

NIKE INC

FORM 8-K (Current report filing)

Filed 03/16/05 for the Period Ending 03/15/05

Address	ONE BOWERMAN DR BEAVERTON, OR 97005-6453
Telephone	5036713173
CIK	0000320187
Symbol	NKE
SIC Code	3021 - Rubber and Plastics Footwear
Industry	Footwear
Sector	Consumer Cyclical
Fiscal Year	05/31

NIKE INC

FORM 8-K (Unscheduled Material Events)

Filed 3/16/2005 For Period Ending 3/15/2005

Address	ONE BOWERMAN DR BEAVERTON, Oregon 97005-6453
Telephone	503-671-3173
CIK	0000320187
Industry	Footwear
Sector	Consumer Cyclical
Fiscal Year	05/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 14, 2005

NIKE, INC.

(Exact Name of Registrant as Specified in Charter)

<u>Oregon</u>	<u>1-10635</u>	<u>93-0584541</u>
(State of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

One Bowerman Drive
Beaverton, Oregon 97005-6453

(Address of Principal Executive Offices)

(503) 671-6453

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act

(17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On March 14, 2005, NIKE, Inc. (the "Company") and its President and Chief Executive Officer, William D. Perez, entered into the Dassault Falcon 2000EX Time-Sharing Agreement.

The following description of the Dassault Falcon 2000EX Time-Sharing Agreement briefly summarizes the terms and conditions that are material to us and are qualified in their entirety by reference to the full text of the Agreement, which is filed as exhibit 10.1 to this current report on Form 8-K.

The Agreement permits the Company, as owner of a private aircraft, to lease the aircraft and its crew for flights by Mr. Perez for non- business

purposes. The Agreement is required under Federal Aviation Administration regulations for Mr. Perez to pay the Company for the use of the aircraft. Under the Agreement, Mr. Perez will pay to the Company the aggregate incremental cost of each such flight based on the list of expenses authorized by federal regulations. The Company and flight crew retain the authority to determine what flights may be scheduled, when a flight may be cancelled or changed for safety or maintenance reasons. The Agreement terminates when Mr. Perez ceases to serve in the capacity of at least President or Chief Executive Officer of the Company.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

10.1 Dassault Falcon 2000EX Time-Sharing Agreement

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NIKE, Inc.
(Registrant)

Date: March 15, 2005

/s/ Donald W. Blair
By: _____
Donald W. Blair,
Chief Financial Officer

EXHIBIT 10.1

DASSAULT FALCON 2000EX TIME-SHARING AGREEMENT

This Agreement is made effective as of March 1, 2005 by and between NIKE, Inc., an Oregon corporation, with principal offices at One Bowerman Drive, Beaverton, Oregon 97005-6453 ("Owner"), and William D. Perez, with a principal business office address of One Bowerman Drive, Beaverton, Oregon 97005-6453 ("Lessee").

RECITALS

WHEREAS, Owner is the registered Owner of that certain civil Aircraft bearing the United States Registration Number N6453, and of the type Dassault Falcon 2000EX ("the Aircraft" or "Aircraft"); and

WHEREAS, Owner and Lessee desire to lease the Aircraft and flight crew on a time-sharing basis as defined in Section 91-501(c)(1) of the Federal Aviation Regulations ("FAR").

THEREFORE, for good and valuable consideration, Owner and Lessee hereby agree as follows:

1. Lease of Aircraft. Owner agrees to lease the Aircraft to Lessee pursuant to the provisions of FAR 91-501(c)(1) and to provide a fully qualified flight crew for all operations for the period commencing on the date of this Agreement and terminating on the date Lessee ceases to serve in the capacity of at least President or Chief Executive Officer of NIKE, Inc.

2. Expenses. Lessee shall pay Owner for each flight conducted under this Agreement the aggregate incremental cost of each specific flight. Such cost shall in no event exceed the sum of the following expenses authorized by FAR 91-501(d):

- (a) Fuel, oil, lubricants, and other additives;
- (b) Travel expenses of the crew, including food, lodging and ground transportation;
- (c) Hangar and tie down costs away from the Aircraft's base of operation;
- (d) Insurance obtained for a specific flight;
- (e) Landing fees, airport taxes and similar assessments including, but not limited to IRC Section 4261 and related excise taxes;
- (f) Customs, foreign permit, and similar fees directly related to the flight;
- (g) In-flight food and beverages;
- (h) Passenger ground transportation;
- (i) Flight planning and weather contract services; and
- (j) An additional charge equal to 100% of the expenses listed in subparagraph (a) of this Section.

3. Payment of Expenses. Owner will pay all expenses related to the operation of the Aircraft when incurred, and will provide an invoice and bill Lessee for the expenses enumerated in Section 2 above on the last day of the month in which any flight or flights for the account of Lessee occur. Lessee shall pay Owner for said expenses within 30 days of receipt of the invoice and bill therefor.

4. Scheduling. Lessee will provide Owner with requests for flight time and proposed flight schedules as far in advance of any given flight as possible, and in any case, at least 24 hours in advance of Lessee's planned departure. Requests for flight time shall be in a form, whether written or oral, mutually convenient to, and agreed upon by the parties. In addition to the proposed schedules and flight times, Lessee shall provide at least the following information for each proposed flight at some time prior to scheduled departure as required by the Owner or Owner's flight crew:

- (a) proposed departure point;
- (b) destination;
- (c) date and time of flight;
- (d) the number of anticipated passengers;
- (e) the nature and extent of luggage and/or cargo to be carried;
- (f) the date and time of return flight, if any; and
- (g) any other information concerning the proposed flight that may be pertinent or required by Owner or Owner's flight crew.

5. Conflicts in Scheduling. Owner shall have final authority over the scheduling of the Aircraft, provided, however, that Owner will use its best efforts to accommodate Lessee's needs and to avoid conflicts in scheduling.

6. Maintenance. Owner shall be solely responsible for securing maintenance, preventive maintenance and required or otherwise necessary inspections on the aircraft, and shall take such requirements into account in scheduling the Aircraft. No period of maintenance, preventive maintenance or inspection shall be delayed or postponed for the purpose of scheduling the aircraft, unless said maintenance or inspection can be safely conducted at a later time in compliance with all applicable laws and regulations, and within the sound discretion of the pilot in command. The pilot in command shall have final and complete authority to cancel any flight for any reason or condition which in his judgment would compromise the safety of the flight.

7. Flight Crew. Owner shall employ, pay for, and provide to Lessee a qualified flight crew for each flight undertaken under this Agreement.
8. Judgment of Flight Crew. In accordance with applicable FAR, the qualified flight crew provided by Owner will exercise all of its duties and responsibilities in regard to the safety of each flight conducted hereunder. Lessee specifically agrees that the flight crew, in its sole discretion, may terminate any flight, refuse to commence any flight, or take other action, which in the considered judgment of the pilot in command is necessitated by considerations of safety. No such action of the pilot in command shall create or support any liability for loss, injury, damage or delay to Lessee or any other person. The parties further agree that Owner shall not be liable for delay or failure to furnish the aircraft and crew pursuant to this Agreement when such failure is caused by government regulation or authority, mechanical difficulty, war, civil commotion, strikes or labor disputes, weather conditions, or acts of God.
9. Additional Insurance. Owner will provide such additional insurance coverage as Lessee shall request or require, provided, however, that the cost of such additional insurance shall be borne by Lessee as set forth in Section 2(d) hereof.
10. Lessee Warranties. Lessee warrants that:
- (a) He will use the Aircraft for and on account of his own business only, and will not use the Aircraft for the purpose of providing transportation of passengers or cargo in air commerce for compensation or hire;
- (b) He shall refrain from incurring any mechanics or other lien in connection with inspection, preventive maintenance, maintenance or storage of the Aircraft, whether permissible or impermissible under this Agreement, nor shall there be any attempt by any party hereto to convey, mortgage, assign, lease or any way alienate the Aircraft or create any kind of lien or security interest involving the Aircraft or do anything or take any action that might mature into such a lien; and
- (c) During the term of this Agreement, he will abide by and conform to all such laws, governmental and airport orders, rules and regulations, as shall from time to time be in effect relating in any way to the operation and use of the Aircraft by a time-sharing Lessee.
11. Base of Operation. For purposes of this Agreement, the permanent base of operation of the Aircraft shall be the Hillsboro airport, Hillsboro, Oregon.

12. Assignment; Binding Effect. Neither this Agreement nor any party's interest herein shall be assignable to any other party whatsoever. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, representatives and successors.

13. Truth in Leasing Statement.

THE AIRCRAFT, A DASSAULT FALCON 2000EX, MANUFACTURER'S SERIAL NO. 026, CURRENTLY REGISTERED WITH THE FEDERAL AVIATION ADMINISTRATION AS N6453, HAS BEEN MAINTAINED AND INSPECTED UNDER FAR PART 91 DURING THE 12-MONTH PERIOD PRECEDING THE DATE OF THIS LEASE.

THE AIRCRAFT WILL BE MAINTAINED AND INSPECTED UNDER FAR PART 91 FOR OPERATIONS TO BE CONDUCTED UNDER THIS LEASE. DURING THE DURATION OF THIS LEASE, NIKE, INC., ONE BOWERMAN DRIVE, BEAVERTON, OREGON 97005- 6453 IS CONSIDERED RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT UNDER THIS LEASE.

AN EXPLANATION OF FACTORS BEARING ON OPERATIONAL CONTROL AND PERTINENT FEDERAL AVIATION REGULATIONS CAN BE OBTAINED FROM THE NEAREST FAA FLIGHT STANDARDS DISTRICT OFFICE.

THE "INSTRUCTIONS FOR COMPLIANCE WITH TRUTH IN LEASING

REQUIREMENTS" ATTACHED HERETO ARE INCORPORATED HEREIN BY REFERENCE.

I, THE UNDERSIGNED LINDSAY D. STEWART AS VICE PRESIDENT OF NIKE, INC., ONE BOWERMAN DRIVE, BEAVERTON, OREGON 97005-6453, CERTIFY THAT IT IS RESPONSIBLE FOR OPERATIONAL CONTROL OF THE AIRCRAFT AND THAT IT UNDERSTANDS ITS RESPONSIBILITIES FOR COMPLIANCE WITH APPLICABLE FEDERAL AVIATION REGULATIONS.

IN WITNESS WHEREOF, Owner and Lessee have executed this Agreement as of the date first written above.

NIKE, Inc.

Lindsay D. Stewart
Vice President

Date and Time of Execution

William D. Perez Date and Time of Execution

End of Filing

Powered By **EDGAR**
Online

© 2005 | **EDGAR Online, Inc.**