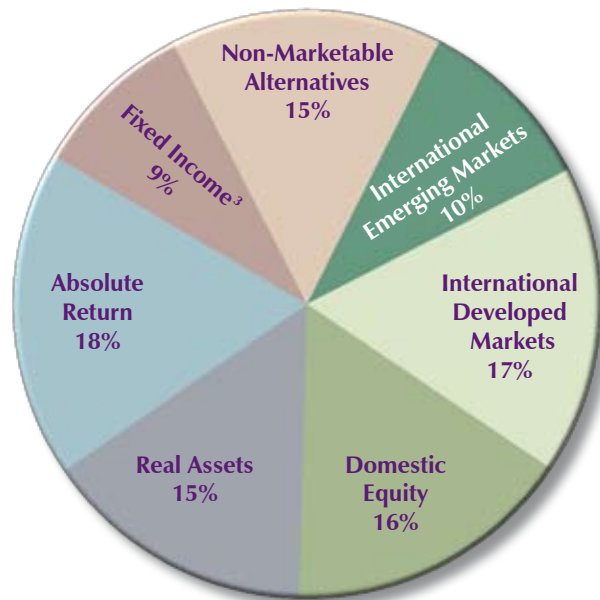
Invested Funds ^{2,3}	\$885
Bond Retirement Fund ⁴	13
Building Fund ⁴	21
Debt Service Reserve Funds ⁵	12
Bond Proceeds ⁷	<u>38</u>
	<u>\$969</u>

1. Includes assets whose management falls under the auspices of the Finance & Audit Committee of the Board of Regents. Excludes Metro Tract and Forest Trust Lands. All dollar amounts are expressed in millions and represent market values.
2. The Invested Funds holds Consolidated Endowment Fund units valued at \$387. To avoid double counting, the dollars are included only in the CEF totals.
3. In June 2002, the Board of Regents authorized the establishment of a captive insurance company, Portage Bay Insurance(PBI). The previous insurance vehicle, the Self Insurance Revolving Fund(SIRF), will close after existing claims are resolved. Current balances: PBI \$77.0 SIRF \$3.0.
4. General obligation bond reserve fund on deposit with the state of Washington.
5. Required reserve funds for locally issued bonds (TSB Properties \$1.2, Twenty Fifth Ave Prop \$2.4, 2004 Parking \$1.3, 2002 Housing & Dining \$1.5, 2004 Housing & Dining \$0.6, Roosevelt 1 \$2.3 and Roosevelt 2 \$2.0, Commodore Duchess \$0.6)
6. Proceeds from sale of land grants and subsequent investment returns on deposit with the state of Washington.
7. Construction project funds which have not yet been disbursed (IMA \$7.8, 200 R&T \$12.3, 2004 Parking \$5.8, and 2007 General Revenue Bond \$12.0)

ASSET ALLOCATION

As of September 30, 2008

Consolidated Endowment Fund¹—\$1,907 MM



Dollars in Millions

	Current Allocation ²		Policy Target	Policy Range
Non-Marketable Alternatives	\$296	15%	12%	5%-25%
International Emerging Markets	\$198	10%	13%	5%-35%
International Developed Markets	\$317	17%	16%	5%-35%
Domestic Equity	\$298	16%	15%	5%-35%
Equity Fund	\$1,109	58%	56%	45%-75%
Real Assets Fund	\$289	15%	15%	5%-25%
Absolute Return	\$347	18%	18%	5%-25%
Fixed Income Fund ³	\$163	9%	11%	5%-35%
Total Consolidated Endowment Fund	\$1,907	100%		

1. International exposure: 43%, net foreign currency exposure: 41%.
2. Current exposure percentage may not add to 100% due to rounding.
3. Includes allocation to cash.

CONSOLIDATED ENDOWMENT FUND (CEF)

For the Quarter ending September 30, 2008

Total Returns As of 9/30/08¹ (%)

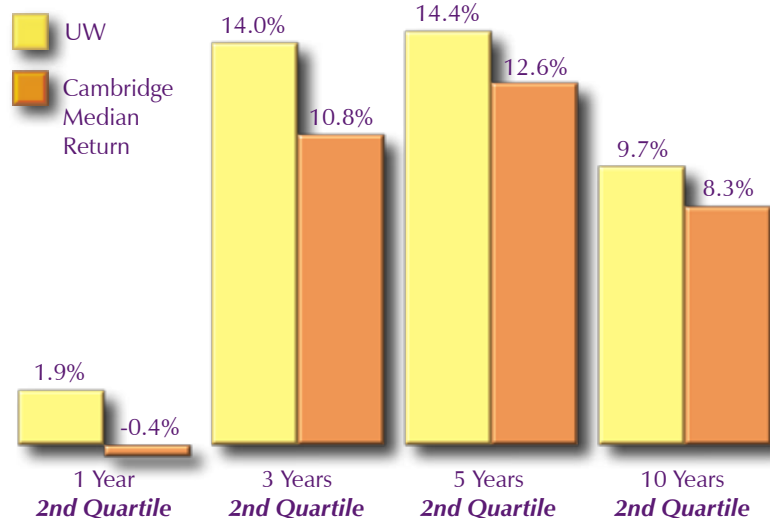
	1 st Qtr FY 2009	1-Year	5-Year	10-Year
Total CEF Return	-11.9	-14.0	10.8	9.4
Strategy Weighted Policy Benchmark	-8.1	-11.2	9.9	7.7
Equity Fund	-14.6	-18.7	10.3	9.4
Weighted Policy Benchmark	-12.9	-19.0	9.8	7.3
Real Assets Fund	-12.5	-4.9	13.3	—
Policy Benchmark	-3.5	6.9	13.5	—
Absolute Return Fund	-10.1	—	—	—
Policy Benchmark	-1.6	—	—	—
Fixed Income Fund	-0.7	1.5	4.3	5.4
Policy Benchmark (LB Govt Bond)	1.9	7.9	4.3	5.3

¹ Average Annual Compound Return

Activity (\$ in Millions)

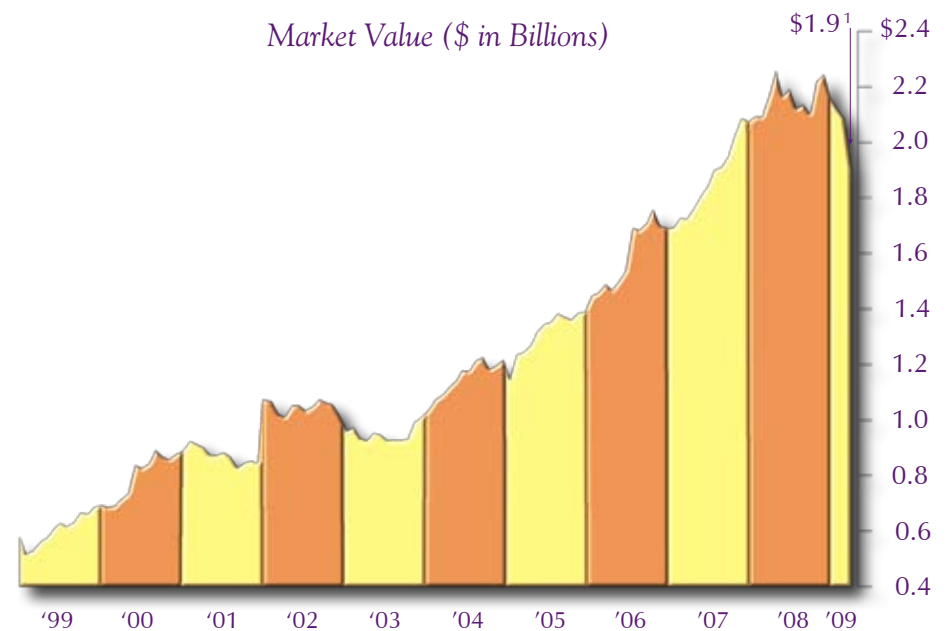
	1 st Qtr FY 2009	FY 2008	FY 2007	5 Years	10 Years
Beginning Balance	2,161	2,074	1,690	1,088	529
Gifts	31	99	66	394	599
Transfers	4	8	9	59	103
Total Additions	34	107	75	453	702
Operating Funds Purchases	0	44	15	96	360
Net Investment Return	(257)	53	392	743	1,016
Distributions	(26)	(94)	(81)	(391)	(588)
Administrative Fees	(1)	(4)	(4)	(16)	(25)
Development Support	(4)	(17)	(14)	(65)	(86)
Ending Balance	1,907	2,161	2,074	1,907	1,907
Net Change	(254)	88	384	820	1,379

UW & Cambridge Associates¹ Returns for periods ending 6/30/08



¹ Cambridge Associates College and University Investment Pool Top 50 (by Investment Pool Market Value)

Market Value (\$ in Billions)



¹ Reflects inclusion of IF units in CEF starting 7/01—value without would be \$1.5

PERFORMANCE UPDATE

Total Return¹ As of 9/30/08

	1 st Qtr FY '09	1 Year	3 Years	5 Years	10 Years
Consolidated Endowment Fund	-11.9	-14.0	6.9	10.8	9.4
Equity Fund	-14.6	-18.7	5.2	10.3	9.4
Non-Marketable Alternatives²	-1.3	6.5	18.4	18.1	14.5
Global Equity	-18.8	~	~	~	~
International Emerging Markets	-25.9	-30.0	13.8	21.4	17.5
International Developed Markets	-19.2	-29.3	0.3	9.2	5.5
Domestic Equity	-11.2	-22.2	0.0	5.8	6.6
Real Assets Fund	-12.5	-4.9	8.7	13.3	~
Absolute Return Fund	-10.1	~	~	~	~
Fixed Income Fund	-0.7	1.5	4.7	4.3	5.4
Public Market Indices					
<i>Equity Indices</i>					
MSCI ACWI	-21.8	-30.0	3.1	11.8	6.8
Russell 3000	-8.7	-21.5	0.3	5.7	3.8
NASDAQ	-9.2	-22.9	-1.1	3.1	2.1
NAREIT	5.6	-11.1	5.6	13.5	12.5
Dow Jones	-3.9	-20.0	3.2	5.5	5.4
MSCI EAFE	-20.5	-30.1	1.6	10.2	5.4
MSCI EMF	-26.9	-33.0	8.7	19.0	14.0
<i>Fixed Income Indices</i>					
LB Government Bond	1.9	7.9	5.6	4.3	5.3
JP Morgan Global Hedged Bond Index	2.6	5.5	4.3	4.3	5.0

Sources: Cambridge Associates and Northern Trust

¹ Total Return: average annual compound return (dividend or interest plus capital appreciation or depreciation)

² Provided by Cambridge Associates on a quarter lag.

INVESTED FUNDS (IF)

For the Quarter ending September 30, 2008

Total Return¹ (%)

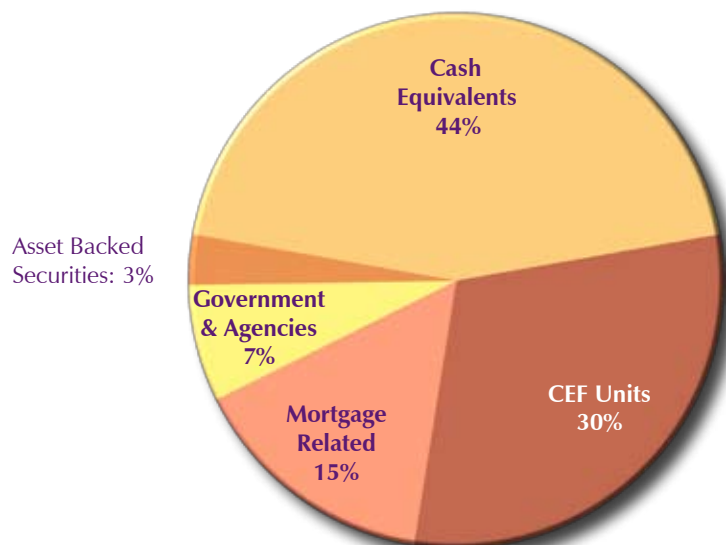
	1 st Qtr FY 2009	1-Year	5-Year	10-Year
Cash	1.6	6.8	3.7	4.8
Citi 2 Year Treasury	2.1	7.1	3.6	4.4
Liquidity	0.8	4.5	3.5	5.0
LB Intermediate Govt Bond	1.8	7.5	4.0	5.1
IF excluding CEF units	0.4	4.6	3.5	4.9
Weighted Benchmark	1.9	7.3	3.9	5.0
IF including CEF units	-3.4	-1.5	5.8	6.2
Weighted Benchmark	-1.3	1.4	5.9	5.9

¹ Average Annual Compound Return

Fund Allocation by Pool (\$ in Millions)

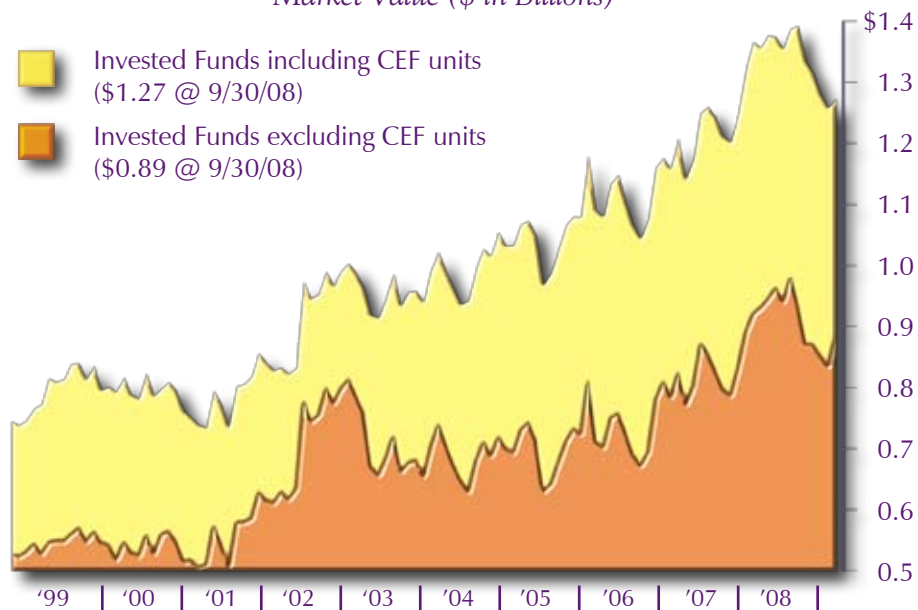
	Fund Allocation		Range	Duration	
				Actual	Maximum
Cash Pool	\$292	23%	10%–40%	0.3	3.0 yrs
Liquidity Pool	593	47%	30%–60%	2.6	4.2
Total Cash & Liq. Pool	\$885	70%			
CEF Units held by IF		30%	15%–40%		
Total Invested Funds		100%			

Mix of Investments¹



¹ Not shown—Corporate Bonds (0.47%)

Market Value (\$ in Billions)



UWINCO SUMMARY OF ACTIONS TAKEN UNDER BOARD DELEGATED AUTHORITIES

JANUARY 1, 2008 THROUGH OCTOBER 31, 2008 (\$ IN MILLIONS)

By the Chief Investment Officer

Private Markets

Approved	Action	Manager / Fund	Strategy	Investment (\$MM)
01/25/08	New	Rimrock Capital	Absolute Return	\$20.0
01/25/08	Reup	Varde Partners	Absolute Return	\$20.0
03/20/08	New	Baupost Value Partners	Absolute Return	\$50.0
04/10/08	Termination	Och Ziff	Absolute Return	-\$29.0
04/10/08	Termination	Sirios Capital Partners	Absolute Return	-\$15.0
07/23/08	New	Centerbridge Credit Partners	Absolute Return	\$20.0
10/09/08	Addition	Baupost Value Partners	Absolute Return	\$20.0
10/31/08	Termination	Morgan Stanley	Absolute Return	-\$34.0
04/10/08	Reup	Riverside Capital	Non-Marketable Alternatives	\$7.0
04/10/08	Reup	TPG	Non-Marketable Alternatives	\$6.0
05/02/08	New	HIG Bayside	Non-Marketable Alternatives	\$10.0
05/02/08	Reup	Madrona Venture Partners	Non-Marketable Alternatives	\$5.0
05/22/08	Reup	JC Flowers	Non-Marketable Alternatives	\$8.0
07/14/08	New	Accel - KKR Capital Partners	Non-Marketable Alternatives	\$7.0
03/03/08	Reup	Cabot Industrial Value Fund	Real Assets	\$12.0
03/03/08	Reup	Square Mile Partners	Real Assets	\$10.0
04/10/08	New	CarVal Global Value Fund	Real Assets	\$5.0
05/02/08	New	Denham Capital Management	Real Assets	\$9.0
05/23/08	Reup	Avanti Land Investors	Real Assets	\$12.0

UWINCO SUMMARY OF ACTIONS TAKEN UNDER BOARD DELEGATED AUTHORITIES

JANUARY 1, 2008 THROUGH OCTOBER 31, 2008 (\$ IN MILLIONS)

By the Chief Investment Officer

Public Markets

Approved	Action	Manager / Fund	Strategy	Investment (\$MM)
02/15/08	Sale	Northern Trust—S&P 500 Futures	Domestic Equity (\$21.4 notional)	-\$5.0 collateral
03/20/08	Reup	Brookside Capital Partners	Domestic Equity	\$3.0
05/16/08	Purchase	Northern Trust—S&P 500 Futures	Domestic Equity (\$59.9 notional)	\$8.0 collateral
06/16/08	Termination	AXA Rosenberg	Domestic Equity	-\$116.0
07/14/08	Purchase	Northern Trust—S&P 500 Futures	Domestic Equity (\$25 notional)	\$5.0 collateral
10/13/08	Sale	Northern Trust—S&P 500 Futures	Domestic Equity (\$30 notional)	-\$5.1 collateral
10/28/08	Sale	Northern Trust—S&P 500 Futures	Domestic Equity (\$26 notional)	-\$5.0 collateral
10/31/08	Reallocation	Snyder Capital	Domestic Equity (change cap type)	na
02/15/08	Liquidation	SSGA EAFE	International Developed	-\$24.0
02/29/08	Reduction	Arrowstreet Capital	International Developed	-\$5.0
02/29/08	Reduction	GMO	International Developed	-\$5.0
02/29/08	Reduction	Harris International Large Cap	International Developed	-\$5.0
02/29/08	Reduction	Harris International Small Cap	International Developed	-\$5.0
08/05/08	Addition	Lone Cascade	International Developed	\$10.0
10/02/08	Redemption	Steel Partners	International Developed	-\$12.5
01/25/08	New	Lone Dragon Pine	International Emerging Markets	\$7.5
02/29/08	Liquidation	Goldman Sachs—Emerging Markets Swap	International Emerging Markets	-\$17.8
02/29/08	Reduction	Martin Currie China	International Emerging Markets	-\$10.0
10/17/08	New	Dynamo	International Emerging Markets	\$10.0
10/24/08	Liquidation	Wellington	Real Assets	-\$46.1
10/24/08	New	Wellington Management	Fixed Income	\$10.0
10/24/08	New	Payden & Rygel	Fixed Income & Liquidity	\$49.0
10/24/08	Guideline Chg	Wellington Management	Liquidity (change to allow TIPS)	na
09/25/08	Sale	Various - raised cash	Cash, Fixed Income & Liquidity	-\$549.5
10/10/08	Termination	Northern Trust Bank	Investment Custodian	na
10/10/08	New	State Street Bank and Trust Company	Investment Custodian	na

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Market Update

This will be an oral presentation to the Board.

VII. STANDING COMMITTEES**A. Academic and Student Affairs Committee**

In Joint Session with

B. Finance, Audit and Facilities Committee**University of Washington Tacoma Master Plan****RECOMMENDATION ACTION:**

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the President be delegated authority to approve and adopt the University of Washington Tacoma 2008 Master Plan.

BACKGROUND:

In 1993, the University of Washington Tacoma's (UWT) first Campus Master Plan was completed and set the initial vision for a new higher education campus located in the Warehouse District of downtown Tacoma. This location positioned UWT to be an active participant in the development of a vital urban district.

Two subsequent major construction phases created the campus' current learning spaces, faculty and staff offices, and university library to support the University's mission to provide upper level degree programs to a population of 2,000 student FTEs. Anticipating steady growth of the campus, the University then completed a 2003 Master Plan that further developed the framework of the campus and corresponding architectural and landscape guidelines.

UWT continues to expand its program and services. In the Fall of 2006, UWT began to enroll freshmen and sophomores with requests from the student body to provide housing. With UWT's transition from an upper division and graduate commuter campus to a four-year full service university with student housing, an update to the 2003 Master Plan was required. This includes an update to the long term plan as well as articulation of the next phases of development specific to meeting the new mission.

The major goals of the 2008 Campus Master Plan Update are to enhance the urban character of the existing campus and provide opportunities to strengthen a sense of community as a four-year, residential institution by providing:

- A central open space (the 'heart' of campus) and various smaller green spaces throughout the campus.
- Pedestrian connections up the hill.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session with

B. Finance, Audit and Facilities Committee

University of Washington Tacoma Master Plan Update (continued p. 2)

- An integration of uses (between residential, student life, and academics) that will accommodate 10,000 FTEs.
 - ◀ The full build-out of the campus within the campus boundaries will accommodate 10,000 FTE's with an average height of 4 stories.
 - ◀ Housing facilities will accommodate approximately 12% of the student population.
- A pathway aligned with a view of Mt. Rainier leading into the campus from the corner of 17th Street and Tacoma Avenue.
- Market Street remains open through the campus, and 19th Street between Market and Fawcett is closed to vehicular traffic.
- Careful consideration of accessibility in north-south walkways and east-west access.
- Opportunities for retail and private development, to include potential partnerships, are also identified.

In conjunction with this master plan, an infrastructure master plan is also being developed with a focus on identifying strategies for centralized or decentralized service, infrastructure updates as the campus grows, and sustainable strategies for energy, carbon, and water. The master plan integrates many of these strategies such as filtering stormwater with rain gardens and developing sustainability guidelines for buildings.

Guiding Principles of the UW Tacoma Campus Master Plan

To create a plan for a physical campus environment which supports the institution's mission, vision, values, and future needs, the Campus Master Plan's guiding principles use the three visionary principles and four core values from the UW Tacoma Strategic Plan as the framework.

Vision

Within the next ten years, UW Tacoma will become a more comprehensive institution that will respond with distinction to the needs of the region, state, nation and the world. UW Tacoma will achieve distinctiveness as an urban campus of the University of Washington through its commitment to three principles:

- *Access to an exceptional university education;*
- *An interdisciplinary approach to knowledge and discovery in the 21st century;*
- *A strong and mutually supportive relationship between the campus and its surrounding communities.*

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session with

B. Finance, Audit and Facilities Committee

University of Washington Tacoma Master Plan Update (continued p. 3)

As the campus grows, UW Tacoma will strengthen its learning culture, research, institutional structures, and academic and co-curricular programs necessary to embody these three commitments and to uphold the standards of excellence, shared governance and academic freedom that are hallmarks of the University of Washington. It will also develop and implement assessment plans that serve as measurable benchmarks for institutional progress.

The core values of the institution—Excellence, Community, Diversity and Innovation—will shape the specific goals and methods UW Tacoma chooses to address these commitments and build its distinction as a campus.

Values

Our fundamental purpose is to educate students for life as global citizens. UW Tacoma is a distinctive expression of the University of Washington that provides access to an exceptional education for citizens who choose to live and learn in the South Puget Sound region.

We recognize that an excellent education connects knowledge across disciplines. At UW Tacoma, excellence is founded on integrity, dedication and collaboration. We believe that learning is a vehicle that advances students toward fulfilling lives and meaningful careers.

*Our community of learners is strengthened by a diversity of voices. Listening to the UW Tacoma community, we have identified four core values that guide us: **Excellence, Community, Diversity and Innovation**. We share these values and strive to live them.*

I. Enhance and Develop the Campus

A. Create a Unique Sense of Place and Identity

Create an aesthetic quality appropriate to the campus as a whole. In response to enrollment growth, the campus should retain and improve the character of the existing campus, open spaces, and views, while developing new facilities and outdoor spaces to support anticipated future needs for programs, activities, services, and gathering. Identify the elements and character of the existing buildings that should be expressed throughout campus as it grows. Design beautiful buildings and landscapes that consider and embody state of the art campus and urban planning as well as architectural best practices in an historic, multi-use district.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session with

B. Finance, Audit and Facilities Committee

University of Washington Tacoma Master Plan Update (continued p. 4)

B. Develop Quality Facilities

Provide facilities that inspire, function well, and are flexible and efficient. Develop facilities, outdoor spaces, and infrastructure that are flexible, adaptable, enduring and responsive to technological advancements

C. Respect Its Stature

Honor the stature of the University of Washington and the historic structure of downtown Tacoma through a harmonious marriage of environmental design, planning, spaces, and form with the surrounding community.

D. Ensure Stewardship

Ensure stewardship of the existing campus, maintaining and protecting the value of UW Tacoma's physical resources, character, history, and open space. Changes to the campus should improve and enhance the value and quality of the campus, encouraging preservation of historic resources while allowing for the development of new forms and styles of building ultimately creating a rich, multi-faceted, inspiring learning environment.

E. Cultivate Funding

The development of a compelling, comprehensive, well-conceived, inspiring plan is essential to the cultivation of funding. Support communication of current needs, as well as long term plans tied to student enrollments and projections and regional economic and workforce benefits to stakeholders and funding decision-makers. Explore opportunities for public-private partnerships particularly for buildings and spaces that lend themselves to such ventures such as student union, performing arts, library, or sports and recreation facilities. Recognize that a growing campus presents many opportunities for the naming of buildings, interior features, objects, spaces, or outdoor areas in recognition of individuals or organizations who are the University's benefactors.

F. Communicate Resources

Provide a variety of communication tools and methods (maps, wayfinding, signage) to inform, orient and direct diverse users of campus resources as well as the casual visitor.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session with

B. Finance, Audit and Facilities Committee

University of Washington Tacoma Master Plan Update (continued p. 5)

G. Respect and Conserve the Environment

Value the environment and strive to promote sustainability through the conservation of existing buildings, adaptive reuse and design of new resource-efficient structures, and the operations and practices implemented throughout the campus. Strive for natural light in buildings. Become a model and learning laboratory of sustainability.

H. Include Public Art and Sculpture

Provide sources of inspiration for students, faculty, staff and the community.

II. Provide Access to an Exceptional University Education

A. Create a Model Environment of Innovation

Develop a learning laboratory of sustainability; represent an outstanding example of conserving historic buildings and adapting them to contemporary use. Provide new buildings to facilitate and support innovations in learning, research and service to the community. Innovation can be realized through an environment which is flexible, economically open to change, and responsive to new directions in learning and the nature of new disciplines.

B. Develop Interactive Learning Spaces

Provide collaborative, flexible, multi-functional classrooms and other learning spaces of varying capacities capable of supporting a variety of pedagogical approaches to teaching and learning.

C. Provide Accessibility

Ensure access to and within the campus, maximize appropriate vehicular travel, emphasize universal access pedestrian routes, and promote the design of environments usable by all people to the greatest extent possible.

D. Promote Safety

Create a safe and healthy environment, with personal and workplace safety considerations integral to planning and design of circulation elements, buildings, and open spaces. Employ design elements that support emergency response/preparedness activities; provide service access that does not conflict with pedestrian traffic.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session with

B. Finance, Audit and Facilities Committee

University of Washington Tacoma Master Plan Update (continued p. 6)

E. Encourage Efficiency

Encourage efficiency and economy in campus operations, with advantageous locations for facilities and adjacencies of uses.

F. Maximize Flexibility

Provide the maximum amount of flexibility in order to best accommodate future growth and be able to respond to and take advantage of unforeseen opportunities.

G. Anticipate Trends in Technology

Develop the campus that over time will remain at the cutting edge. Incorporate infrastructure that is flexible and adaptable.

III. Connect Knowledge Across Disciplines

A. Activate the Campus

Support the transition to a full-service, 4-year university, with the development of a 24-7 campus environment inclusive of student housing, student services, activities, recreation, and culture. Ensure spaces that promote active and passive activities which are safe.

B. Create a Live/Learn Community

Create a live/learn community through the integration of academics with student life, housing, recreation, and culture. Support learning, sharing, and discovery that occur within and beyond the classroom. Prepare students for participation in a global economy.

C. Provide Adjacencies that Promote Collaboration and Interaction

Maximize opportunities for interaction between students, faculty, staff, and the neighboring community. Create a level of density and proximity of disciplines that overlaps and blurs boundaries.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session with

B. Finance, Audit and Facilities Committee

University of Washington Tacoma Master Plan Update (continued p. 7)

IV. Create Bonds with the Community

A. Value the Community

Recognize the importance of the surrounding communities, and strive to achieve synergistic working relationships with these communities. Promote community access and participation that is diverse to improve the quality of life and public benefits for all.

B. Develop Community Interaction

Encourage and support the development of student, faculty and staff housing in the adjacent community. Subscribe to work-study relationships and possible development of adjacent business incubator space. Provide learning opportunities, cultural activities, and recreational activities on campus that are accessible to the community. Support appropriate commercial activity. Encourage collaborative ventures with the community through public-private partnerships as one option for the funding of facilities.

C. Support Public Circulation through the Campus

Support the pedestrian, bike and wheelchair access along and through the railroad right-of-way. Continue to support improvements to public transportation and maintain porous campus boundaries.

V. Support Diversity

A. Grow a Diverse Student, Faculty and Staff Community

The UW student body includes a significantly diverse community, representative of different ethnic groups, cultures, ages, and family structures. Provide a wide variety of services to support the needs of these students.

B. Celebrate and Enhance Diversity

Identify locations for activities, exhibits, memorials, art, and other cultural activities representing a diversity in form and tradition. The campus should express the nature of a dynamic institution of higher learning serving a diverse student body in an urban environment.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session with

B. Finance, Audit and Facilities Committee

University of Washington Tacoma Master Plan Update (continued p. 8)

UW TACOMA SEPA REVIEW:

The University published a Draft Supplemental Environmental Impact Statement on December 12, 1994 and a Final Environmental Impact Statement was issued on April 28, 1995.

The current version of the Tacoma Master Plan will be reviewed and analyzed to determine if the University can rely on the existing environmental documentation or provide supplemental environmental information and analysis.

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session With

B. Finance, Audit and Facilities Committee

Intercollegiate Athletic Department – Approval of Product Supply and Appearance & Consultation Agreements with NIKE

RECOMMENDED ACTION:

It is the recommendation of the Finance, Audit and Facilities Committee that the Board of Regents approve the Product Supply and Appearance & Consultation Agreements with NIKE. The agreements will commence on July 1, 2009.

BACKGROUND:

The Intercollegiate Athletic Department has negotiated two new ten (10) year agreements with NIKE that will continue their partnership through the year 2019. The agreements have a total value of nearly \$35 million, and contain additional incentives that could raise the value to almost \$39 million. NIKE has contracted to provide the department with an average of \$2.6 million in product every year as well as an average of \$725,000 in cash per year. In addition, NIKE will be making a cash contribution of \$500,000 to the department when the agreements have been executed. In return, NIKE will be the exclusive provider of footwear, apparel, and equipment for each of the University of Washington's 23 intercollegiate athletic programs.

REVIEW PROCESS:

The agreements were negotiated with NIKE by the Intercollegiate Athletic Department under the leadership of then Acting Athletic Director Scott Woodward and Assistant Attorney General Karin Nyrop. The final agreements were prepared by the Office of the Attorney General and have been reviewed by the Intercollegiate Athletic Department and the Office of Trademarks and Licensing. The President has received an overview of the terms of the agreements.

Attachments

1. Product Supply Agreement
2. Appearance & Consultation Agreement

**THE UNIVERSITY OF WASHINGTON
PRODUCT SUPPLY AGREEMENT**

THIS IS AN AGREEMENT effective July 1, 2009 and entered into as of the signature date set forth below by and between The University of Washington, on behalf of its Department of Athletics, having its principal administrative office, for the purpose of this Agreement, at Graves Building, Box 34070, Seattle, Washington 98195-4070 (hereinafter "UNIVERSITY"), and NIKE USA, Inc., an Oregon corporation having its principal offices at One Bowerman Drive, Beaverton, Oregon 97005-6453 (hereinafter "NIKE").

W I T N E S S E T H

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith), desires to obtain sponsors to support its Department of Athletics, 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 "Intercollegiate Athletic Programs" (as defined below);

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; and

WHEREAS, UNIVERSITY desires to acknowledge NIKE's support of the Department of Athletics as described below;

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

1. DEFINITIONS.

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

- (a) "BCS Bowl" shall mean, as of the date of execution hereof, any of the following bowl games: Orange Bowl, Sugar Bowl, Fiesta Bowl, and Rose Bowl; and the "National Championship" game. In the event of a material change in the college football bowl structure, the parties shall meet in good faith and devise appropriate language to address the new system.
- (b) "Coach" shall mean an individual employed by UNIVERSITY during the term of this Agreement to act as a head coach of an Intercollegiate Athletic Program.
- (c) "Conference" shall mean the intercollegiate athletic conference of which UNIVERSITY is a member for the particular Team or Program at issue herein.
- (d) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the term of this Agreement.
- (e) "Game" shall mean game, match, meet, test or such other competition reference as is appropriate to each individual sport.
- (f) "Intercollegiate Athletic Program(s)" or "Program(s)" shall mean the following organized team intercollegiate sports sponsored by UNIVERSITY: football, men's basketball, women's basketball, men's soccer, women's soccer, baseball, cheerleading/rally squad, men's crew, women's crew, men's golf, women's golf,

gymnastics, softball, men's swimming, women's swimming, men's tennis, women's tennis, men's outdoor track & field, women's outdoor track & field, men's indoor track & field, women's indoor track & field, men's cross country, women's cross country, volleyball, and such other replacement or additional intercollegiate athletic programs as may be established at that campus from time-to-time during the term of this Agreement.

- (g) "Intercollegiate Athletic Program Activities" shall mean all games, practices, exhibitions, scrimmages, team appearances, team photo sessions, UNIVERSITY-sponsored sports camps, and other Team-organized activities (including but not limited to photo shoots and interviews) during which Team members, Coaches, and Staff wear and/or use Products.
- (h) "Material Acknowledgment Loss" shall mean the removal from Authentic Competition Apparel or footwear of camera-visible manufacturer identification (i.e., the NIKE name or the Swoosh Design) from its current placement location, or the adoption by a national television broadcaster of "virtual signage" applied to Football or Men's Basketball game broadcasts which either deletes or obscures manufacturer identification on such Products or replaces it with that of a third-party. For purposes of this Agreement, "virtual signage" shall mean use of L-VIS technology 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.
- (i) "NCAA" shall mean the National Collegiate Athletic Association or the governing body with jurisdiction over intercollegiate competition in any specific sport.
- (j) "NIKE" shall mean NIKE USA, Inc., its parent NIKE, Inc., and their licensees, distributors, subsidiaries, and any successor company(ies).
- (k) "NIKE Products" shall mean all Products in connection with which, or upon which, the NIKE name, the Swoosh Design, the NIKE AIR Design, the Jumpman Design or any other trademarks or brands (e.g., Jordan, Converse, Umbro) now or hereafter owned and/or controlled by NIKE (collectively, "NIKE Marks") appear.
- (l) "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 Intercollegiate Athletic Program Activities;
 - (2) authentic competition apparel consisting of uniforms, sideline or courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, wool and fitted caps, baseball/softball caps and/or visors, windsuits, rainsuits, sideline or courtside pants, shorts and shirts, and similar apparel, and practicewear (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 Intercollegiate Athletic Program Activities;
 - (3) all other apparel articles of an athletic or athleisure nature including but not limited to tank-tops, T-shirts, sweatsuits, separates and other body coverings,

and accessories of an athletic or athleisure nature, including but not limited to headwear, headbands, wristbands, bags, travel bags, socks, hand-towels (not including Gatorade or other sport drink towels in the Teams' bench areas), receiver's and linemen's gloves, batting 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 Intercollegiate Athletic Program Activities; and

- (4) sports equipment including, but not limited to, inflatable balls (specifically including without limitation footballs, basketballs and volleyballs); baseball bats and other baseball equipment (including fielding gloves, and batting helmets); softball equipment (including bats, fielding gloves, batting helmets, and catchers' equipment); non-prescription protective eyewear, eyewear with performance attributes and sunglasses; sports timing devices (including wristwatches, race timers, stopwatches, etc. and devices used for competition or training that are also used in combination with timing devices such as heart-rate monitors or calorimeters; swim accessories, including but not limited to caps, nose clips, ear plugs and water bottles; swim training aids (e.g., kickboards, buoys paddles and fins); golf clubs (but subject to Paragraph 7(a)(iv) below), golf balls and golf bags; 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 13 below, provided that such Products shall meet UNIVERSITY's good faith requirements for quality.
- (m) "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers, and any on-field/courtside staff that UNIVERSITY outfits (e.g., ballpersons), employed by UNIVERSITY during the term of this Agreement to provide services to Intercollegiate Athletic Programs.
- (n) "Team" shall mean that group of athletes attending the UNIVERSITY's Seattle campus during the term of this Agreement and comprising the roster of each Intercollegiate Athletic Program.
- (o) "Tier I Bowl" shall mean any of the following non-BCS Bowl games traditionally played on New Year's Day and such additional or replacement New Year's Day bowl games as may be established: the Citrus; Cotton; Gator; or Outback Bowl.
- (p) "UNIVERSITY Marks" shall mean "The University of Washington", "UW", "U of W", "Huskies", and any other recognized reference to the UNIVERSITY; all trademarks registered, filed or obtained by or for the UNIVERSITY in relation to such names; and all logos, marks and/or symbols associated with the UNIVERSITY.
- (q) "UNIVERSITY Web Site[s]" shall mean the official Internet World Wide Web site of the UNIVERSITY's athletic department, presently named <gohuskies.cstv.com>, and/or any other "official" web site designated as such by the UNIVERSITY's athletic department. It is understood that <www.washington.edu> is not included in this definition.

2. TERM.

This Agreement shall remain in full force and effect for a period of ten (10) Contract Years, from July 1, 2009 through June 30, 2019, unless sooner terminated in accordance with the terms and conditions hereof (the "Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

3. PRE-EXISTING COMMITMENT.

NIKE acknowledges that, subject to the exclusive wear and use obligations as set forth in Paragraph 7 below, UNIVERSITY, as a Conference member, is and may continue to be subject to an agreement between the Conference and a third-party apparel manufacturer which requires the UNIVERSITY to use its best efforts to distribute "Pac-10 Champion" logoed hats and t-shirts after the athletic contest which has determined that a UNIVERSITY team has won a Pac-10 Championship.

4. ACKNOWLEDGMENT.

UNIVERSITY hereby grants to NIKE, and NIKE hereby accepts, (i) the designation as "the official supplier of the athletic footwear and authentic apparel products of [insert name of sports team]" and "the official athletic footwear and authentic apparel sponsor of [insert name of sports team]", and/or such similar designations as shall be agreed upon by both parties (collectively, the "Designations"), and (ii) the right to utilize (subject to the approval provisions of Paragraph 10 below and worldwide retail rights which have been granted by UNIVERSITY other than for Authentic Competition Apparel and certain other Products) the UNIVERSITY Marks (on a nonexclusive basis except as otherwise agreed by the parties in writing, herein or elsewhere) and/or Designations (on an exclusive basis) worldwide, in any media (now known or hereafter created) including, but not limited to, the Internet, the worldwide web, CD-ROM and other interactive and multi-media technologies, and programming, in connection with the manufacture, marketing and sale of NIKE Products and the marketing of the NIKE brand. By way of examples illustrating the contemplated uses of the Designations, during the football season and/or in football-related media NIKE would use the designation "The official supplier of the athletic footwear and authentic apparel products of Husky Football", and during the basketball season and/or in basketball-related media NIKE would use the designation "The official supplier of the athletic footwear and authentic apparel products of Husky Basketball", etc.

Such rights shall specifically include, but shall not be limited to, the exclusive right to supply Products for each Team and to use the Designations and, in connection therewith, the non-exclusive right to use game photographs, videotape and/or film footage of any and all Intercollegiate Athletic Programs subject to applicable NCAA rules and regulations with respect to the depiction of eligible athletes. (At NIKE's request, UNIVERSITY shall permit NIKE to utilize, consistent with this Paragraph 4, UNIVERSITY game photographs and footage, owned and/or controlled by UNIVERSITY, without a royalty, other than reasonable expenses to obtain such materials which may be through a third-party designated by UNIVERSITY.)

5. PRODUCT SUPPLY CONSIDERATION.

- (a) In consideration of the other provisions of this Product Supply Agreement, NIKE shall supply to UNIVERSITY NIKE Product for the use of the Intercollegiate Athletic

Programs. NIKE's product supply obligations (calculated on the basis of suggested retail price) as follows:

Contract Year 1 (i.e., 2009-10)	\$2,400,000
Contract Year 2 (i.e., 2010-11)	\$2,400,000
Contract Year 3 (i.e., 2011-12)	\$2,500,000
Contract Year 4 (i.e., 2012-13)	\$2,500,000
Contract Year 5 (i.e., 2013-14)	\$2,600,000
Contract Year 6 (i.e., 2014-15)	\$2,600,000
Contract Year 7 (i.e., 2015-16)	\$2,700,000
Contract Year 8 (i.e., 2016-17)	\$2,700,000
Contract Year 9 (i.e., 2017-18)	\$2,800,000
Contract Year 10 (i.e., 2018-19)	\$2,800,000

The exact styles, sizes and delivery dates and, where appropriate, quantities of such NIKE Products shall be mutually determined by NIKE and UNIVERSITY (and subject to subparagraphs (i) and (ii) below) for each Contract Year. All Product to be supplied by NIKE hereunder shall be delivered F.O.B. to UNIVERSITY. Only properly submitted orders from UNIVERSITY's Director of Athletics or any authorized representative of UNIVERSITY's Director of Athletics shall be filled by NIKE. All Authentic Competition Apparel supplied by NIKE to UNIVERSITY shall comply with NCAA performance specifications (e.g., size of numbers) and labeling requirements as they currently exist. Notwithstanding the above-stated annual product commitments, (1) UNIVERSITY shall be permitted a maximum carry-over of Two Hundred Thousand Dollars (\$200,000) of unordered annual allotment of merchandise from Contract Year 1 to Contract Year 2, and (2) for each subsequent Contract Year, UNIVERSITY shall be permitted a maximum carry-over of One Hundred Thousand Dollars (\$100,000) of unordered annual allotment of merchandise from one Contract Year to the next; provided that for each Contract Year UNIVERSITY desires to carry-over from the previous year's allotment, it shall so notify NIKE in writing of such desire (and the intended amount of carry-over) by no later than April 1st of the then-current Contract Year, and provided further that if the carry-over amount is not used in the Contract Year into which it has been carried, such carry-over amount shall be forfeited. (By way of example, if UNIVERSITY desires to carry-over \$100,000 of its allotment from Contract Year 2 into Contract Year 3, it must so notify NIKE of such desire by April 1, 2011, and if such carried over amount is not used by the conclusion of Contract Year 3 it shall be forfeited.)

NIKE agrees to replace any defective or otherwise non-conforming Products at no expense to UNIVERSITY.

UNIVERSITY acknowledges that:

- (i) Annual product allotments shall be delivered to UNIVERSITY generally one (1) month prior to the start of the regular season practices for each Intercollegiate Athletic Program and that annual allotments must typically be ordered 9-12 months in advance of each season to ensure timely delivery.
- (ii) Certain Products requested by UNIVERSITY for its use as required under this Agreement may, at the time of such request, not be commercially available and that NIKE's inability to provide such requested Product on such occasions shall

not be deemed a violation or breach of this Agreement. In that event, until NIKE is able to supply them, UNIVERSITY may obtain such Products from a non-NIKE supplier, provided that any such item must be (aa) either provided by a supplier principally known in the industry for supply such item (e.g., Danskin with regard to gymnasts' leotards, or Prince or Wilson with regard to tennis racquets), or (bb) blank (i.e., containing no camera-visible brand or indicia of origin), and in either event no promotional benefit of any kind shall accrue to the source of such items.

- (b) During each Contract Year, Coaches, Staff, and select employees of the Athletic Department (in UNIVERSITY's discretion), shall be entitled to order NIKE Product for their personal use, up to an aggregate maximum amount (in terms of retail value) of One Hundred Ten Thousand Dollars (\$110,000). All NIKE Product hereunder must be ordered through the "NIKE by Mail" program, subject to procedures established by NIKE for such purpose. No carry-over of unordered annual allotments of NIKE by Mail merchandise from one Contract Year to another shall be allowed.
- (c) UNIVERSITY acknowledges that the Product supplied pursuant to this Agreement shall not be considered to be purchased goods for any purposes under the Uniform Commercial Code.

6. NIKE SPONSOR BENEFITS.

- (a) In return for NIKE's sponsorship of UNIVERSITY, each Contract Year, UNIVERSITY shall provide NIKE with the following benefits at no additional cost to NIKE except as otherwise indicated:
 - (1) NIKE shall receive tickets to home games (and neutral site games as indicated below) for each Intercollegiate Athletic Program in accordance with the following:

PROGRAM	No. TICKETS
Football	10 tickets
Bowl games	10 + others if available*
Basketball (M)	10
Basketball Tournament (M)	8 + others if available*
Basketball (W)	10
Basketball Tournament (W)	8
All Other Programs	4
*Such other available tickets to be made available to NIKE for purchase at face-value.	

In addition to the foregoing, each Contract Year, NIKE shall receive: (i) forty (40) tickets (in addition to the above indicated 10 tickets, for a total of 50 tickets) to one mutually agreed upon game; and (ii) twenty (20) tickets (in addition to the above indicated 10 tickets, for a total of 30 tickets) to one mutually agreed upon men's basketball game, and twenty (20) tickets (in

addition to the above indicated 10 tickets, for a total of 30 tickets) to one mutually agreed upon women's basketball game (collectively, "NIKE Game-day"). "Basketball Tournament" as used herein means every basketball tournament in which UNIVERSITY's basketball Programs participate. The UNIVERSITY shall use its best efforts to ensure that all tickets provided under the foregoing provisions shall be for best available seats. UNIVERSITY shall use best efforts to fulfill NIKE's requests for such additional quantities of tickets as it may reasonably request, such tickets to be best available.

- (2) A full color bleed page of UNIVERSITY content in all game day programs shall be dedicated to acknowledging NIKE's sponsorship of the Intercollegiate Athletic Programs. Such content shall be subject to the approval of NIKE and shall be an acknowledgement as that term is defined in Internal Revenue Code Section 513(i) and related regulations.
- (3) Three (3) parking passes at all football and basketball games.
- (4) A hospitality event for football and basketball NIKE Game-day ticket holders (which may include, for example, a welcome reception and/or tour of facilities) which shall be pre-arranged with UNIVERSITY and subject to its prior facility commitments. Any catering costs shall be at NIKE's expense.
- (5) Subject to applicable NCAA regulations or other applicable UNIVERSITY agreements, the opportunity to stage events and/or contests which are mutually agreed-upon before the appropriate season begins around designated home games/competitions, which events or contests may occur pre-game, during half-time or post-game. Such events and/or contests shall not contain comparative or qualitative descriptions of NIKE's products, price information or other indications of savings or value about NIKE's products, any message that otherwise endorses NIKE's products or induces one to purchase or use NIKE's products, or any message that causes NIKE's payments to not be treated as "qualified sponsorship payments" as that term is defined in Internal Revenue Code Section 513(i) and related regulations. The parties recognize that UNIVERSITY is more familiar with such regulations than NIKE and it shall be UNIVERSITY's responsibility to exercise its right of approval to prevent this outcome. In this connection, the parties agree that all determinations regarding compliance with Internal Revenue Code Section 513(i) shall be made in the sole good-faith discretion of UNIVERSITY.
- (6) Reasonable access to Intercollegiate Athletic Program Activities, where appropriate, and consistent with NCAA regulations, for the purpose of shooting game-action photographs, film or videotape footage and/or conducting and taping post-game interviews. NIKE's usage of such photographs, footage, interviews, or film shall be subject to the advance approval of UNIVERSITY.
- (7) NIKE shall be permitted, upon its reasonable request and subject to NIKE's payment of rental charges at the educational institution rate, to use mutually agreed upon UNIVERSITY facilities in connection with community based programs and events held by NIKE (such as its NIKE GO program). UNIVERSITY shall not provide program services or staff services for such programs and events; however, normal UNIVERSITY facility services (e.g. janitorial) and physical plant services (e.g., HVAC) shall be provided.

- (8) In addition to the above, UNIVERSITY shall afford NIKE advance notice and the opportunity to consider participation in any and all additional sponsorship opportunities, in any media, made available by UNIVERSITY during the Term.
 - (9) At home varsity volleyball games, upon request and at NIKE's own expense, NIKE shall have the right to have its name and/or logo appear on the net tape along with the words "Washington Volleyball," if not prohibited by applicable NCAA or Conference rules.
- (b) In addition to the foregoing, UNIVERSITY shall provide NIKE with program-specific in-stadium/arena signage opportunities, if available, at the applicable UNIVERSITY sponsor rate, on a basis no less favorable than similarly situated UNIVERSITY sponsors.
 - (c)
 - (1) UNIVERSITY shall, and without limiting any other rights granted hereunder, make its best efforts to ensure that NIKE has the right to purchase or otherwise obtain advertising and/or other benefits on the UNIVERSITY Web Site[s] on a basis no less favorable than that offered to any third-party for substantially similar benefits on the UNIVERSITY Web Site[s].
 - (2) In accordance with applicable law, NIKE shall have the right to request, and UNIVERSITY shall provide to NIKE, information about UNIVERSITY and its Intercollegiate Athletic Programs. Such information may include, but shall not necessarily be limited to, textual, photographic, or video materials which are copyrighted, owned or otherwise controlled by UNIVERSITY. Such information shall be provided on a timely basis and without a royalty, other than reasonable search and edit expenses, if applicable, to obtain such materials which may be through a third-party designated by UNIVERSITY. NIKE has the right to publish such information, and/or other editorial content which may be created by or for NIKE, relating to the UNIVERSITY and/or its Intercollegiate Athletic Programs, on NIKE's World Wide Web site(s), subject to applicable NCAA regulations. Nothing in this Agreement shall be deemed to confer upon NIKE any right to operate an "official" UNIVERSITY website.

7. USE OF NIKE PRODUCTS.

- (a) Throughout the Term, UNIVERSITY shall make NIKE Products available on an exclusive basis to each Intercollegiate Athletic Program, to be worn and/or used by Team members, Coaches and Staff during practices, games, exhibitions, clinics and UNIVERSITY-sponsored sports camps and other official, formal Team-organized activities (including but not limited to photo sessions and interviews) during which Team members, Coaches and Staff wear and/or use Products. UNIVERSITY shall require all Coaches and Team and Staff members to wear and/or use exclusively NIKE Products during such activities, except as otherwise expressly provided herein. Notwithstanding the foregoing, (i) NIKE acknowledges that in one or more cases a Team may be prohibited by Conference or NCAA rules from using NIKE-supplied balls during certain tournaments and away and neutral site competitions; and (ii) in the event (x) a Team member experiences medical issues relating to shoe fit or comfort in wearing NIKE footwear; *and* (y) UNIVERSITY provides notice thereof to NIKE, and UNIVERSITY and the affected Team member work diligently with NIKE to address the issue; *and* (z) even after sustained and diligent good faith efforts by UNIVERSITY and the Team member to work with NIKE, the Team member is unable

to wear NIKE footwear due to a bona-fide medical condition as evidenced by a certification by the Team's physician; then such Team member shall be permitted to wear non-NIKE footwear provided all visible manufacturer's identification is taped over or otherwise covered so as to completely obscure such manufacturer's identification. NIKE further acknowledges that (iii) any Coach's wearing of non-athletic footwear and apparel in connection with his or her official coaching duties, as appropriate, shall not constitute a breach of this Paragraph; and (iv) notwithstanding NIKE's exclusive rights, members of the golf program shall have the right to use golf clubs and golf balls of their choice (but not any other golf equipment or products) from any manufacturer, and with such manufacturer's logo camera-visible, so long as no promotional benefit of any kind shall accrue to either the source of such item(s) or to UNIVERSITY (for avoidance of doubt, the parties agree that UNIVERSITY may source such product on a complimentary basis but cannot in exchange for such complimentary supply of product provide the supplier with any advertising or promotional rights), and such use shall not constitute a breach of this Paragraph 7 or this Agreement. If NIKE is unable to provide Products which UNIVERSITY believes are necessary for a Team(s) and its Coaches and Staff, UNIVERSITY shall be permitted to wear non-NIKE products. In the event any Team member requires eyewear with corrective lenses during games, practices, exhibitions, clinics, camps, and other Team activities, UNIVERSITY shall make first best-faith efforts to outfit such Team member with NIKE eyewear suitable to support the required prescription, but if such efforts fail, such Team member may wear non-NIKE eyewear, provided that such non-NIKE eyewear is not from a brand associated with footwear.

- (b) UNIVERSITY shall ensure that no Team member, Coach or Staff member shall:
 - (1) Alter or permit the alteration of any NIKE Product worn or used by them (except as permitted under Paragraph 7(a) above); or
 - (2) Wear any non-NIKE Products which have been altered to resemble NIKE Products.
- (c) UNIVERSITY shall ensure that during all Intercollegiate Athletic 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 Paragraphs 5(a)(1) and 7(a) above.
- (d) UNIVERSITY acknowledges that "spatting" or otherwise taping, so as to cover any portion of the NIKE logo, the NIKE athletic shoes worn by members of the Teams during Intercollegiate Athletic Program Activities, except as permitted in Paragraph 7(a) above, 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, and shall subject UNIVERSITY to possible reductions as provided in Paragraph 8(f) below.
- (e) UNIVERSITY shall not permit the trade name, trademark, name, logo or any other identification of any person, company or business entity other than NIKE, or UNIVERSITY, to appear on NIKE Products worn or used by Coaches, Staff or Team members except for the name or logo of a bowl sponsor (but subject to Paragraph 24(a) below) if required for bowl participation, or a reasonable size commemorative identification to pay tribute to a significant particular UNIVERSITY team or notable

UNIVERSITY or other figure (e.g., an anniversary patch or a mourning device) and provided such addition does not displace or cover any NIKE identification.

8. CASH CONSIDERATION.

- (a) In addition to the Base Compensation to be paid UNIVERSITY as set forth below, NIKE shall make a one-time contribution to the University Athletic Department of Five Hundred Thousand Dollars (\$500,000) upon commencement of the Term (i.e., July 1, 2009).
- (b) Each Contract Year, NIKE shall pay UNIVERSITY Base Compensation in the amounts provided below in two (2) equal semi-annual installments to be made on July 1 and January 1 of each Contract Year (and subject to subparagraph (b) below), to be used at UNIVERSITY's discretion. These amounts are subject to reduction as provided herein.

Contract Year 1 (i.e., 2009-10)	\$400,000
Contract Year 2 (i.e., 2010-11)	\$450,000
Contract Year 3 (i.e., 2011-12)	\$500,000
Contract Year 4 (i.e., 2012-13)	\$550,000
Contract Year 5 (i.e., 2013-14)	\$600,000
Contract Year 6 (i.e., 2014-15)	\$650,000
Contract Year 7 (i.e., 2015-16)	\$700,000
Contract Year 8 (i.e., 2016-17)	\$750,000
Contract Year 9 (i.e., 2017-18)	\$800,000
Contract Year 10 (i.e., 2018-19)	\$850,000

- (c) In the addition to the Base Compensation set forth above, NIKE shall pay UNIVERSITY cash bonuses as set forth on Schedule A for each of the indicated performance bonus(es) achieved by the indicated Team for any Contract Year, such bonus(es) to be paid within thirty (30) days of NIKE's receipt of written notification from UNIVERSITY that such bonus(es) has been earned.
- (d) UNIVERSITY acknowledges that two of the principal inducements for NIKE's entrance into this Agreement are (i) the wide-spread national television and other media exposure that the Football and Men's Basketball Programs annually receive, and (ii) the accompanying acknowledgment of NIKE sponsorship through the placement of the NIKE logo, as it currently appears (in terms of size, location placement, color prominence and/or numerosity), on Authentic Competition Apparel and that such continued acknowledgment is of the essence of this Agreement. Accordingly, if in any Contract Year there is a Material Acknowledgment Loss or either the Football or Men's Basketball Program is banned from television appearances, in lieu of NIKE's exercise of its termination right under Paragraph 15 below, then for such Contract Year NIKE shall have the right to reduce UNIVERSITY's scheduled Base Compensation in accordance with the following:

PROGRAM	TV APPEARANCE BAN % REDUCTION
Football	50%
Basketball (M)	20%
Basketball (W)	10%

- (e) If NIKE's logo placement rights are diminished in any manner other than as the result of a Material Acknowledgment Loss, NIKE shall have the right to a reasonable equitable reduction in scheduled Base Compensation to be paid UNIVERSITY going forward taking into account the nature and extent of the diminution of such logo rights, the amount of such reduction to be negotiated by the parties in good faith. If the parties cannot agree upon the amount of a reasonable equitable adjustment, the parties shall submit the matter to non-binding arbitration in accordance with the provisions of Paragraph 18(b) below.
- (f) UNIVERSITY further acknowledges that (i) a third 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 externally visible portion of any shoe 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 7[a] above). 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 15 below, NIKE in its sole 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 (5) or more players' shoes appear on-field (in game action) polished-out, spat, or taped for any reason (including as permitted under Paragraph 7[a] above) [e.g., if both of a player's shoes are spat then that counts as two such appearances], NIKE shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation by one percent (1%) per shoe (in excess of five shoes) that has been so polished out, spat, or taped, up to a maximum of five percent (5%) per game.
 - (2) For each player that shall appear on-field (in game action) with polished-out, spat, or taped footwear in any season for any reason (other than as specifically permitted under Paragraph 7[a] above) after NIKE has provided UNIVERSITY with written notice of such occurrence by such player, NIKE shall have the right to reduce UNIVERSITY's annual scheduled Base Compensation by two percent (2%) for the next occurrence following such notice, and an additional two percent (2%) for each occurrence by such player thereafter.
- (g) Notwithstanding the foregoing, in the event any UNIVERSITY football player sustains a foot or ankle injury during a game, and UNIVERSITY's football trainer determines in the good faith exercise of the trainer's professional judgment that the player can continue to play in the game only if the player's ankle and shoe are taped, then that player's injured foot shall not count as a taped foot for the duration of the game in which the injury was incurred.

9. STUDENT INTERNSHIP.

In addition to the product support and cash compensation set forth above, NIKE shall fund a paid internship at NIKE's World Headquarters as part of NIKE's "Adrenaline" internship

program for two (2) UNIVERSITY students during each summer this Agreement is in effect. UNIVERSITY shall advertise the availability of the internship and shall pass along to NIKE the information provided by applicants responding to the advertising, but shall have no other influence upon the selection. Selection of the UNIVERSITY intern shall be made in NIKE's sole discretion and in keeping with NIKE's determination of the required qualifications.

10. APPROVALS OF TRADEMARK USE.

- (a) In the event NIKE desires to use the UNIVERSITY's acknowledgment of its sponsorship in any consumer message, NIKE shall first submit a sample or the concept of the proposed message to UNIVERSITY for approval, which approval shall not be unreasonably withheld. Without limiting other examples of the possible reasonable withholding of approval, UNIVERSITY's disapproval of NIKE's concept shall be deemed reasonable if such concept includes a qualitative description of a NIKE Product, price information about a NIKE Product, or any message that otherwise endorses a NIKE Product as such term is interpreted in Section 513(i) of the Internal Revenue Code and related regulations. The parties recognize that UNIVERSITY is more familiar with such regulations than NIKE and it shall be UNIVERSITY's responsibility to exercise its right of approval to manage this potential issue.

UNIVERSITY shall use its best efforts to advise NIKE of its approval or disapproval of the sample or concept within five (5) business days of its receipt thereof. UNIVERSITY's approval, or disapproval, shall be in writing. (If a submission is disapproved, UNIVERSITY's written notice thereof shall set forth in reasonable detail the basis for such disapproval.) Once a submitted sample or concept is approved, NIKE shall not depart therefrom without re-submission of the item and obtaining UNIVERSITY's further approval.

- (b) In the event UNIVERSITY desires to use the NIKE Marks in any advertising or promotion, UNIVERSITY shall first submit a sample or the concept of the proposed advertisement or promotion to NIKE for approval, which approval shall not be unreasonably withheld.

11. TRADEMARK OWNERSHIP.

- (a) 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.
- (b) 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.

12. NIKE RIGHT OF FIRST DEALING & REFUSAL.

- (a) Prior to February 1, 2018 (the "Negotiating Date"), UNIVERSITY shall not engage in discussions or negotiations (nor shall UNIVERSITY permit its agents, attorneys or representatives to do so) with any third-party regarding equipment supply for UNIVERSITY with respect to any Products, or sponsorship of any UNIVERSITY Intercollegiate Athletic Program (or similar supply or promotional arrangement) with

respect to any Products ("Product Supply/Sponsorship Rights") after the Term. It is understood that UNIVERSITY may become aware of third-party items which may be of some utility to the Intercollegiate Athletic Programs and nothing in this subparagraph 12(c) shall prohibit or bar UNIVERSITY from adopting, or discussing or negotiating the adoption of, such items, provided that such items are not Products, and otherwise subject to the provisions hereof.

- (b) During the Term and for a period of one hundred eighty (180) days thereafter, NIKE shall have the right of first refusal for Product Supply/Sponsorship Rights as defined herein, as follows. If UNIVERSITY receives any bona fide third-party offer at any time on or after the Negotiating Date with respect to any Product Supply/Sponsorship Rights, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third-party offer. NIKE shall have fifteen (15) business days from the date of its receipt of such third-party offer to notify UNIVERSITY in writing if it will enter into a new contract with UNIVERSITY on terms no less favorable to UNIVERSITY than the material, measurable and matchable terms of such third-party offer. If NIKE so notifies UNIVERSITY within such 15-day period, UNIVERSITY shall enter into a contract with NIKE on the terms of NIKE's offer. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third-party offer within such 15-day period, UNIVERSITY may thereafter consummate an agreement with such third-party on the terms of the offer made to UNIVERSITY. Prior to the Negotiating 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 Rights.

13. RIGHTS FOR NEW PRODUCTS.

From time-to-time during the term of this Agreement, NIKE may add to its Products line one or more items of sports equipment. If at any time during the Term NIKE shall have a bona fide intention to expand its Products line by adding any such item(s), then NIKE shall give UNIVERSITY six (6) months' advance written notice of the particular item(s) then in development by NIKE. Once such item is commercially available and of sufficient good quality to meet UNIVERSITY's subjective reasonable requirements, then such item(s) shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(m) above and "NIKE Products" as defined in Paragraph 1(k) above and covered in all pertinent respects by the terms hereof and UNIVERSITY shall no longer be permitted to source such Products from a manufacturer other than NIKE. Thereafter, UNIVERSITY shall make such new Product item(s) available to Team members, Coaches and/or Staff members, NIKE shall supply UNIVERSITY, free of charge, with sufficient quantities for such purpose to be mutually agreed upon by the parties, including quantities equal to or greater than the quantities of any comparable item(s) which UNIVERSITY, Team members, Coaches and/or Staff members are then receiving from a third-party, and UNIVERSITY shall thereupon distribute, as is appropriate, such new item(s) to Team members, Coaches and/or Staff members for use pursuant to the terms of this Agreement.

14. RIGHT OF TERMINATION BY UNIVERSITY.

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

- (a) NIKE is adjudicated insolvent or declares bankruptcy;

- (b) NIKE fails to make payment to UNIVERSITY of any sum due pursuant to this Agreement within thirty (30) days following NIKE's receipt of written notice from UNIVERSITY that such payment is past due;
- (c) NIKE disparages the quality or performance of the Athletic Program or its Teams, coaches or staff; or
- (d) NIKE breaches any other material provision of this Agreement, which breach NIKE fails to cure within thirty (30) days of NIKE's receipt of written notice from UNIVERSITY specifying the breach.

15. RIGHT OF TERMINATION BY NIKE.

- (a) NIKE shall have the right to terminate this Agreement immediately upon written notice to UNIVERSITY if:
 - (1) The Football or Men's Basketball Program is placed on NCAA probation which results in a television or post-season appearance ban for longer than a single playing season, or UNIVERSITY ceases for any reason to field a Division I team in either sport;
 - (2) Members of any Team fail to wear or use NIKE Products during practices, games, exhibitions, clinics, UNIVERSITY-sponsored sports camps or other official, formal Team-organized occasions during which Team members wear or use Products (including but not limited to photo sessions and interviews), or wear NIKE Products altered, spatted or taped, in violation of the provisions of Paragraph 7 above; provided, however, that NIKE shall have first provided written notice to UNIVERSITY of any such violation and such violation shall then recur during the same Contract Year;
 - (3) Any Coach, Staff or Team member fails to perform any material obligations provided for in this Agreement which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach;
 - (4) UNIVERSITY, the NCAA, the Conference or any assignee thereof (including any licensing agent or broadcast partner of the foregoing) enacts, adopts or accedes to any regulation, restriction, prohibition or practice that results in a Material Acknowledgment Loss;
 - (5) Athletic Department administration, Coaches or Staff disparages the quality or performance of NIKE Products or the brand;
 - (6) UNIVERSITY breaches any warranty or other material term of this Agreement, which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach; or
 - (7) In the event any third-party which is engaged in the manufacture, branding or marketing of Products becomes a "sponsor" in violation of the terms of Paragraph 24(a) below with the understanding that termination under this Paragraph 15(a)(7) will not be effective until the end of the then-current Contract Year and provided UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of such occurrence.

- (b) In the event of termination under this Paragraph 15 or Paragraph 14, UNIVERSITY shall not be entitled to any further compensation under this Agreement, except any unpaid Base Cash Compensation and Performance Bonuses earned prior to the effective date of termination, pro-rated (in the case of Base Cash Compensation) over the entire Contract Year and calculated to the effective date of termination. Alternatively, NIKE shall have the right to receive from UNIVERSITY reimbursement for Base Cash Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled if the Base Cash Compensation were pro-rated over the entire Contract Year, calculated to the effective date of termination. Any such payment shall be due within thirty (30) days of the date of termination.

16. NIKE POST-TERMINATION RIGHTS.

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

- (a) Run any non-cancelable media involving the UNIVERSITY Marks and exhaust all materials which were produced prior to the effective date of expiration or termination; and
- (b) Use, in perpetuity, Game Photos or Game Footage for NIKE in-house exhibition for historical, educational or commemorative purposes but not for sale or other promotional or commercial purposes.

17. INDEMNIFICATION.

NIKE shall defend, indemnify and hold harmless UNIVERSITY, its Board of Trustees, directors, officers, employees and agents (collectively, "UNIVERSITY Parties") from and against all suits, actions, claims, judgments, damages, losses or other liabilities, and all costs and expenses, including reasonable attorney fees, ("Claims") incurred by any UNIVERSITY Parties in connection therewith, arising out of or relating to NIKE's: (i) breach of any material 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 (subject to the Washington Attorney General's statutory authority to appoint legal counsel with respect to UNIVERSITY and approve settlements with respect to UNIVERSITY). 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. With respect to Internal Revenue Code Section 513(i) and related regulations, it shall be UNIVERSITY's responsibility to exercise its rights of approval over messages for and about NIKE to ensure that NIKE's payments hereunder are treated as "qualified sponsorship payments." Provided that NIKE complies with all of the approval requirements herein for sponsorship recognition and other messaging, NIKE shall not bear any responsibility for any finding by the Internal Revenue Service which results in the payment of more tax by UNIVERSITY.

18. REMEDIES.

- (a) 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 non-breaching party at law or in equity, the non-breaching party shall be entitled to seek injunctive relief from such further violation of this

Agreement, pending litigation as well as on final determination of such litigation, without prejudice to any other right of such other party.

- (b) Any dispute between the parties relating solely to the amount of a reduction to which NIKE shall be entitled pursuant to Paragraph 8(e) above shall be subject to non-binding arbitration under the Dispute Resolution Rules of the American Arbitration Association (the "AAA") then in effect. Such arbitration proceeding shall take place in Seattle before a single mutually agreed arbitrator who shall be a lawyer who is an active member of a state bar and provided such lawyer cannot be a member of either the Washington State Bar or Oregon State Bar. If UNIVERSITY and NIKE cannot agree upon the choice of the arbitrator within ten (10) days of the date the matter is submitted for arbitration, the parties shall request, and accept, assignment of an arbitrator by the AAA. Any arbitration proceeding and decision shall be private and confidential, to the extent permitted under Washington law.

19. 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, 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: Director of Sports Marketing	The University of Washington Dept. of Athletics Graves Building P.O. Box 354070 Seattle, WA 98195-4070 Attn: Athletic Director
cc: Legal Dept., Contracts Specialist (on any notice of breach) Fax: 503-646-6926	cc: Attn: Office of Legal Affairs University of Washington 4333 Brooklyn Ave. NE Seattle, WA 98195 Fax: 206-543-0779
	(on any notice of breach arising out of any breach of Paragraph 8[d]) cc: Director of Athletics Graves Building P.O. Box 354070 Seattle, WA 98195-4070

20. 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.

21. ASSIGNMENT/DELEGATION/PASS THROUGH.

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

22. 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.

23. SEVERABILITY.

Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the validity of the remainder of this Agreement or any other provision and the illegal, invalid or unenforceable provision shall be deemed by the parties as replaced by such substitute provision as shall be drafted by NIKE and approved by UNIVERSITY, in such form and substance as shall be legally valid, and as shall accomplish as near as possible the purpose and intent of the invalidated provision.

24. ADDITIONAL WARRANTIES.

- (a) UNIVERSITY represents and warrants that neither UNIVERSITY nor any Coach nor Staff member is party to any oral or written agreement, contract or understanding which would prevent, limit or hinder the performance of any obligations hereunder of UNIVERSITY, Coaches or Staff. UNIVERSITY further represents and warrants that during the term hereof UNIVERSITY will not (except as provided under Paragraph 5(a) and 7(a) above), without the prior written consent of NIKE:
 - (1) In connection with any Intercollegiate Athletic Program, enter into any endorsement, product supply, promotional, consulting or similar agreement (including the sale of signage or other media) with any person or entity who manufactures or distributes Products other than NIKE. NIKE further agrees that it shall not be a breach of this Agreement for UNIVERSITY to own and operate retail outlets, including without limitation "The Official Team Shop," which may receive signage and promotional benefits in UNIVERSITY's discretion so long as such outlet(s) continue to sell a reasonable selection of NIKE Products;
 - (2) Allow any Coach or Staff member of any Intercollegiate Athletic Program to, in violation of this Agreement, wear and/or use Products sold by any person or entity who manufactures or distributes Products other than NIKE or enter into any endorsement, product supply, promotional, consulting or similar agreement

with any person or entity who manufactures or distributes Products other than NIKE;

- (3) At any camp or clinic conducted by UNIVERSITY, UNIVERSITY shall not sponsor or endorse Products manufactured or sold by any third party;
 - (4) Sell to any person or entity Products purchased or provided hereunder by NIKE or any third-party, provided that it shall not be a violation of this Agreement for UNIVERSITY, on an occasional basis, to offer to sell to the public its used Products, or Products which in good faith it no longer contemplates using for the purposes of this Agreement;
 - (5) Permit the trade name, trademark, name, logo or any other identification of any manufacturer of Products other than NIKE, to appear on signage at home practices, games, exhibitions, clinics, UNIVERSITY-sponsored sports camps, and other official or UNIVERSITY sanctioned Intercollegiate Athletic Program Activities which are controlled by UNIVERSITY; or
 - (6) Approve use by any third-party of any game photographs or footage in which NIKE Marks that appear on Products worn and/or used by a Team member, Coach or Staff have been airbrushed, digitally altered or otherwise obscured.
- (b) UNIVERSITY represents and warrants that 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.
- (c) NIKE represents and warrants that all NIKE subcontracted factories used in connection with the manufacture of NIKE Products shall be subject to NIKE internal, and independent external, systematic monitoring for the compliance with the NIKE Code of Conduct, or the Fair Labor Association Workplace Code of Conduct.

25. CONFIDENTIALITY.

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

26. CAPTIONS.

Paragraph captions and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of the Agreement or any provision hereof.

27. CONTRACT CONSTRUCTION.

Notwithstanding any provision contained heretofore in this Agreement, the provisions of this Agreement shall be construed in a manner consistent with the intentions of UNIVERSITY and NIKE that all amounts received under this Agreement are qualified sponsorship payments as that term is defined in Section 513(i) of the Internal Revenue Code and related regulations. Consistent with that intent, nothing produced by NIKE under this Agreement shall contain: qualitative or comparative language; price information or other indication of savings or value associated with a product or service; a call to action; an endorsement or an inducement to buy, sell, rent or lease NIKE Products or services.

28. ENTIRE CONTRACT.

As of the effective date hereof, this Agreement shall constitute the entire understanding between UNIVERSITY and NIKE with regard to the specific subject matter hereof and may not be altered or modified except by a written agreement, signed by both parties. Any previous agreements between UNIVERSITY and NIKE with regard to the specific subject matter hereof shall have no further force or effect after June 30, 2009.

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

THE UNIVERSITY OF WASHINGTON

NIKE USA, Inc.

By: _____
Scott Woodward
Acting Athletic Director

By: _____
Tommy Kain
Director, Sports Marketing

By: _____
V'ella Warren
Senior Vice President Finance and Facilities

By: _____
Peter H. Koehler, Jr.
Regional Counsel

Dated: _____

Dated: _____

SCHEDULE A
Performance Bonuses*

BASEBALL	
Pac-10 Champions	\$ 2,500
Super Regional Appearance	\$ 2,500
College World Series	\$ 5,000
National Champions	\$15,000
BASKETBALL (men's)	
Pac-10 Champions	\$10,000
Final Four Appearance	\$25,000
National Champions	\$25,000
BASKETBALL (women's)	
Pac-10 Champions	\$ 5,000
Final Four Appearance	\$10,000
National Champions	\$15,000
CROSS COUNTRY (men's)	
Pac-10 Champions	\$ 2,500
National Champions	\$ 5,000
CROSS COUNTRY (women's)	
Pac-10 Champions	\$ 2,500
National Champions	\$ 5,000
CREW (men's)	
National Champions	\$ 5,000
CREW (women's)	
National Champions	\$ 5,000
FOOTBALL	
Pac-10 Champions	\$ 5,000
Non-BCS Bowl Appearance	\$ 5,000
BCS Bowl Appearance	\$25,000
BCS/National Champions	\$25,000
GOLF (men's & women's) – see Schedule A-1	
SOCCER (men's)	
Pac-10 Champions	\$ 2,500
Final Four Appearance	\$ 2,500
National Champions	\$ 2,500
SOCCER (women's)	
Pac-10 Champions	\$ 2,500
Final Four Appearance	\$ 2,500
National Champions	\$ 2,500

SOFTBALL	
Pac-10 Champions	\$ 2,500
College World Series	\$ 2,500
National Champions	\$ 2,500
INDOOR AND OUTDOOR TRACK & FIELD (men's)	
Pac-10 Champions	\$ 2,500
National Champions	\$ 5,000
INDOOR AND OUTDOOR TRACK & FIELD (women's)	
Pac-10 Champions	\$ 2,500
National Champions	\$ 5,000
GYMNASTICS	
Pac-10 Champions	\$ 1,250
National Champions	\$ 2,500
SWIMMING (men's) see Schedule A-2	
SWIMMING (women's) see Schedule A-2	
VOLLEYBALL	
Pac-10 Champions	\$ 2,500
Final Four Appearance	\$ 2,500
National Champions	\$ 2,500

* Where multiple bonuses may be earned within a sports category, such bonuses are cumulative.

**SCHEDULE A-1
(Men's Golf Program Performance Bonuses)**

TEAM BONUSES	
Wins Conference Championship	\$ 5,000
NCAA Regional Qualifier	\$ 1,000
NCAA Regional Champion	\$ 5,000 or
NCAA Finals Qualifier	\$ 2,000
NCAA Champions	(a) \$25,000 (if additional requirement 1 or 2 below is met) (b) \$50,000 (if additional requirement 3 below is met);OR (c) \$75,000 (if additional requirement 4 below is met)
NCAA 2nd Place	\$10,000
NCAA 4th through 5th Place	\$ 5,000
NCAA 6th through 10th Place	\$ 1,000
NCAA National Coach of the Year	\$ 5,000
INDIVIDUAL FINISHES*	
NCAA Champion	\$ 5,000
US Amateur Champion	\$10,000
USGA Public Links Champion	\$ 5,000
<i>*Athlete must have a NIKE driver and either a set of NIKE irons and /or a NIKE Golf Ball to qualify for bonus.</i>	
COACH*	
Qualifies for and participates in Masters, US OPEN, British Open, or PGA Championship	\$ 5,000
<i>*Must use NIKE golf ball, driver, and 11 other NIKE clubs, footwear, apparel, glove, and headwear to qualify for bonus.</i>	
ADDITIONAL REQUIREMENTS	
In order to receive 100% of the bonuses listed in this Schedule, the team must meet one of the following requirements.	
<ol style="list-style-type: none"> 1. At the conference, regional, and NCAA Finals, 2 of the 5 players must use a NIKE driver, set of (8) NIKE Irons, and use a NIKE golf ball. or 2. Have a total of 11 points on team based on the following values; <ul style="list-style-type: none"> • Driver – 1 pt • Ball – 2 pts • Set of irons (8) – 1pt • Fairway wood – ½ pt • Utility club – ½ pt • Wedge – ½ pt • Putter – ½ pt 3. 3 of 5 players at NCAA Finals use NIKE driver, ball and set of irons (8) 4. 5 of 5 players at NCAA Finals use NIKE driver, ball and set of irons (8) 	
IF A TEAM DOES NOT MEET THE MINIMUM REQUIREMENTS, THE BONUSES WILL BE REDUCED BY 10% FOR EACH POINT UNDER THE REQUIREMENT. THIS IS NOT TO EXCEED 50%.	

IF AN INDIVIDUAL DOES NOT MEET THE MINIMUM REQUIREMENTS, THE BONUSES WILL BE REDUCED BY 50%. IF THE INDIVIDUAL DOES NOT HAVE ANY OF THE REQUIRED PRODUCTS IN PLAY, NO BONUS WILL BE PAID.

**SCHEDULE A-1
(Women's Golf Program Performance Bonuses)**

TEAM BONUSES*	
Wins Conference Championship	\$ 1,000
NCAA Regional Champion	\$ 2,500
NCAA Champions	\$ 5,000
Team bonuses predicated on having at least 2 players on Team using a NIKE driver, NIKE ball and set of NIKE irons	
INDIVIDUAL FINISHES**	
NCAA Champion	\$ 5,000
USGA Amateur Champion	\$ 5,000
<i>**Athlete must have a NIKE driver and either a set of NIKE irons and /or a NIKE golf ball to qualify for bonus.</i>	

**SCHEDULE A-2
(Men's & Women's Swim Program Performance Bonuses)**

If during the Term, UNIVERSITY (or as applicable, a swimmer competes in the relevant event wearing exclusively NIKE product) achieves a performance achievement listed below, then NIKE shall pay UNIVERSITY the respective bonus amount indicated. Any bonus(es) earned hereunder this shall be paid within thirty (30) days of NIKE's receipt from UNIVERSITY of written confirmation that such payment has been earned (e.g., official published results, press release, etc.).

ACHIEVEMENT	BONUS AMOUNT
HEAD COACH BONUSES	
USA Olympic Head Coach	\$10,000
USA Olympic Coach	\$ 5,000
USA World Championship Coach (lc)	\$ 2,000
USA World Championship Coach (sc)	\$ 1,000
USA Pan Pac Coach	\$ 1,000
USA Pan Am Coach	\$ 500
NCAA Champion	\$20,000
NCAA 2 nd Place	\$10,000
NCAA 3 rd Place	\$ 7,500
NCAA 4 th – 6 th Place	\$ 5,000
NCAA 7 th – 10 th Place	\$ 2,500
NCAA 11 th – 15 th Place	\$ 1,000
NCAA 16 th – 20 th Place	\$ 500
INDIVIDUAL ATHLETE BONUSES	
USA Olympic Team - Individual Event (final)	\$ 5,000
USA Olympic Team - Individual Event	\$ 2,000
USA Olympic Team - Relay Event Only (final)	\$ 2,500
USA Olympic Team - Relay Event	\$ 1,000
USA World Championship Team (lc) - Individual Event (final)	\$ 2,000
USA World Championship Team (lc) - Individual Event	\$ 750
USA World Championship Team (lc) - Relay Event Only (final)	\$ 1,000
USA World Championship Team (lc) - Relay Event Only	\$ 500
USA Pan Pac Team - Individual Event (final)	\$ 1,000
USA Pan Am Team	\$ 750
USA World Championship Team (sc) - Individual Event (final)	\$ 750
USA World Championship Team (sc) - Individual Event	\$ 500
USA World Championship Team (sc) - Relay Event Only (final)	\$ 500
USA World Championship Team (sc) - Relay Event Only	\$ 250
Individual National Champion	\$ 1,000

*Bonus paid for individual/relay events will be the greater of the two, not combination of both.

THE UNIVERSITY OF WASHINGTON
APPEARANCE & CONSULTATION AGREEMENT

THIS IS AN AGREEMENT effective on July 1, 2009 by and between The University of Washington, on behalf of its Department of Athletics, having its principal administrative office, for the purpose of this Agreement, at Graves Building, Box 354070, Seattle, Washington 98195-4070 (hereinafter "UNIVERSITY"), and NIKE USA, Inc., an Oregon corporation having its principal offices at One Bowerman Drive, Beaverton, Oregon 97005-6453 (hereinafter "NIKE").

W I T N E S S E T H

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith);

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; and

WHEREAS, UNIVERSITY desires to acknowledge NIKE's support of the Department of Athletics as described below;

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

1. DEFINITIONS.

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

- (a) "BCS Bowl" shall mean, as of the date of execution hereof, any of the following bowl games: Orange Bowl, Sugar Bowl, Fiesta Bowl, and Rose Bowl; and the "National Championship" game. In the event of a material change in the college football bowl structure, the parties shall meet in good faith and devise appropriate language to address the new system.
- (b) "Coach" shall mean an individual employed by UNIVERSITY during the term of this Agreement to act as a head coach of an Intercollegiate Athletic Program.
- (c) "Coach Attributes" 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 identification used by such Coach.
- (d) "Conference" shall mean the intercollegiate athletic conference of which UNIVERSITY is a member for the particular Team or Program at issue herein.
- (e) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the term of this Agreement.
- (f) "Game" shall mean game, match, meet, test or such other competition reference as is appropriate to each individual sport.
- (g) "Intercollegiate Athletic Program(s)" or "Program(s)" shall mean the following organized team intercollegiate sports sponsored by UNIVERSITY: football, men's basketball, women's basketball, men's soccer, women's soccer, baseball, cheerleading/rally squad, men's crew, women's crew, men's golf, women's golf,

gymnastics, softball, men's swimming, women's swimming, men's tennis, women's tennis, men's outdoor track & field, women's outdoor track & field, men's indoor track & field, women's indoor track & field, men's cross country, women's cross country, volleyball, and such other replacement or additional intercollegiate athletic programs as may be established at that campus from time-to-time during the term of this Agreement.

- (h) "Intercollegiate Athletic Program Activities" shall mean all games, practices, exhibitions, scrimmages, team appearances, team photo sessions, UNIVERSITY-sponsored sports camps, and other Team-organized activities (including but not limited to photo shoots and interviews) during which Team members, Coaches, and Staff wear and/or use Products.
- (i) "Material Acknowledgment Loss" shall mean the removal from Authentic Competition Apparel or footwear of camera-visible manufacturer identification (i.e., the NIKE name or the Swoosh Design) from its current placement location, or the adoption by a national television broadcaster of "virtual signage" applied to Football or Men's Basketball game broadcasts which either deletes or obscures manufacturer identification on such Products or replaces it with that of a third party. For purposes of this Agreement, "virtual signage" shall mean use of L-VIS technology 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.
- (j) "NCAA" shall mean the National Collegiate Athletic Association or the governing body with jurisdiction over intercollegiate competition in any specific sport.
- (k) "NIKE" shall mean NIKE USA, Inc., its parent NIKE, Inc., and their licensees, distributors, subsidiaries, and any successor company(ies).
- (l) "NIKE Products" shall mean all Products in connection with which, or upon which, the NIKE name, the Swoosh Design, the NIKE AIR Design, the Jumpman Design or any other trademarks or brands (e.g., Jordan, Converse, Umbro) now or hereafter owned and/or controlled by NIKE (collectively, "NIKE Marks") appear.
- (m) "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 Intercollegiate Athletic Program Activities;
 - (2) authentic competition apparel consisting of uniforms, sideline or courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, wool and fitted caps, baseball/softball caps and/or visors, windsuits, rainsuits, sideline or courtside pants, shorts and shirts, and similar apparel, and activewear (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 Intercollegiate Athletic Program Activities;
 - (3) all other apparel articles of an athletic or athleisure nature including but not limited to tank-tops, T-shirts, sweatsuits, separates and other body coverings, and accessories of an athletic or athleisure nature, including but

not limited to headwear, headbands, wristbands, bags, travel bags, socks, hand-towels (not including Gatorade or other sport drink towels in the Teams' bench areas), receiver's and linemen's gloves, batting 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 Intercollegiate Athletic Program Activities; and

- (4) sports equipment including, but not limited to, inflatable balls (specifically including without limitation footballs, basketballs and volleyballs); baseball bats and other baseball equipment (including fielding gloves, and batting helmets); softball equipment (including bats, fielding gloves, batting helmets, and catchers' equipment); non-prescription protective eyewear, eyewear with performance attributes and sunglasses; sports timing devices (including wristwatches, race timers, stopwatches, etc. and devices used for competition or training that are also used in combination with timing devices such as heart-rate monitors or calorimeters; swim accessories, including but not limited to caps, nose clips, ear plugs and water bottles, swim training aids (e.g., kickboards, buoys paddles and fins); golf clubs (but subject to Paragraph 7(a)(iv) of the Product Supply Agreement between the parties), golf balls and golf bags; 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 13 of the Product Supply Agreement, provided that such Products shall meet UNIVERSITY's good faith requirements for quality.
- (n) "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers and any on-field/courtside staff that UNIVERSITY outfits (e.g., ballpersons) employed by UNIVERSITY during the term of this Agreement to provide services to Intercollegiate Athletic Programs.
- (o) "Team" shall mean that group of athletes attending the UNIVERSITY's Seattle campus during the term of this Agreement and comprising the roster of each Intercollegiate Athletic Program.
- (p) "Tier I Bowl" shall mean any of the following non-BCS Bowl games traditionally played on New Year's Day and such additional or replacement New Year's Day bowl games as may be established: the Citrus; Cotton; Gator; or Outback Bowl.
- (q) "UNIVERSITY Marks" shall mean "The University of Washington", "UW", "U of W", "Huskies", and any other recognized reference to the UNIVERSITY; all trademarks registered, filed or obtained by or for the UNIVERSITY in relation to such names; and all logos, marks and/or symbols associated with the UNIVERSITY.
- (r) "UNIVERSITY Web Site[s]" shall mean the official Internet World Wide Web site of the UNIVERSITY's athletic department, presently named <gohuskies.cstv.com>, and/or any other "official" web site designated as such by the UNIVERSITY's athletic department. It is understood that <www.washington.edu> is not included in this definition.

2. TERM.

This Agreement shall remain in full force and effect for a period of ten (10) Contract Years, from July 1, 2009 through June 30, 2019, unless sooner terminated in accordance with the terms and conditions hereof (the "Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

3. APPEARANCES, USE OF COACH ATTRIBUTES.

- (a) In an effort to promote sports participation and the values associated with such participation and to promote UNIVERSITY's athletic programs in particular, 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 Intercollegiate Athletic Program available for a minimum of one (1) personal appearance on behalf of NIKE, except that the Coach of the football team and men's and women's basketball teams shall each be made available for up to four (4) appearances, and the Coaches of the men's and women's soccer programs shall each be made available for up to four (4) appearances. No single appearance shall exceed twenty-four (24) hours in duration, including travel time, unless otherwise agreed upon in advance. Such appearances may include, but are not limited to, speaking engagements, appearances at sports clinics, celebrity events and other public appearances. No such appearance shall require any Coach to participate in messaging in any media which contains, in the UNIVERSITY's discretion, comparative or qualitative descriptions of NIKE's products, price information or other indications of savings or value about NIKE's products, any message that otherwise endorses NIKE's products or induces one to purchase or use NIKE's products, or any message that causes NIKE's payments to not be treated as "qualified sponsorship payments" as that term is defined in Internal Revenue Code Section 513(i) and related regulations. The parties recognize that UNIVERSITY is more familiar with such regulations than NIKE and it shall be UNIVERSITY's responsibility to exercise its right of approval to prevent this outcome. In this connection, the parties agree that all determinations regarding compliance with Internal Revenue Code Section 513(i) shall be made in the sole good-faith discretion of UNIVERSITY. UNIVERSITY shall receive no additional compensation for such appearances, it being understood that the consideration for such appearances is encompassed by the Compensation paid to UNIVERSITY pursuant to Paragraph 5 below.
- (b) Once during the Term, upon reasonable prior notice and subject to any other playing commitments, and if permitted under applicable NCAA and/or Conference rules or regulations, UNIVERSITY shall make its teams (e.g., men's and women's basketball, soccer), as requested by NIKE, available to participate in NIKE-sponsored tournaments.
- (c) In the event that NIKE determines, in its sole discretion, that it would be beneficial to have UNIVERSITY attend a NIKE training session, workshop, or other similar sponsor/client development opportunity, NIKE may, in NIKE's discretion, invite UNIVERSITY to attend such opportunity, and in such event, NIKE would be obligated to pay all costs, including but not limited to all travel expenses, of attendance by the number of UNIVERSITY staff members invited by NIKE, such staff members to be selected by UNIVERSITY's Athletic Director.
- (d) NIKE shall pay all reasonable and necessary travel and related expenses of each Coach, or the basketball team if applicable, in connection with any appearance hereunder.
- (e) In addition to the foregoing, subject to UNIVERSITY's prior approval in accordance with its approval rights under the parties' Product Supply Agreement with regard to NIKE's use of UNIVERSITY Marks, and consistent with subparagraph (a) above,

NIKE shall be permitted to use Coach Attributes in connection with acknowledgments of NIKE's sponsorship of UNIVERSITY's Intercollegiate Athletic Programs.

4. DESIGN CONSULTATION.

- (a) NIKE shall continue its efforts to produce high quality Products through consultation with coaches and staff of successful athletic programs such as UNIVERSITY and whose full cooperation is important to NIKE, as such individuals have knowledge that can be useful in the research, development and production of NIKE Products. UNIVERSITY shall assist in such process in an effort to ensure Team members' safety and to provide the best available equipment to Teams and to enhance the competitiveness of Teams. Upon request by NIKE, UNIVERSITY shall use its best efforts to provide NIKE with written or oral feedback from Coaches and Staff designated by NIKE 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) In an effort to ensure Team members' safety, comfort and competitiveness, UNIVERSITY shall require its coaches, as requested by NIKE, to test such specific models and/or styles of NIKE Products as NIKE may designate from time-to-time. Teams shall wear any NIKE model and/or style as they and their coaches may reasonably choose (consistent with NIKE's requests whenever possible).

5. CASH COMPENSATION.

Each Contract Year NIKE shall pay UNIVERSITY Cash Compensation in the amount of One Hundred Thousand Dollars (\$100,000) as follows: Seventy-Five Thousand Dollars (\$75,000) for appearances; and Twenty-Five Thousand Dollars (\$25,000) for design and marketing consultation paid in two (2) equal semi-annual installments to be made on July 1 and January 1 of each Contract Year.

6. NIKE RIGHT OF FIRST DEALING & REFUSAL.

- (a) Prior to February 1, 2018 (the "Negotiating Date"), UNIVERSITY shall not engage in discussions or negotiations (nor shall UNIVERSITY permit its agents, attorneys or representatives to do so) with any third-party regarding equipment supply for UNIVERSITY with respect to any Products, or sponsorship of any UNIVERSITY Intercollegiate Athletic Program (or similar supply or promotional arrangement) with respect to any Products ("Product Supply/Sponsorship Rights") after the Term. It is understood that UNIVERSITY may become aware of third-party items which may be of some utility to the Intercollegiate Athletic Programs and nothing in this subparagraph 6(c) shall prohibit or bar UNIVERSITY from adopting, or discussing or negotiating the adoption of, such items, provided that such items are not Products, and otherwise subject to the provisions hereof.
- (b) During the Term and for a period of one hundred eighty (180) days thereafter, NIKE shall have the right of first refusal for Appearance and Consultation Rights as defined herein, as follows. If UNIVERSITY receives any bona fide third-party offer at any time on or after the Negotiating Date with respect to any Appearance and Consultation Rights, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third-party offer. NIKE shall have fifteen (15) business days from the date of its receipt of such third-party offer to notify UNIVERSITY in

writing if it will enter into a new contract with UNIVERSITY on terms no less favorable to UNIVERSITY than the material, measurable and matchable terms of such third-party offer. If NIKE so notifies UNIVERSITY within such 15-day period, UNIVERSITY shall enter into a contract with NIKE on the terms of NIKE's offer. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third-party offer within such 15-day period, UNIVERSITY may thereafter consummate an agreement with such third party on the terms of the offer made to UNIVERSITY. Prior to the Negotiating 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 Appearance and Consultation Rights.

7. RIGHT OF TERMINATION BY UNIVERSITY.

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

- (a) NIKE is adjudicated insolvent or declares bankruptcy;
- (b) NIKE fails to make payment to UNIVERSITY of any sum due pursuant to this Agreement within thirty (30) days following NIKE's receipt of written notice from UNIVERSITY that such payment is past due;
- (c) NIKE disparages the quality or performance of the Athletic Program or its Teams, coaches or staff; or
- (d) NIKE breaches any other material provision of this Agreement, which breach NIKE fails to cure within thirty (30) days of NIKE's receipt of written notice from UNIVERSITY specifying the breach.

8. RIGHT OF TERMINATION BY NIKE.

- (a) NIKE shall have the right to terminate this Agreement immediately upon written notice to UNIVERSITY if:
 - (1) Any Coach or Staff member fails to perform any material obligation provided for in this Agreement which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach;
 - (2) Athletic Department administration, Coaches or Staff disparages the quality or performance of NIKE Products or the brand; or
 - (3) UNIVERSITY breaches any warranty or other material term of this Agreement, which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach.
 - (4) In the event of the termination (for any reason) of any other agreement between the parties, if any such agreements shall exist at the time.
- (b) In the event of termination under this Paragraph or Paragraph 7, UNIVERSITY shall not be entitled to any further compensation under this Agreement, except any unpaid Cash Compensation, 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 Cash Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled if the Cash Compensation were pro-rated over the entire Contract Year, calculated to the

effective date of termination. Any such payment shall be due within thirty (30) days of the date of termination.

9. INDEMNIFICATION.

NIKE shall defend, indemnify and hold harmless UNIVERSITY, its Board of Trustees, directors, officers, employees and agents (collectively, "UNIVERSITY Parties") from and against all suits, actions, claims, judgments, damages, losses or other liabilities, and all costs and expenses, including reasonable attorney fees, ("Claims") incurred by any UNIVERSITY Parties in connection therewith, arising out of or relating to NIKE's: (i) breach of any material 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 (subject to the Washington Attorney General's statutory authority to appoint legal counsel with respect to UNIVERSITY and approve settlements with respect to UNIVERSITY). 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. With respect to Internal Revenue Code Section 513(i) and related regulations, it shall be UNIVERSITY's responsibility to exercise its rights of approval over messages for and about NIKE to ensure that NIKE's payments hereunder are treated as "qualified sponsorship payments." Provided that NIKE complies with all of the approval requirements herein for sponsorship recognition and other messaging, NIKE shall not bear any responsibility for any finding by the Internal Revenue Service which results in the payment of more tax by UNIVERSITY.

10. 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 non-breaching party at law or in equity, the non-breaching party shall be entitled to seek injunctive relief from such further violation of this Agreement, pending litigation as well as on final determination of such litigation, without prejudice to any other right of such other party.

11. 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: Director of Sports Marketing	The University of Washington Dept. of Athletics Graves Building P.O. Box 354070 Seattle, WA 98195-4070 Attn: Athletic Director
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cc: Legal Dept., Contracts Specialist (on any notice of breach) Fax: 503-646-6926	cc: Attn: Office of Legal Affairs University of Washington 4333 Brooklyn Ave. NE Seattle, WA 98195 Fax: 206-543-0779
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12. 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.

13. ASSIGNMENT/DELEGATION/PASS THROUGH.

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

14. 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.

15. SEVERABILITY.

Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the validity of the remainder of this Agreement or any other provision and the illegal, invalid or unenforceable provision shall be deemed by the parties as replaced by such substitute provision as shall be drafted by NIKE, and approved by UNIVERSITY, in such form and substance as shall be legally valid, and as shall accomplish as near as possible the purpose and intent of the invalidated provision.

16. ADDITIONAL WARRANTIES.

UNIVERSITY represents and warrants that:

- (a) Neither UNIVERSITY nor any Coach nor Staff member is party to any oral or written agreement, contract or understanding which would prevent, limit or hinder the performance of any obligations hereunder of UNIVERSITY, Coaches or Staff. UNIVERSITY further represents and warrants that during the term hereof UNIVERSITY will not, without the prior written consent of NIKE:

- (1) Allow any Coach or Staff member to wear and/or use athletic footwear or other Products sold by any manufacturer or seller other than NIKE during Intercollegiate Athletic Program Activities. NIKE acknowledges that any Coach's wearing of non-athletic footwear and apparel in connection with his or her official coaching duties, as appropriate, shall not constitute a breach of this agreement;
 - (2) Sponsor, enter into, or allow any Coach or Staff member to enter into, any sponsorship, product supply or similar agreement for athletic footwear or other Products with any manufacturer or seller other than NIKE; or
 - (3) Knowingly take any action inconsistent with acknowledging NIKE's sponsorship, or allow any Coach or Staff member to take any such action.
- (b) 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.

17. CONFIDENTIALITY.

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

18. CAPTIONS.

Paragraph captions and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of the Agreement or any provision hereof.

19. CONTRACT CONSTRUCTION.

Notwithstanding any provision contained heretofore in this Agreement, the provisions of this Agreement shall be construed in a manner consistent with the intentions of UNIVERSITY and NIKE that all amounts received under this Agreement be payments for appearances designed to acknowledge NIKE's sponsorship of UNIVERSITY's Intercollegiate Athletic Programs and to compensate UNIVERSITY for its consultation related to Product performance. Consistent with that intent, nothing produced by NIKE under this Agreement shall contain: qualitative or comparative language; price information or other indication of savings or value associated with a product or service; a call to action; an endorsement or an inducement to buy, sell, rent or lease NIKE Products or services.

20. ENTIRE CONTRACT.

As of the effective date hereof, this Agreement shall constitute the entire understanding between UNIVERSITY and NIKE with regard to the specific subject matter hereof and may not be altered or modified except by a written agreement, signed by both parties. Any previous agreements between UNIVERSITY and NIKE with regard to the specific subject matter and Term hereof shall have no further force or effect after June 30, 2009.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be

executed as of the latest date written below.

THE UNIVERSITY OF WASHINGTON

NIKE USA, Inc.

By: _____
Scott Woodward
Acting Athletic Director

By: _____
Tommy Kain
Director of Sports Marketing

By: _____
V'Elia Warren
Senior Vice President Finance and Facilities

By: _____
Peter H. Koehler, Jr.
Regional Counsel

Dated: _____

Dated: _____

F-20

November 19, 2008

Transmitted via e-mail and FedEx

Mr. Craig Cole, Chair
Office of the Board of Regents
University of Washington
Room 139 Gerberding Hall
4000 15th Avenue NE
Seattle, Washington 98195

Dear Chairman Cole and Members of the Board:

During the Board's upcoming meeting, I understand that action will be taken on NIKE's proposed agreement to continue as official athletic footwear, apparel, and equipment supplier to University of Washington Athletics. This letter encourages the Board's approval and offers the following in support:

NIKE has a history of leadership and commitment to advancing working conditions in its global supply chain through the development of a code of conduct and extensive monitoring of factories. The University of Washington Board of Regents has NIKE's assurance that NIKE will continue this leadership role and its commitment of advancing working conditions by making good faith efforts to foster compliance by its factories with NIKE's Code of Conduct, as currently written, and the Fair Labor Association Workplace Code of Conduct.

Further, for Board Members who are interested, the most recent Corporate Responsibility Report for NIKE, Inc. may be found on our Website, www.nikebiz.com.

Thank you for your thoughtful consideration. We are excited by the prospect of our ongoing work together.

Sincerely,

Hannah Jones
Vice President, Corporate Responsibility

F-20.3/211-08
11/20/08

VII. STANDING COMMITTEES

A. Academic and Student Affairs Committee

In Joint Session with

B. Finance, Audit and Facilities Committee

Budget Update

This will be an oral presentation.

IV. REPORT OF THE CHAIR OF THE BOARD OF REGENTS**Resolution Regarding Schedule of Regular Board Meetings in 2009****RECOMMENDED ACTION:**

It is the recommendation of the Chair of the Board of Regents that the Board approve the following resolution regarding its schedule of regular meetings for 2009:

RESOLUTION

WHEREAS, the Bylaws of the Board of Regents and WAC 478-04-030 call for regular monthly meetings, and

WHEREAS, the schedule of meetings is to be established yearly by resolution of this Board,

NOW, THEREFORE, BE IT RESOLVED that the regular meetings of the Board of Regents be held on the following dates in 2009, subject to change, providing that due notice is given by the Secretary of the Board in accordance with the Bylaws of the Board of Regents:

January 15
February 19
March 19 at UW Bothell
April 16 *
May 14
June 11
July 16
August 20 *
September 17
October 15
November 19
December 10 *

TIME: **3:00 p.m.** (except as otherwise noted) unless public notice is given to the contrary

PLACE: **Petersen Room of the Allen Library** (except as otherwise noted)

*April, August, and December meetings will be canceled, circumstances permitting.

(Any changes in the above schedule will be announced at least 24 hours before the time of the scheduled regular meeting with due notice to press and public in accordance with RCW Chapter 42.30.)

To request disability accommodations, contact the Office of the ADA Coordinator, at least ten days in advance of the event. 206-543-6450 (voice); 206-543-6452 (TDD); 206-685-3885 (fax); access@u.washington.edu (e-mail).