

# NIKE INC

## FORM 8-K (Current report filing)

Filed 04/24/97 for the Period Ending 04/23/97

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 4/24/1997 For Period Ending 4/23/1997

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

# SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 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): April 23, 1997

### NIKE, INC.

(Exact Name of Registrant as Specified in Charter)

----- Oregon ----- (State or other Jurisdiction of Incorporation)	----- 1-10635 ----- (Commission File Number)	----- 93-0584541 ----- (IRS Employer Identification No.)
---	---	--

One Bowerman Drive, Beaverton, Oregon 97005  
(Address of Principal Executive Offices) (Zip Code)

(503) 671-6453  
(Registrant's telephone number, including area code)

---

(Former Name or Former Address, if Changed Since Last Report)

**Item 5. Other Events.**

On April 24, 1997, NIKE, Inc. (the "Company") filed a prospectus supplement dated April 23, 1997 and base prospectus dated November 29, 1996 relating to its Registration Statement on Form S-3, File No. 333-15953 (as amended, the "Registration Statement") relating to the offering and sale, from time to time, of up to \$300,000,000 aggregate offering price of its Medium-Term Notes (the "Notes").

On April 23, 1997, the Company entered into a Distribution Agreement (the form of which is attached hereto as Exhibit 1.1) with Goldman, Sachs & Co., Lehman Brothers Inc., Merrill Lynch, Pierce Fenner & Smith Incorporated and Salomon Brothers Inc (collectively, the "Agents") pursuant to which the Company appointed each Agent as an agent of the Company for the purpose of soliciting and receiving offers to purchase the Notes from the Company.

In connection with the commencement of its Medium-Term Note Program on April 23, 1997, pursuant to an Indenture among the Company and The First National Bank of Chicago (the form of which was filed as an exhibit to the Registration Statement), the Company delivered an Officers' Certificate (the form of which is attached hereto as Exhibit 4.1) to The First National Bank of Chicago, setting forth the terms of the Notes.

**Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.**

(c) The following exhibits are filed as part of this Report:

1.1 Form of Distribution Agreement dated April 23, 1997 among NIKE, Inc. and Goldman, Sachs & Co., Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc, together with Annex I and Annex II but excluding Annex III.

4.1 Form of Officers' Certificate pursuant to the Indenture, dated as of December 13, 1996, between NIKE, Inc. and The First National Bank of Chicago, as Trustee, setting forth the terms of NIKE, Inc.'s Fixed Rate Medium-Term Note and Floating Rate Medium-Term Note, without annexes.

4.2 Form of Fixed Rate Medium-Term Note.

4.3 Form of Floating Rate Medium-Term Note.

**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.

Dated: April 23, 1997  
NIKE, Inc.

By: \_\_\_\_\_ /s/ Robert S. Falcone

-----  
Name: Robert S. Falcone  
Title: Vice President and  
Chief Financial Officer

## EXHIBIT INDEX

### **Exhibit**

1.1 Form of Distribution Agreement dated April 23, 1997 among NIKE, Inc. and Goldman, Sachs & Co., Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc, together with Annex I and Annex II but excluding Annex III.

4.1 Form of Officers' Certificate pursuant to the Indenture, dated as of December 13, 1996, between NIKE, Inc. and The First National Bank of Chicago, as Trustee, setting forth the terms of NIKE, Inc.'s Fixed Rate Medium-Term Note and Floating Rate Medium-Term Note, without annexes.

4.2 Form of Fixed Rate Medium-Term Note.

4.3 Form of Floating Rate Medium-Term Note.

**EXHIBIT 1.1**

**NIKE, INC.**

\$300,000,000

**MEDIUM-TERM NOTES**

**Distribution Agreement**

April 23, 1997

Goldman, Sachs & Co.,  
Lehman Brothers Inc.,  
Merrill Lynch, Pierce, Fenner & Smith  
Incorporated,  
Salomon Brothers Inc,  
c/o Goldman, Sachs & Co.,  
555 California Street, Suite 4500,  
San Francisco, California 94104.

Ladies and Gentlemen:

NIKE, Inc., an Oregon corporation (the "Company"), proposes to issue and sell from time to time its Medium-Term Notes Due Nine Months or More From Date of Issue (the "Securities") in an aggregate initial public offering price up to \$300,000,000 (or the equivalent thereof in foreign currencies or composite currencies) and agrees with each of you (individually, an "Agent", and collectively, the "Agents") as set forth in this Agreement.

Subject to the terms and conditions stated herein and to the reservation by the Company of the right to sell Securities directly on its own behalf, the Company hereby (i) appoints each Agent as an agent of the Company for the purpose of soliciting and receiving offers to purchase Securities from the Company pursuant to Section 2(a) hereof and (ii) agrees that, except as otherwise contemplated herein, whenever it determines to sell Securities directly to any Agent as principal, it will enter into a separate agreement (each a "Terms Agreement"), substantially in the form of Annex I hereto, relating to such sale in accordance with Section 2(b) hereof. This Distribution Agreement shall not be construed to create either an obligation on the part of the Company to sell any Securities or an obligation of any of the Agents to purchase Securities as principal.

The Company reserves the right to sell Securities through one or more additional agents or directly to certain investment banking firms as underwriters for resale to the public on terms substantially identical to the terms contained herein. No commission will be payable to the Agents on any Securities sold through other agents or directly by the Company to underwriters. The Company has additionally reserved the right to sell Securities to investors on its own behalf in those

jurisdictions where it is authorized to do so. These provisions shall not limit Section 4(f) hereof or any similar provision included in any Terms Agreement.

The Securities will be issued under an indenture, dated as of December 13, 1996 (the "Indenture"), between the Company and The First National Bank of Chicago, as Trustee (the "Trustee"). The Securities shall have the maturity ranges, interest rates, if any, redemption provisions and other terms set forth in the Prospectus referred to below as it may be amended or supplemented from time to time. The Securities will be issued, and the terms and rights thereof established, from time to time by the Company in accordance with the Indenture.

1. The Company represents and warrants to, and agrees with, each Agent that:

(a) A registration statement on Form S-3 (File No. 333-15953) (the "Initial Registration Statement") in respect of the Securities has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement, as amended, and any post-effective amendment thereto, each in the form heretofore delivered or to be delivered to such Agent, excluding exhibits to such registration statement, but including all documents incorporated by reference in the prospectus included therein, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Securities Act"), which became effective upon filing, and other than those documents referred to above in this Section 1(a), no other document with respect to the Initial Registration Statement or documents incorporated by reference therein has heretofore been filed or transmitted for filing with the Commission (other than the prospectuses filed pursuant to Rule 424(b) of the rules and regulations of the Commission under the Securities Act, each in the form heretofore delivered to the Agents); and no stop order suspending the effectiveness of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Securities Act is hereinafter called a "Preliminary Prospectus"; the various parts of the Initial Registration Statement, including all exhibits thereto and the documents incorporated by reference in the prospectus contained in the registration statement at the time such part of the registration statement became effective but excluding the statement of eligibility of the trustee on Form T-1, each as amended at the time such part of the registration statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement"; the prospectus (including, if applicable, any prospectus supplement) relating to the Securities, in the form in which it has most recently been filed, or transmitted for filing, with the Commission on or prior to the date of this Agreement, is hereinafter called the "Prospectus"; any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to the applicable form under the Securities Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus, including any supplement to the Prospectus that sets forth only the terms of a particular issue of the Securities (a "Pricing Supplement"), shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be, as of the date of such amendment or supplement; any reference to any

amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13 (a) or 15(d) of the Exchange Act after the effective date of the Initial Registration Statement that is incorporated by reference in the Registration Statement; and any reference to the Prospectus as amended or supplemented shall be deemed to refer to and include the Prospectus as amended or supplemented (including by the applicable Pricing Supplement filed in accordance with Section 4(a) hereof) in relation to Securities to be sold pursuant to this Agreement, in the form in which it is filed with the Commission pursuant to Rule 424(b) of the rules and regulations of the Commission under the Securities Act and in accordance with Section 4(a) hereof, including any documents incorporated by reference therein as of the date of such filing);

(b) The documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder;

(c) The Registration Statement and the Prospectus conform in all material respects to the requirements of the Securities Act and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the rules and regulations of the Commission thereunder; the Registration Statement, as amended, does not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Prospectus does not and will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by any Agent expressly for use in the Prospectus as amended or supplemented to relate to a particular issuance of Securities;

(d) Neither the Company nor any of its significant subsidiaries (as such term is defined in Rule 1-02 of Regulation S-X under the Exchange Act (each, a "Significant Subsidiary")) has sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth in or contemplated by the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Prospectus, there has not been any decrease in the capital stock of the Company or any of its Significant Subsidiaries (other than as required pursuant to any stock repurchase plan that has been disclosed or incorporated by reference in the Prospectus) or an increase in the consolidated long-term debt of the Company in excess of \$100 million (excluding Securities issued under the Medium-Term Note Program established by this Agreement) or any material adverse change, or any development involving a prospective material adverse change, in the general affairs, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries (a "Material Adverse Change"), otherwise than as set forth in or contemplated by the Prospectus;

(e) The Company has been duly incorporated and is validly existing as a corporation under the laws of the State of Oregon, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus;

(f) The Company has an authorized capitalization as set forth or incorporated by reference in the Prospectus, and all of the issued shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable;

(g) The Securities have been duly authorized, and, when issued and delivered pursuant to this Agreement and any Terms Agreement, will have been duly executed, authenticated, issued and delivered and will constitute valid and legally binding obligations of the Company entitled to the benefits provided by the Indenture, which will be substantially in the form filed as an exhibit to the Registration Statement; the Indenture has been duly authorized and duly qualified under the Trust Indenture Act and constitutes a valid and legally binding instrument, enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; and the Indenture conforms and the Securities of any particular issuance of Securities will conform in all material respects to the descriptions thereof contained in the Prospectus as amended or supplemented to relate to such issuance of Securities;

(h) The issue and sale of the Securities, the compliance by the Company with all of the provisions of the Securities, the Indenture, this Agreement and any Terms Agreement, and the consummation of the transactions herein and therein contemplated will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any of the property or assets of the Company is subject, (ii) result in any violation of the provisions of the Articles of Incorporation or By-laws of the Company or (iii) result in the violation of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its properties, in each case (i) or (iii) above other than such breaches, conflicts, violations or defaults which, individually or in the aggregate,

(x) would not have a material adverse effect on the Company and its subsidiaries taken as a whole and (y) would not affect the validity, performance or consummation of the transactions contemplated by this Agreement; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the solicitation of offers to purchase Securities, the issue and sale of the Securities or the consummation by the Company of the transactions contemplated by this Agreement, any Terms Agreement or the Indenture, except (x) such as have been, or will have been prior to the Commencement Date (as defined in Section 3 hereof), obtained under the Securities Act and the Trust Indenture Act, (y) such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the solicitation by such Agent of offers to purchase Securities from the Company and with purchases of Securities by such Agent as principal, as the case may be, in each case in the manner contemplated hereby and (z) such consents, approvals, authorizations, orders, registrations or qualifications which (individually or in the aggregate) the failure to make, obtain or comply with (a) would not have a material adverse effect on the Company and its subsidiaries taken as a whole and (b) would not affect the validity, performance or consummation of the transactions contemplated by this Agreement, any Terms Agreement or the Indenture;

(i) The statements set forth in the Prospectus under the captions "Description of Debt Securities" and "Description of the Notes", insofar as they purport to constitute a summary of

the terms of the Securities, conform in all material respects to the rights set forth in the instruments defining the same;

(j) Neither the Company nor any of its Significant Subsidiaries is in violation of its Certificate or Articles of Incorporation, as applicable, or By-laws or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except for such defaults that would not reasonably be expected to result in a Material Adverse Change to the Company or such Significant Subsidiary, as the case may be;

(k) Other than as set forth in the Prospectus, there are no legal or governmental proceedings pending to which the Company or any of its Significant Subsidiaries is a party or of which any property of the Company or any of its Significant Subsidiaries is the subject which, if determined adversely to the Company or any of its Significant Subsidiaries, would individually or in the aggregate reasonably be expected to result in a Material Adverse Change to the Company and its subsidiaries taken as a whole; and, to the best of the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or threatened by others;

(l) The Company is not and, after giving effect to each offering and sale of the Securities, will not be an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(m) Immediately after any sale of Securities by the Company hereunder or under any Terms Agreement, the aggregate amount of Securities which shall have been issued and sold by the Company hereunder or under any Terms Agreement and of any debt securities of the Company (other than such Securities) that shall have been issued and sold pursuant to the Registration Statement will not exceed the amount of debt securities registered under the Registration Statement;

(n) Price Waterhouse LLP, who have certified certain financial statements of the Company and its subsidiaries, are independent public accountants as required by the Securities Act and the rules and regulations of the Commission thereunder;

(o) Other than as set forth in the Prospectus, the Company and its subsidiaries own or have valid, binding, enforceable licenses or other rights to use any patents, trademarks, trade names, service marks, service names, copyrights, and other proprietary intellectual property rights ("Intellectual Property") necessary to conduct the business of the Company and its subsidiaries in the manner in which it has been and is being conducted, without any conflict with the rights of others, except for such conflicts as do not and would not reasonably be expected to result in a Material Adverse Change to the Company and its subsidiaries, taken as a whole; the information contained or incorporated by reference in the Registration Statement and Prospectus concerning patents issued to, or patent applications filed on behalf of, the Company and its subsidiaries is accurate in all material respects; and, except as described in the Prospectus, neither the Company nor any of its subsidiaries has received any notice from any other person of infringement of or conflict with (and knows of no such infringement of or conflict with) asserted rights of others with respect to any Intellectual Property or any trade secrets, proprietary information, know-how, processes and procedures

owned or used by or licensed to the Company or any of its subsidiaries, which if determined adversely to the Company or any of its subsidiaries would, individually or in the aggregate, reasonably be expected to result in a Material Adverse Change to the Company and its subsidiaries, taken as a whole; and

(p) The Medium-Term Note Program under which the Securities are issued, as well as the Securities, are rated A1 by Moody's Investors Service, Inc. and A+ by Standard & Poor's Ratings Service, or such other rating as specified in the applicable Terms Agreement or that shall have otherwise been publicly disclosed.

2. (a) On the basis of the representations and warranties herein contained, and subject to the terms and conditions herein set forth, each of the Agents hereby severally and not jointly agrees, as agent of the Company, to use its reasonable efforts to solicit and receive offers to purchase the Securities from the Company upon the terms and conditions set forth in the Prospectus as amended or supplemented from time to time.

Procedural details relating to the issue and delivery of Securities, the solicitation of offers to purchase Securities and the payment in each case therefor shall be as set forth in the Administrative Procedure attached hereto as Annex II as it may be amended from time to time by written agreement between the Agents and the Company (the "Administrative Procedure"). The provisions of the Administrative Procedure shall apply to all transactions contemplated hereunder other than those made pursuant to a Terms Agreement. Each Agent and the Company agree to perform the respective duties and obligations specifically provided to be performed by each of them in the Administrative Procedure. The Company will furnish to the Trustee a copy of the Administrative Procedure as from time to time in effect.

The Company reserves the right, in its sole discretion, to instruct the Agents to suspend at any time, for any period of time or permanently, the solicitation of offers to purchase the Securities. As soon as practicable, but in any event not later than one business day in New York City, after receipt of notice from the Company, the Agents will suspend solicitation of offers to purchase Securities from the Company until such time as the Company has advised the Agents that such solicitation may be resumed. During such period, the Company shall not be required to comply with the provisions of Sections 4(h), 4(i), 4(j), 4(k) and 4(l), provided that no Agent then holds any Securities purchased from the Company as principal. Upon advising the Agents that such solicitation may be resumed, however, the Company shall simultaneously provide the documents required to be delivered by Sections 4(h), 4(i), 4(j), 4(k) and 4(l), and the Agents shall have no obligation to solicit offers to purchase the Securities until such documents have been received by the Agents. In addition, any failure by the Company to comply with its obligations hereunder, including without limitation its obligations to deliver the documents required by Sections 4(h), 4(i), 4(j), 4(k) and 4(l), shall automatically terminate the Agents' obligations hereunder, including without limitation its obligations to solicit offers to purchase the Securities hereunder as agent or to purchase Securities hereunder as principal.

The Company agrees to pay each Agent a commission, at the time of settlement of any sale of a Security by the Company as a result of a solicitation made by such Agent, which may be an amount equal to the following applicable percentage of the principal amount of such Security sold:

Range of Maturities -----	Commission (percentage of aggregate principal amount of Securities sold) -----
From 9 months to less than 1 year	.125%
From 1 year to less than 18 months	.150%
From 18 months to less than 2 years	.200%
From 2 years to less than 3 years	.250%
From 3 years to less than 4 years	.350%
From 4 years to less than 5 years	.450%
From 5 years to less than 6 years	.500%
From 6 years to less than 7 years	.550%
From 7 years to less than 10 years	.600%
From 10 years to less than 15 years	.625%
From 15 years to less than 20 years	.675%
From 20 years to less than 30 years	.750%
30 years and more	*

\* To be determined at the time of issuance.

(b) Each sale of Securities to any Agent as principal shall be made in accordance with the terms of this Agreement and (unless the Company and such Agent shall otherwise agree) a Terms Agreement which will provide for the sale of such Securities to, and the purchase thereof by, such Agent; a Terms Agreement may also specify certain provisions relating to the reoffering of such Securities by such Agent; the commitment of any Agent to purchase Securities as principal, whether pursuant to any Terms Agreement or otherwise, shall be deemed to have been made on the basis of the representations and warranties of the Company herein contained and shall be subject to the terms and conditions herein set forth; each Terms Agreement shall specify the principal amount of Securities to be purchased by any Agent pursuant thereto, the price to be paid to the Company for such Securities, any provisions relating to rights of, and default by, underwriters acting together with such Agent in the reoffering of the Securities and the time and date and place of delivery of and payment for such Securities; and such Terms Agreement shall also specify any requirements for opinions of counsel, accountants' letters and officers' certificates pursuant to Section 4 hereof. Each Agent proposes to offer Securities purchased by it as principal for sale at prevailing market prices or prices related thereto at the time of sale, which may be equal to, greater than or less than the price at which such Securities are purchased by such Agent from the Company.

For each sale of Securities to an Agent as principal that is not made pursuant to a Terms Agreement, the procedural details relating to the issue and delivery of such Securities and payment therefor shall be as set forth in the Administrative Procedure. For each such sale of Securities to an Agent as principal that is not made pursuant to a Terms Agreement, the Company agrees to pay such Agent a commission (or grant an equivalent discount) as provided in Section 2(a) hereof and in accordance with the schedule set forth therein.

Each time and date of delivery of and payment for Securities to be purchased by an Agent as principal, whether set forth in a Terms Agreement or in accordance with the Administrative Procedure, is referred to herein as a "Time of Delivery".

(c) Each Agent agrees, with respect to any Security denominated in a currency other than U.S. dollars, as agent, directly or indirectly, not to solicit offers to purchase, and as principal under any Terms Agreement or otherwise, directly or indirectly, not to offer, sell or deliver, such Security in, or to residents of, the country issuing such currency, except as permitted by applicable law.

3. The documents required to be delivered pursuant to Section 6 hereof on the Commencement Date (as defined below) shall be delivered to the Agents at the offices of Latham & Watkins, 505 Montgomery Street, San Francisco, California 94111 at 8:00 a.m., San Francisco time, on the date of this Agreement (such time and date being referred to herein as the "Commencement Date"), which time and date of such delivery may be postponed by agreement between the Agents and the Company but in no event shall be later than the day prior to the date on which solicitation of offers to purchase Securities is commenced or on which any Terms Agreement is executed.

4. The Company covenants and agrees with each Agent:

(a) (i) To make no amendment or supplement to the Registration Statement or the Prospectus (other than through the filing of reports under the Exchange Act) (A) prior to the Commencement Date which shall be reasonably disapproved by any Agent promptly after reasonable notice thereof or (B) after the date of any Terms Agreement or other agreement by an Agent to purchase Securities as principal and prior to the related Time of Delivery which shall be reasonably disapproved by any Agent party to such Terms Agreement or so purchasing as principal promptly after reasonable notice thereof; (ii) to prepare, with respect to any Securities to be sold through or to such Agent pursuant to this Agreement, a Pricing Supplement with respect to such Securities in a form previously approved by such Agent and to file such Pricing Supplement pursuant to Rule 424(b)(3) under the Securities Act not later than the close of business of the Commission on the fifth business day after the date on which such Pricing Supplement is first used; (iii) to make no amendment or supplement to the Registration Statement or Prospectus, other than through the filing of reports under the Exchange Act and other than any Pricing Supplement, at any time prior to having afforded each Agent a reasonable opportunity to review and comment thereon; (iv) to file promptly all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act for so long as the delivery of a prospectus is required in connection with the offering or sale of the Securities, and during such same period to advise such Agent, promptly after the Company receives notice thereof, of the time when any amendment to the Registration Statement has been filed or has become effective or any supplement to the Prospectus or any amended Prospectus (other than any Pricing Supplement that relates to Securities not purchased through or by such Agent) has been filed with the Commission, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any prospectus relating to the Securities, of the suspension of the qualification of the Securities for offering or sale in any jurisdiction, of the initiation or, to the best knowledge of the Company, threatening of any proceeding for any such purpose, or of any request by the Commission for the amendment or supplement of the Registration Statement or Prospectus or for additional information; and (v) in the event of the issuance of any such stop order or of any such order preventing or suspending the use of any prospectus relating to the Securities or suspending any such qualification, to use promptly its reasonable best efforts to obtain its withdrawal;

(b) Promptly from time to time to take such action as such Agent may reasonably request to qualify the Securities for offering and sale under the securities laws of such jurisdictions as such Agent may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution or sale of the Securities; provided, however, that in connection therewith the Company shall not be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) To furnish such Agent with copies of the Registration Statement and each amendment thereto, with copies of the Prospectus as each time amended or supplemented, other than any Pricing Supplement (except as provided in the Administrative Procedure), in the form in which it is filed with the Commission pursuant to Rule 424 under the Securities Act, and with copies of the documents incorporated by reference therein, all in such quantities as such Agent may reasonably request from time to time; and, if the delivery of a prospectus is required at any time in connection with the offering or sale of the Securities (including Securities purchased from the Company by such Agent as principal) and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Securities Act, the Exchange Act or the Trust Indenture Act, to notify such Agent and request such Agent, in its capacity as agent of the Company, to suspend solicitation of offers to purchase Securities from the Company (and, if so notified, such Agent shall cease such solicitations as soon as practicable, but in any event not later than one business day later); and if the Company shall decide to amend or supplement the Registration Statement or the Prospectus as then amended or supplemented, to so advise such Agent promptly by telephone (with confirmation in writing) and to prepare and cause to be filed promptly with the Commission an amendment or supplement to the Registration Statement or the Prospectus as then amended or supplemented that will correct such statement or omission or effect such compliance; provided, however, that if during such same period such Agent continues to own Securities purchased from the Company by such Agent as principal or such Agent is otherwise required to deliver a prospectus in respect of transactions in the Securities, the Company shall promptly prepare and file with the Commission such an amendment or supplement;

(d) To make generally available to its securityholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Securities Act), an earning statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Securities Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) So long as any Securities are outstanding, to furnish to such Agent copies of all reports or other communications (financial or other) furnished to stockholders, and deliver to such Agent (i) copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed promptly after such reports and financial statements are so furnished or filed; and (ii) such additional information concerning the business and financial condition of the Company as such Agent may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its

subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission);

(f) That during the period beginning from the date of any Terms Agreement with such Agent or other agreement by such Agent to purchase Securities as principal and continuing to and including the related Time of Delivery or, if such Agent has notified the Company in writing prior to such Time of Delivery that the trading restrictions for the Securities purchased under such agreement have not terminated, such later date as such Agent shall notify the Company in writing of the termination of such trading restrictions, not to offer, sell, contract to sell or otherwise dispose of any debt securities of the Company which both mature more than 9 months after such Time of Delivery and are substantially similar to the Securities, without the prior written consent of such Agent;

(g) That each acceptance by the Company of an offer to purchase Securities hereunder (including any purchase by such Agent as principal not pursuant to a Terms Agreement), and each execution and delivery by the Company of a Terms Agreement with such Agent, shall be deemed to be an affirmation to such Agent that the representations and warranties of the Company contained in or made pursuant to this Agreement are true and correct as of the date of such acceptance or of such Terms Agreement, as the case may be, as though made at and as of such date, and an undertaking that such representations and warranties will be true and correct as of the settlement date for the Securities relating to such acceptance or as of the Time of Delivery relating to such sale, as the case may be, as though made at and as of such date (except that such representations and warranties shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented relating to such Securities);

(h) That reasonably in advance of each time the Registration Statement or the Prospectus shall be amended or supplemented (other than by a Pricing Supplement), each time a report on Form 10-K filed by the Company under the Exchange Act is incorporated by reference into the Prospectus, and each time the Company sells Securities to such Agent as principal pursuant to a Terms Agreement and such Terms Agreement specifies the delivery of an opinion or opinions by Sullivan & Cromwell, counsel to the Agents, as a condition to the purchase of Securities pursuant to such Terms Agreement, the Company shall furnish to such counsel such papers and information as they may reasonably request to enable them to furnish to such Agent the opinion or opinions referred to in Section 6(b) hereof;

(i) That each time the Registration Statement or the Prospectus shall be amended or supplemented (other than by a Pricing Supplement), each time a report on Form 10-Q or a report on Form 10-K filed by the Company under the Exchange Act is incorporated by reference into the Prospectus and each time the Company sells Securities to such Agent as principal pursuant to a Terms Agreement and such Terms Agreement specifies the delivery of an opinion under this Section 4(i) as a condition to the purchase of Securities pursuant to such Terms Agreement, the Company shall furnish or cause to be furnished forthwith to such Agent a written opinion of Paul J. Kelly, Jr., General Counsel for the Company, or other counsel for the Company satisfactory to such Agent, dated the date of such amendment, supplement, incorporation or Time of Delivery relating to such sale, as the case may be, in form satisfactory to such Agent, to the effect that such Agent may rely on the opinion of such counsel referred to in Section 6(d) hereof which was last furnished to such Agent to the same extent as though it were dated the date of such letter authorizing reliance (except that the statements in such last opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such date) or, in lieu of such opinion, an opinion of the same tenor as the opinion of such counsel referred to in Section 6(d) hereof

but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to such date; provided, that if on the date any such opinion is required to be delivered under this Section 4(i) an opinion of other counsel to the Company is not required to be delivered under

Section 4(j) of this Agreement, the opinion to be delivered under this

Section 4(i) shall be of the same tenor as the opinions referred to in

Section 6(d) and in paragraphs (v) and (vi) and the paragraph of text following paragraph (vi) of Section 6(c) hereof;

(j) That each time a report on Form 10-K filed by the Company under the Exchange Act is incorporated by reference into the Prospectus, and each time the Company sells Securities to such Agent as principal pursuant to a Terms Agreement and such Terms Agreement specifies the delivery of an opinion under this Section 4(j) as a condition to the purchase of Securities pursuant to such Terms Agreement, the Company shall furnish or cause to be furnished forthwith to such Agent a written opinion of Latham & Watkins or other counsel for the Company satisfactory to such Agent, dated the date of such incorporation, in form satisfactory to such Agent, to the effect that such Agent may rely on the opinion of such counsel referred to in Section 6(c) hereof which was last furnished to such Agent to the same extent as though it were dated the date of such letter authorizing reliance (except that the statements in such last opinion shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such date) or, in lieu of such opinion, an opinion of the same tenor as the opinion of such counsel referred to in Section 6(c) hereof but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to such date;

(k) That each time the Registration Statement or the Prospectus shall be amended or supplemented and each time that a report on Form 10-Q or a report on Form 10-K filed by the Company under the Exchange Act is incorporated by reference into the Prospectus, in either case to set forth financial information included in or derived from the Company's consolidated financial statements or accounting records, and each time the Company sells Securities to such Agent as principal pursuant to a Terms Agreement and such Terms Agreement specifies the delivery of a letter under this Section 4(k) as a condition to the purchase of Securities pursuant to such Terms Agreement, the Company shall cause the independent certified public accountants who have certified the financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement forthwith to furnish such Agent a letter, dated the date of such amendment, supplement, incorporation or Time of Delivery relating to such sale, as the case may be, in form satisfactory to such Agent, of the same tenor as the letter referred to in Section 6(e) hereof but modified to relate to the Registration Statement and the Prospectus as amended or supplemented to the date of such letter, with such changes as may be necessary to reflect changes in the financial statements and other information derived from the accounting records of the Company, to the extent such financial statements and other information are available as of a date not more than five business days prior to the date of such letter; provided, however, that, with respect to any financial information or other matter, such letter may reconfirm as true and correct at such date as though made at and as of such date, rather than repeat, statements with respect to such financial information or other matter made in the letter referred to in Section 6(e) hereof which was last furnished to such Agent; and

(l) That each time the Registration Statement or the Prospectus shall be amended or supplemented (other than by a Pricing Supplement), each time a document filed under the Securities Act or the Exchange Act is incorporated by reference into the Prospectus and each time the Company sells Securities to such Agent as principal and the applicable Terms Agreement specifies the delivery of a certificate under this Section 4(l) as a condition to the

purchase of Securities pursuant to such Terms Agreement, the Company shall furnish or cause to be furnished forthwith to such Agent a certificate, dated the date of such supplement, amendment, incorporation or Time of Delivery relating to such sale, as the case may be, in such form and executed by such officers of the Company as shall be satisfactory to such Agent, to the effect that the statements contained in the certificates referred to in Section 6(j) hereof which was last furnished to such Agent are true and correct at such date as though made at and as of such date (except that such statements shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such date) or, in lieu of such certificate, certificates of the same tenor as the certificates referred to in said Section 6(j) but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to such date.

5. The Company covenants and agrees with each Agent that the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants in connection with the registration of the Securities under the Securities Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus, the Prospectus and any Pricing Supplements and all other amendments and supplements thereto and the mailing and delivering of copies thereof to such Agent; (ii) the fees, disbursements and expenses of counsel for the Agents in connection with the establishment of the program contemplated hereby, any opinions to be rendered by such counsel hereunder and under any Terms Agreement and the transactions contemplated hereunder and under any Terms Agreement; (iii) the cost of printing, producing or reproducing this Agreement, any Terms Agreement, the Indenture, any Blue Sky survey, closing documents and any other documents in connection with the offering, purchase, sale and delivery of the Securities; (iv) all expenses in connection with the qualification of the Securities for offering and sale under state securities laws as provided in Section 4(b) hereof, including any reasonable fees and disbursements in connection with such qualification and in connection with any Blue Sky surveys; (v) any fees charged by securities rating services for rating the Securities; (vi) the cost of preparing the Securities; (vii) the fees and expenses of any Trustee and any agent of any Trustee and any transfer or paying agent of the Company and the fees and disbursements of counsel for any Trustee or such agent in connection with any Indenture and the Securities; (viii) any advertising expenses connected with the solicitation of offers to purchase and the sale of Securities so long as such advertising expenses have been approved in writing by the Company; and (ix) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. Except as provided in Sections 7 and 8 hereof, each Agent shall pay all other expenses it incurs.

6. The obligation of any Agent, as agent of the Company, at any time ("Solicitation Time") to solicit offers to purchase the Securities, the obligation of any Agent to purchase Securities as principal, pursuant to any Terms Agreement or otherwise, and the obligation of any purchaser of Securities sold through an Agent, as Agent, to purchase and pay for Securities as a result of any such accepted offer shall in each case be subject to the condition that all representations and warranties and other statements of the Company herein (and, in the case of an obligation of an Agent under a Terms Agreement, in or incorporated by reference in such Terms Agreement) are true and correct at and as of the Commencement Date and any applicable date referred to in Section 4(l) hereof that is prior to such Solicitation Time or Time of Delivery, as the case may be, and at and as of such Solicitation Time or Time of Delivery, as the case may be, the condition that prior to such Solicitation Time or Time of Delivery, as the case may be, the Company shall have performed all of its obligations hereunder theretofore to be performed, and the following additional conditions:

(a) (i) With respect to any Securities sold at or prior to such Solicitation Time or Time of Delivery, as the case may be, the Prospectus as amended or supplemented (including the Pricing Supplement) with respect to such Securities shall have been filed with the Commission

pursuant to Rule 424(b) of the rules and regulations of the Commission under the Securities Act within the applicable time period prescribed for such filing by the rules and regulations under the Securities Act and in accordance with Section 4(a) hereof; (ii) no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceeding for that purpose shall have been initiated or to the best of the Company's knowledge threatened by the Commission; and (iii) all requests for additional information on the part of the Commission shall have been complied with to the reasonable satisfaction of such Agent;

(b) Sullivan & Cromwell, counsel to the Agents, shall have furnished to such Agent (i) such opinion or opinions, dated the Commencement Date, with respect to the incorporation of the Company, the Indenture, the Securities, the Registration Statement, the Prospectus as amended or supplemented and such other related matters as such Agent may reasonably request and (ii) if and to the extent requested by such Agent, with respect to each applicable date referred to in Section 4(h) hereof that is on or prior to such Solicitation Time or Time of Delivery, as the case may be, an opinion or opinions, dated such applicable date, to the effect that such Agent may rely on the opinion or opinions which were last furnished to such Agent pursuant to this Section 6(b) to the same extent as though it or they were dated the date of such letter authorizing reliance (except that the statements in such last opinion or opinions shall be deemed to relate to the Registration Statement and the Prospectus as amended and supplemented to such date) or, in any case, in lieu of such an opinion or opinions, an opinion or opinions of the same tenor as the opinion or opinions referred to in clause (i) but modified to relate to the Registration Statement and the Prospectus as amended and supplemented to such date; and in each case such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Latham & Watkins, counsel for the Company, shall have furnished to such Agent their written opinion, dated the Commencement Date and each applicable date referred to in Section 4(j) hereof that is on or prior to such Solicitation Time or Time of Delivery, as the case may be, in form and substance satisfactory to such Agent, to the effect that:

(i) The Indenture is the legally valid and binding agreement of the Company, enforceable against the Company in accordance with its terms.

(ii) The Securities, in the forms certified by the Company as of the date of such opinion, when duly completed, executed and issued by the Company in accordance with the terms of the Indenture and the officers' certificate establishing the terms of such Securities and authenticated and delivered by the Trustee in accordance with the terms of the Indenture and this Agreement against payment of the consideration therefor, will be legally valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

(iii) The Indenture has been duly qualified under the Trust Indenture Act.

(iv) The issuance and sale of the Securities by the Company pursuant to this Agreement will not result in the violation by the Company of any federal or New York statute, rule or regulation known to such counsel to be applicable to the Company (other than federal or New York securities laws).

(v) The Registration Statement and the Prospectus (excluding the documents incorporated by reference therein) comply as to form in all material respects with the requirements for registration statements on Form S-3 under the Securities Act, the Trust Indenture Act and the respective rules and regulations of the Commission thereunder; it being understood, however, that such counsel need express no opinion with respect

to the financial statements, schedules and other financial data included or incorporated by reference in the Registration Statement or the Prospectus or with respect to the Form T-1. In passing upon the compliance as to form of the Registration Statement and the Prospectus, such counsel may assume that the statements made and incorporated by reference therein are correct and complete.

(vi) The statements set forth in the Prospectus under the headings "Description of Debt Securities" and "Description of the Notes", insofar as such statements constitute a summary of legal matters, are accurate in all material respects.

In addition, such counsel shall state that it has participated in conferences with officers and other representatives of the Company, representatives of the independent public accountants for the Company, and your representatives, at which the contents of the Registration Statement and the Prospectus and related matters were discussed and, although such counsel did not participate in the preparation of the documents incorporated by reference into the Prospectus (the "Incorporated Documents"), and need not pass upon, and need not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Prospectus, except for those referred to in the opinion in subsection (vi) of this Section 6(c), and need not have made any independent check or verification thereof, during the course of such participation (relying as to materiality to the extent such counsel deemed appropriate upon the statements of officers and other representatives of the Company), no facts came to such counsel's attention that caused such counsel to believe that the Registration Statement, at the time it became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of its date and as of the date of such opinion contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; it being understood that such counsel need express no belief with respect to the financial statements, schedules and other financial data included in the Registration Statement or the Prospectus or incorporated therein or with respect to the Form T-1.

Such counsel shall also be permitted to state that the opinions rendered in paragraphs (i) and (ii) relating to the enforceability of the Securities and the Indenture are subject to the following exceptions, limitations and qualifications: (i) the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights and remedies of creditors; (ii) the effect of general principles of equity, whether enforcement is considered in a proceeding in equity or law, and the discretion of the court before which any proceeding therefor may be brought; (iii) the unenforceability under certain circumstances under law or court decisions of provisions providing for the indemnification of or contribution to a party with respect to a liability where such indemnification or contribution is contrary to public policy; (iv) such counsel need express no opinion concerning the enforceability of the waiver of rights or defenses contained in Section 4.4 of the Indenture; and (v) such counsel need express no opinion with respect to whether acceleration of the Securities may affect the collectibility of that portion of the stated principal amount thereof which might be determined to constitute unearned interest thereon. Further, the enforcement of the Securities and the Indenture may be limited by (a) requirements that a claim with respect to any Securities denominated other than in United States dollars (or a foreign currency or composite currency judgment in respect of such claim) be converted into United States

dollars at a rate of exchange prevailing on the date determined pursuant to applicable law or (b) governmental authority to limit, delay or prohibit the making of payments in foreign currencies or currency units outside of the United States.

Such counsel shall also be permitted to state that such counsel has assumed for purposes of the opinion that (i) the Company has been duly incorporated and is validly existing as a corporation under the laws of the State of Oregon, and has the corporate power and authority to consummate the transactions contemplated hereunder; (ii) the Securities have been duly authorized by all necessary corporate action by the Company; (iii) the Indenture has been duly authorized by all necessary corporate action by the Company and has been duly executed and delivered by the Company; (iv) the Trustee is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization; (v) the Trustee is duly qualified to engage in the activities contemplated by the Indenture; (vi) the Indenture has been duly authorized, executed and delivered by the Trustee and constitutes the legally valid, binding and enforceable obligation of the Trustee enforceable against the Trustee in accordance with its terms; (vii) the Trustee is in compliance, generally and with respect to acting as a trustee under the Indenture, with all applicable laws and regulations; (viii) the Trustee has the requisite organizational and legal power and authority to perform its obligations under the Indenture; and (ix) the aggregate principal amount of Securities that may be validly issued will be reduced dollar for dollar for any other debt securities issued and sold under the Registration Statement after the date hereof.

(d) Paul J. Kelly, Jr., General Counsel to the Company, shall have furnished to the Representatives his written opinion, dated the Commencement Date and each applicable date referred to in Section 4(i) hereof that is on or prior to such Solicitation Time or Time of Delivery, as the case may be, in form and substance satisfactory to such Agent, to the effect that:

- (i) The Company has been duly incorporated and is validly existing under the laws of the State of Oregon, with corporate power and authority to own, lease and operate its properties and conduct its business as described in the Registration Statement and the Prospectus;
- (ii) The Company has an authorized capitalization as set forth in the Prospectus as amended or supplemented;
- (iii) To the best of such counsel's knowledge, there are no legal or governmental proceedings pending or threatened to which the Company is a party or of which any property of the Company is the subject, required to be described in the Prospectus, which are not described as required;
- (iv) This Agreement and the Indenture have been duly authorized, executed and delivered by the Company;
- (v) The Securities, in the forms certified by the Company, as of the date of such opinion, have been duly authorized by the Company, provided, however, that such counsel may assume that the aggregate principal amount of Securities that may be validly issued will be reduced dollar for dollar for any other debt securities issued and sold under the Registration Statement after the date hereof;
- (vi) The issuance and sale of the Securities by the Company pursuant to this Agreement in the forms certified by the Company as of the date of such opinion and the performance by the Company of its obligations under the Securities in such forms and the Indenture will not result in the violation by the Company of its Articles of Incorporation or Bylaws or any federal or Oregon statute, rule or regulation (other than federal or state

securities laws) known to such counsel to be applicable to the Company or any order known to such counsel of any court or governmental agency or body or in the breach of or a default under any material indenture, note, loan, agreement, mortgage, deed of trust or other written agreement creating, evidencing or securing indebtedness of the Company for borrowed money or any material lease to which the Company is a party, other than any such violations, breaches or defaults which would not have a material adverse effect on the Company and its subsidiaries taken as a whole and would not adversely affect the validity of the Securities.

(vii) To the best of such counsel's knowledge, no consent, approval, authorization or order of, or filing with, any Oregon court or governmental agency or body is required for the solicitation of offers to purchase Securities or the consummation of the issuance and sale of the Securities by the Company pursuant to this Agreement and the performance by the Company of its obligations under the Securities and the Indenture, except such as may be required under state securities laws in connection with the solicitation by the Agents of offers to purchase Securities from the Company and with purchases of Securities by an Agent as principal, as the case may be.

(viii) The Company is not an "investment company", as such term is defined in the Investment Company Act.

(ix) The Incorporated Documents, when they were filed with the Commission, appeared on their face to comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder; it being understood, however, that such counsel need not express any opinion with respect to the financial statements, schedules and other financial data included or incorporated by reference in the Incorporated Documents. In passing upon the compliance as to form of the Incorporated Documents, such counsel may assume that the statements made and incorporated by reference therein are correct and complete.

No facts came to the attention of such counsel that caused such counsel to believe that any of the Incorporated Documents, when they were so filed, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when the Incorporated Documents were so filed, not misleading; it being understood that such counsel need express no opinion with respect to the financial statements, schedules and other financial data included or incorporated by reference in the Incorporated Documents.

(x) To the best of such counsel's knowledge, there are no contracts or documents of a character required to be described in the Registration Statement or Prospectus (or required to be filed under the Exchange Act, if upon such filing they would be incorporated by reference therein) or to be filed as exhibits to the Registration Statement that are not described and filed as required.

(e) Not later than 8:00 a.m., San Francisco time, on the Commencement Date and on each applicable date referred to in Section 4(k) hereof that is on or prior to such Solicitation Time or Time of Delivery, as the case may be, the independent certified public accountants who have certified the financial statements of the Company and its subsidiaries included or incorporated by reference in the Registration Statement shall have furnished to such Agent a letter, dated the Commencement Date or such applicable date, as the case may be, in form and substance satisfactory to such Agent, to the effect set forth in Annex III hereto;

(f) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included or incorporated by reference in the Prospectus as amended or supplemented prior to the date of the Pricing Supplement relating to the Securities to be delivered at the relevant Settlement Date or Time of Delivery any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus as amended or supplemented prior to the date of the Pricing Supplement relating to the Securities to be delivered at the relevant Settlement Date or Time of Delivery and (ii) since the respective dates as of which information is given in the Prospectus as amended or supplemented prior to the date of the Pricing Supplement relating to the Securities to be delivered at the relevant Settlement Date or Time of Delivery there shall not have been any decrease in the capital stock of the Company or any of its Significant Subsidiaries (other than as required pursuant to any stock repurchase plan that has been disclosed or incorporated by reference in the Prospectus) or an increase in the consolidated long-term debt of the Company in excess of \$100 million (excluding Securities issued under the Medium-Term Note Program established by this Agreement) or any change, or any development involving a prospective change, in or affecting the general affairs, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth in or contemplated by the Prospectus as amended or supplemented prior to the date of the Pricing Supplement relating to the Securities to be delivered at the relevant Settlement Date or Time of Delivery, as the case may be, the effect of which, in any such case described in Clause (i) or

(ii), is in the judgment of such Agent so material and adverse as to make it impracticable or inadvisable to proceed with the solicitation by such Agent of offers to purchase Securities from the Company or the purchase by such Agent of Securities from the Company as principal, as the case may be, on the terms and in the manner contemplated in the Prospectus as amended or supplemented prior to the date of the Pricing Supplement relating to the Securities to be delivered at the relevant Settlement Date or Time of Delivery;

(g) On or after the date hereof (i) no downgrading shall have occurred in the rating accorded the Company's debt securities by any "nationally recognized statistical rating organization", as that term is defined by the Commission for purposes of Rule 436(g)(2) under the Securities Act, and (ii) no such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any of the Company's debt securities;

(h) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities declared by any Federal, New York State or Oregon State authorities; or

(iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this Clause (iv) in the judgment of such Agent makes it impracticable or inadvisable to proceed with the solicitation of offers to purchase Securities or the purchase of the Securities from the Company as principal pursuant to the applicable Terms Agreement or otherwise, as the case may be, on the terms and in the manner contemplated in the Prospectus;

(i) With respect to any Security denominated in a currency other than the U.S. dollar, more than one currency or a composite currency or any Security the principal or interest of which is indexed to such currency, currencies or composite currency, there shall not have occurred a suspension or material limitation in foreign exchange trading in such currency,

currencies or composite currency by a major international bank, a general moratorium on commercial banking activities in the country or countries issuing such currency, currencies or composite currency, the outbreak or escalation of hostilities involving, the occurrence of any material adverse change in the existing financial, political or economic conditions of, or the declaration of war or a national emergency by, the country or countries issuing such currency, currencies or composite currency or the imposition or proposal of exchange controls by any governmental authority in the country or countries issuing such currency, currencies or composite currency; and

(j) The Company shall have furnished or caused to be furnished to such Agent certificates of officers of the Company dated the Commencement Date and each applicable date referred to in Section 4(l) hereof that is on or prior to such Solicitation Time or Time of Delivery, as the case may be, in such form and executed by such officers of the Company as shall be satisfactory to such Agent, as to the accuracy of the representations and warranties of the Company herein at and as of the Commencement Date or such applicable date, as the case may be, as to the performance by the Company of all of its obligations hereunder to be performed at or prior to the Commencement Date or such applicable date, as the case may be, as to the matters set forth in subsections (a) and (f) of this Section 6, and as to such other matters as such Agent may reasonably request.

7. (a) The Company will indemnify and hold harmless each Agent against any losses, claims, damages or liabilities, joint or several, to which such Agent may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus as amended or supplemented or any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse such Agent for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement, the Prospectus as amended or supplemented or any other prospectus relating to the Securities, or any such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by such Agent expressly for use in the Prospectus as amended or supplemented relating to such Securities; and provided, further, that the Company shall not be liable to any Agent under the indemnity agreement in this subsection (a) with respect to any Preliminary Prospectus to the extent that any such loss, claim, damage or liability of such Agent results from the fact that such Agent sold Securities to a person as to whom it shall be established that there was not sent or given, at or prior to the written confirmation of such sale, a copy of the Prospectus (excluding documents incorporated by reference) or of the Prospectus as then amended or supplemented (excluding documents incorporated by reference) in any case where such delivery is required by the Securities Act if the Company has previously furnished copies thereof in sufficient quantity to such Agent and the loss, claim, damage or liability of such Agent results from an untrue statement or omission of a material fact contained in the Preliminary Prospectus which was identified in writing prior to the date of the applicable Terms Agreement to such Agent and corrected in the Prospectus (excluding documents incorporated by reference) or in the Prospectus as then amended or supplemented (excluding documents incorporated by

reference) and such correction would have cured such untrue statement or omission of a material fact giving rise to such loss, claim, damage or liability.

(b) Each Agent will indemnify and hold harmless the Company against any losses, claims, damages or liabilities to which the Company may become subject, under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, the Prospectus as amended or supplemented or any other prospectus relating to the Securities, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement, the Prospectus as amended or supplemented or any other prospectus relating to the Securities, or any such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by such Agent expressly for use therein; and will reimburse the Company for any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection

(a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act, by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 7 is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the

one hand and each Agent on the other from the offering of the Securities to which such loss, claim, damage or liability (or action in respect thereof) relates. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and each Agent on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and each Agent on the other shall be deemed to be in the same proportion as the total net proceeds from the sale of Securities (before deducting expenses) received by the Company bear to the total commissions or discounts received by such Agent in respect thereof. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading relates to information supplied by the Company on the one hand or by any Agent on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and each Agent agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by per capita allocation (even if all Agents were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), an Agent shall not be required to contribute any amount in excess of the amount by which the total public offering price at which the Securities purchased by or through it were sold exceeds the amount of any damages which such Agent has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The obligations of each of the Agents under this subsection (d) to contribute are several in proportion to the respective purchases made by or through it to which such loss, claim, damage or liability (or action in respect thereof) relates and are not joint.

(e) The obligations of the Company under this Section 7 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Agent within the meaning of the Securities Act; and the obligations of each Agent under this Section 7 shall be in addition to any liability which such Agent may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company and to each person, if any, who controls the Company within the meaning of the Securities Act.

8. (a) Each Agent, in soliciting offers to purchase Securities from the Company and in performing the other obligations of such Agent hereunder (other than in respect of any purchase by an Agent as principal, pursuant to a Terms Agreement or otherwise), is acting solely as agent for the Company and not as principal. Each Agent will make reasonable efforts to assist the Company in obtaining performance by each purchaser whose offer to purchase Securities from the Company was solicited by such Agent and has been accepted

by the Company, but such Agent shall not have any liability to the Company in the event such purchase is not consummated for any reason.

(b) If the Company shall default on its obligation to deliver Securities to a purchaser whose offer has been solicited by an Agent on an agency basis and accepted by the Company, the Company shall (i) hold such Agent harmless against any loss, claim or damage arising from or as a result of such default by the Company, and (ii) notwithstanding such default, pay to such Agent any commission to which it would be entitled in connection with such sale.

9. The respective indemnities, agreements, representations, warranties and other statements by any Agent and the Company set forth in or made pursuant to this Agreement shall remain in full force and effect regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Agent or any controlling person of any Agent, or the Company, or any officer or director or any controlling person of the Company, and shall survive each delivery of and payment for any of the Securities.

10. The provisions of this Agreement relating to the solicitation of offers to purchase Securities from the Company may be suspended or terminated at any time by the Company as to any Agent or by any Agent as to such Agent upon the giving of written notice of such suspension or termination to such Agent or the Company, as the case may be. In the event of such suspension or termination with respect to any Agent, (x) this Agreement shall remain in full force and effect with respect to any Agent as to which such suspension or termination has not occurred, (y) this Agreement shall remain in full force and effect with respect to the rights and obligations of any party which have previously accrued or which relate to Securities which are already issued, agreed to be issued or the subject of a pending offer at the time of such suspension or termination and (z) in any event, this Agreement shall remain in full force and effect insofar as the fourth paragraph of Section 2(a), and Sections 4(d), 4(e), 5, 7, 9 and 10 hereof are concerned.

11. Except as otherwise specifically provided herein or in the Administrative Procedure, all statements, requests, notices and advices hereunder shall be in writing, or by telephone if promptly confirmed in writing, and if to Goldman, Sachs & Co. shall be sufficient in all respects when delivered or sent by facsimile transmission or registered mail to 85 Broad Street, New York, New York 10004, Facsimile Transmission No. (212) 363-7609, Attention: Credit Department, if to Lehman Brothers Inc. shall be sufficient in all respects when delivered or sent by facsimile transmission or registered mail to 3 World Financial Center, 12th Floor, New York, New York 10285-1200, Facsimile Transmission No. (212) 528-1718, Attention: Medium-Term Note Department, if to Merrill Lynch, Pierce, Fenner & Smith Incorporated shall be sufficient in all respects when delivered or sent by facsimile transmission or registered mail to World Financial Center, North Tower, New York, New York 10281, Facsimile Transmission No. (212) 449-2234, Attention: Product Management - MTN, if to Salomon Brothers Inc shall be sufficient in all respects when delivered or sent by facsimile transmission or registered mail to Seven World Trade Center, New York, New York 10048, Facsimile Transmission No. (212) 783-2274, Attention: Martha Bailey, and if to the Company shall be sufficient in all respects when delivered or sent by facsimile transmission or registered mail to One Bowerman Drive, Beaverton, Oregon 97005, Facsimile Transmission No. (503) 671-6300, Attention: Chief Financial Officer, with a copy to Gregory K. Miller, Latham & Watkins, 505 Montgomery Street, Suite 1900, San Francisco, California 94111 (which copy shall not constitute notice).

12. This Agreement and any Terms Agreement shall be binding upon, and inure solely to the benefit of, each Agent and the Company, and to the extent provided in Sections 7, 8 and 9 hereof, the officers and directors of the Company and any person who controls any Agent or the Company, and their respective personal representatives, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement or any Terms Agreement. No

purchaser of any of the Securities through or from any Agent hereunder shall be deemed a successor or assign by reason merely of such purchase.

13. Time shall be of the essence in this Agreement and any Terms Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

14. THIS AGREEMENT AND ANY TERMS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

15. This Agreement and any Terms Agreement may be executed by any one or more of the parties hereto and thereto in any number of counterparts, each of which shall be an original, but all of such respective counterparts shall together constitute one and the same instrument.

If the foregoing is in accordance with your understanding, please sign and return to us seven counterparts hereof, whereupon this letter and the acceptance by each of you thereof shall constitute a binding agreement between the Company and each of you in accordance with its terms.

Very truly yours,

**NIKE, Inc.**

By:.....  
Name:  
Title:

Accepted as of the date hereof:  
Goldman, Sachs & Co.

.....

(Goldman, Sachs & Co.)

**Lehman Brothers Inc.**

By: .....  
Name:  
Title:

Merrill Lynch, Pierce, Fenner & Smith  
Incorporated

By: .....  
Name:  
Title:

**Salomon Brothers Inc**

By: .....  
Name:  
Title:

**ANNEX I**

**NIKE, INC.**

**[TITLE OF SECURITY]**

**TERMS AGREEMENT**

....., 19..

**[GOLDMAN, SACHS & CO.,  
555 CALIFORNIA STREET, SUITE 4500,  
SAN FRANCISCO, CALIFORNIA 94104.]**

**[LEHMAN BROTHERS INC.,  
WORLD FINANCIAL CENTER,  
200 VESEY STREET,  
NEW YORK, NEW YORK 10235]**

**[MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED,  
101 CALIFORNIA STREET, SUITE 1200,  
SAN FRANCISCO, CALIFORNIA 94111]**

**[SALOMON BROTHERS INC,  
SEVEN WORLD TRADE CENTER,  
NEW YORK, NEW YORK 10048]**

Ladies and Gentlemen:

NIKE, Inc. (the "Company") proposes, subject to the terms and conditions stated herein and in the Distribution Agreement, dated April 23, 1997 (the "Distribution Agreement"), between the Company on the one hand and Goldman, Sachs & Co., Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc (the "Agents") on the other, to issue and sell to [GOLDMAN, SACHS & CO.] [LEHMAN BROTHERS INC.] [MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED] [SALOMON BROTHERS INC] the securities specified in the Schedule hereto (the "Purchased Securities"). Each of the provisions of the Distribution Agreement not specifically related to the solicitation by the Agents, as agents of the Company, of offers to purchase Securities is incorporated herein by reference in its entirety, and shall be deemed to be part of this Terms Agreement to the same extent as if such provisions had been set forth in full herein. Nothing contained herein or in the Distribution Agreement shall make any party hereto an agent of the Company or make such party subject to the provisions therein relating to the solicitation of offers to purchase Securities from the Company, solely by virtue of its execution of this Terms Agreement. Each of the representations and warranties set forth therein shall be deemed to have been made at and as of the date of this Terms Agreement, except that each representation and warranty in Section 1 of the Distribution Agreement which makes reference to the Prospectus shall be deemed to be a

representation and warranty as of the date of the Distribution Agreement in relation to the Prospectus (as therein defined), and also a representation and warranty as of the date of this Terms Agreement in relation to the Prospectus as amended and supplemented to relate to the Purchased Securities.

An amendment to the Registration Statement, or a supplement to the Prospectus, as the case may be, relating to the Purchased Securities, in the form heretofore delivered to you is now proposed to be filed with the Commission.

Subject to the terms and conditions set forth herein and in the Distribution Agreement incorporated herein by reference, the Company agrees to issue and sell to [GOLDMAN, SACHS & CO.] [LEHMAN BROTHERS INC.] [MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED] [SALOMON BROTHERS INC] and [GOLDMAN, SACHS & CO.] [LEHMAN BROTHERS INC.] [MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED] [SALOMON BROTHERS INC] agree[S] [,SEVERALLY AND NOT JOINTLY,] to purchase from the Company the Purchased Securities, at the time and place, in the principal amount and at the purchase price set forth in the Schedule hereto.

If the foregoing is in accordance with your understanding, please sign and return to us [seven] counterparts hereof, and upon acceptance hereof by you this letter and such acceptance hereof, including those provisions of the Distribution Agreement incorporated herein by reference, shall constitute a binding agreement between you and the Company.

**NIKE, Inc.**

By: .....

Name:

Title:

**Accepted:**

[.....  
(GOLDMAN, SACHS & CO.)]

**[LEHMAN BROTHERS INC.**

BY: .....

NAME:

TITLE: ]

**[MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED**

BY: .....

NAME:

TITLE: ]

[ SALOMON BROTHERS INC

BY: .....

NAME:

TITLE: ]

**Title of Purchased Securities:**

[ %] Medium-Term Notes[, SERIES ....]

**PRINCIPAL AMOUNT:**

ORIGINAL ISSUE DATE:	[ INTEREST RATE ____%]	STATED MATURITY DATE:
INTEREST PAYMENT DATE(S) [ ] March 1 and September 1 15 [ ] Other:	DEFAULT RATE: %	RECORD DATE(S): [ ] February 15 and August [ ] Other:
REDEMPTION COMMENCEMENT DATE:	INITIAL REDEMPTION PERCENTAGE: %	ANNUAL REDEMPTION PERCENTAGE REDUCTION: %
OPTIONAL REPAYMENT DATE(S):		[ ] CHECK IF AN ORIGINAL ISSUE DISCOUNT NOTE Issue Price: %
SPECIFIED CURRENCY: [ ] United States dollars First [ ] Other:	AUTHORIZED DENOMINATION: [ ] \$1,000 and integral multiples thereof [ ] Other:	EXCHANGE RATE AGENT (if other than The National Bank of Chicago):
ADDENDUM ATTACHED [ ] Yes [ ] No	OTHER/ADDITIONAL PROVISIONS:	
MINIMUM INTEREST RATE: DATE:	MAXIMUM INTEREST RATE:	INITIAL INTEREST RESET
INTEREST RESET PERIOD:	INTEREST DETERMINATION DATE:	INITIAL INTEREST RATE:
	INTEREST RESET DATE(S):	
SPREAD (plus or minus):	SPREAD MULTIPLIER:	CALCULATION AGENT (if other than The First National Bank of Chicago):

**INTEREST CATEGORY: DAY COUNT CONVENTION:**

[ ] Regular Floating Rate Note [ ] Actual/360 for the period

[ ] Floating Rate/Fixed Rate Note from to Fixed Rate Commencement Date: [ ] Actual/Actual for the period Fixed Interest Rate: % from to

[ ] Inverse Floating Rate Note [ ] 30/360 for the period Fixed Interest Rate: % from to

**INTEREST RATE BASIS OR BASES:**

- CD Rate
- Prime Rate
- Federal Funds Rate
- Commercial Paper Rate
- LIBOR:  
Designated LIBOR Page
- Reuters Page:
- Telerate Page:
- Index Currency:  
 Treasury Rate
- CMT Rate
- Designated CMT Telerate Page:

Designated CMT Maturity Index:

Other: ]

Method of and Specified Funds for Payment of Purchase Price:

By wire transfer to a bank account specified by the Company in immediately available funds

**Time of Delivery:**

**Closing Location for Delivery of Securities:**

Documents to be Delivered:

The following documents referred to in the Distribution Agreement shall be delivered as a condition to the Closing:

**[(1) THE OPINION OR OPINIONS OF COUNSEL TO THE AGENTS REFERRED TO IN**

SECTION 4(h).]

**[(2) THE OPINION OF COUNSEL TO THE COMPANY REFERRED TO IN SECTION 4(i).]**

**[(3) THE OPINION OF COUNSEL TO THE COMPANY REFERRED TO IN SECTION 4(j).]**

**[(4) THE ACCOUNTANTS' LETTER REFERRED TO IN SECTION 4(k).]**

**[(5) THE OFFICERS' CERTIFICATE REFERRED TO IN SECTION 4(l).]**

**Other Provisions (including Syndicate Provisions, if applicable):**

**[INSERT IF MULTIPLE AGENTS -- [1.] (a) IF ANY AGENT SHALL DEFAULT IN**

ITS OBLIGATION TO PURCHASE THE SECURITIES WHICH IT HAS AGREED TO PURCHASE PURSUANT TO THIS TERMS AGREEMENT, THE OTHER AGENTS PARTIES HERETO MAY IN THEIR DISCRETION ARRANGE FOR THEMSELVES OR ANOTHER PARTY OR OTHER PARTIES TO PURCHASE SUCH SECURITIES ON THE TERMS CONTAINED HEREIN AND IN THIS TERMS AGREEMENT. IF WITHIN THIRTY-SIX HOURS AFTER SUCH DEFAULT BY ANY AGENT SUCH OTHER AGENTS DO NOT ARRANGE FOR THE PURCHASE OF SUCH SECURITIES, THEN THE COMPANY SHALL BE ENTITLED TO A FURTHER PERIOD OF THIRTY-SIX HOURS WITHIN WHICH TO PROCURE ANOTHER PARTY OR OTHER PARTIES SATISFACTORY TO SUCH AGENTS TO PURCHASE SUCH SECURITIES ON SUCH TERMS. IN THE EVENT THAT, WITHIN THE RESPECTIVE PRESCRIBED PERIOD, SUCH AGENTS NOTIFY THE COMPANY THAT THEY HAVE SO ARRANGED FOR THE PURCHASE OF SUCH SECURITIES, OR THE COMPANY NOTIFIES SUCH AGENTS THAT IT HAS SO ARRANGED FOR THE PURCHASE OF SUCH SECURITIES, THE AGENTS OR THE COMPANY SHALL HAVE THE RIGHT TO POSTPONE THE TIME OF DELIVERY FOR SUCH SECURITIES FOR A PERIOD OF NOT MORE THAN SEVEN DAYS, IN ORDER TO EFFECT WHATEVER CHANGES MAY THEREBY BE MADE NECESSARY IN THE REGISTRATION STATEMENT OR THE PROSPECTUS AS AMENDED OR SUPPLEMENTED, OR IN ANY OTHER DOCUMENTS OR ARRANGEMENTS, AND THE COMPANY AGREES TO FILE PROMPTLY ANY AMENDMENTS OR SUPPLEMENTS TO THE

REGISTRATION STATEMENT OR THE PROSPECTUS WHICH IN THE OPINION OF THE AGENTS MAY THEREBY BE MADE NECESSARY. THE TERM "AGENT" AS USED IN THIS TERMS AGREEMENT SHALL INCLUDE ANY PERSON SUBSTITUTED UNDER THIS SECTION WITH LIKE EFFECT AS IF SUCH PERSON HAD ORIGINALLY BEEN A PARTY TO THIS TERMS AGREEMENT.

(b) IF, AFTER GIVING EFFECT TO ANY ARRANGEMENTS FOR THE PURCHASE OF THE SECURITIES OF A DEFAULTING AGENT OR AGENTS AS PROVIDED IN SUBSECTION

(a) ABOVE, THE AGGREGATE PRINCIPAL AMOUNT OF SUCH SECURITIES WHICH REMAINS UNPURCHASED DOES NOT EXCEED ONE-ELEVENTH OF THE AGGREGATE PRINCIPAL AMOUNT OF THE PURCHASED SECURITIES, THEN THE COMPANY SHALL HAVE THE RIGHT TO REQUIRE EACH NON-DEFAULTING AGENT, IF ANY, TO PURCHASE THE PRINCIPAL AMOUNT OF SECURITIES WHICH SUCH AGENT AGREED TO PURCHASE UNDER THIS TERMS AGREEMENT AND, IN ADDITION, TO REQUIRE EACH NON-DEFAULTING AGENT HEREUNDER TO PURCHASE ITS PRO RATA SHARE (BASED ON THE PRINCIPAL AMOUNT OF PURCHASED SECURITIES WHICH SUCH AGENT AGREED TO PURCHASE UNDER THIS TERMS AGREEMENT) OF THE PURCHASED SECURITIES OF SUCH DEFAULTING AGENT OR AGENTS FOR WHICH SUCH ARRANGEMENTS HAVE NOT BEEN MADE; BUT NOTHING HEREIN SHALL RELIEVE A DEFAULTING AGENT FROM LIABILITY FOR ITS DEFAULT.

(c) IF, AFTER GIVING EFFECT TO ANY ARRANGEMENTS FOR THE PURCHASE OF THE SECURITIES OF A DEFAULTING AGENT OR AGENTS AS PROVIDED IN SUBSECTION

(a) ABOVE, THE AGGREGATE PRINCIPAL AMOUNT OF PURCHASED SECURITIES WHICH REMAINS UNPURCHASED EXCEEDS ONE-ELEVENTH OF THE AGGREGATE PRINCIPAL AMOUNT OF SUCH PURCHASED SECURITIES, AS REFERRED TO IN SUBSECTION (b) ABOVE, OR IF THE COMPANY SHALL NOT EXERCISE THE RIGHT DESCRIBED IN SUBSECTION (b) ABOVE TO REQUIRE NON-DEFAULTING AGENTS TO PURCHASE SECURITIES OF A DEFAULTING AGENT OR AGENTS, THEN THIS TERMS AGREEMENT SHALL THEREUPON TERMINATE, WITHOUT LIABILITY ON THE PART OF ANY NON-DEFAULTING AGENT OR THE COMPANY, EXCEPT FOR THE EXPENSES TO BE BORNE BY THE COMPANY AND THE AGENTS AS PROVIDED IN SECTION 5 OF THE DISTRIBUTION AGREEMENT AND THE INDEMNITY AND CONTRIBUTION AGREEMENTS IN SECTION 7 THEREOF; BUT NOTHING HEREIN SHALL RELIEVE A DEFAULTING AGENT FROM LIABILITY FOR ITS DEFAULT.]

## ANNEX II

### NIKE, INC.

#### **ADMINISTRATIVE PROCEDURE**

This Administrative Procedure relates to the Securities defined in the Distribution Agreement, dated April 23, 1997 (the "Distribution Agreement"), between NIKE, Inc. (the "Company") and Goldman, Sachs & Co., Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc (together, the "Agents"), to which this Administrative Procedure is attached as Annex II. Defined terms used herein and not defined herein shall have the meanings given such terms in the Distribution Agreement, the Prospectus as amended or supplemented or the Indenture.

The procedures to be followed with respect to the settlement of sales of Securities directly by the Company to purchasers solicited by an Agent, as agent, are set forth below. The terms and settlement details related to a purchase of Securities by an Agent, as principal, from the Company will be set forth in a Terms Agreement pursuant to the Distribution Agreement, unless the Company and such Agent otherwise agree as provided in Section 2(b) of the Distribution Agreement, in which case the procedures to be followed in respect of the settlement of such sale will be as set forth below. An Agent, in relation to a purchase of a Security by a purchaser solicited by such Agent, is referred to herein as the "Selling Agent" and, in relation to a purchase of a Security by such Agent as principal other than pursuant to a Terms Agreement, as the "Purchasing Agent".

The Company will advise each Agent in writing of those persons with whom such Agent is to communicate regarding offers to purchase Securities and the related settlement details.

Each Security will be issued only in fully registered form and will be represented by either a global security (a "Global Security") delivered to the Trustee, as agent for The Depository Trust Company (the "Depository") and recorded in the book-entry system maintained by the Depository (a "Book-Entry Security") or a certificate issued in definitive form (a "Certificated Security") delivered to a person designated by an Agent, as set forth in the applicable Pricing Supplement. An owner of a Book-Entry Security will not be entitled to receive a certificate representing such a Security, except as provided in the Indenture.

Book-Entry Securities will be issued in accordance with the Administrative Procedure set forth in Part I hereof, and Certificated Securities will be issued in accordance with the Administrative Procedure set forth in Part II hereof.

#### **PART I: ADMINISTRATIVE PROCEDURE FOR BOOK-ENTRY SECURITIES**

In connection with the qualification of the Book-Entry Securities for eligibility in the book-entry system maintained by the Depository, the Trustee will perform the custodial, document control and administrative functions described below, in accordance with its respective obligations under a Letter of Representation from the Company and the Trustee to the Depository, and a Medium-Term Note Certificate Agreement between the Trustee and the Depository (the "Certificate Agreement"), and its obligations as a participant in the Depository, including the Depository's Same-Day Funds Settlement System ("SDFS").

**Posting Rates by the Company:**

The Company and the Agents will discuss from time to time the rates of interest per annum to be borne by and the maturity of Book-Entry Securities that may be sold as a result of the solicitation of offers by an Agent. The Company may establish a fixed set of interest rates and maturities for an offering period ("posting"). If the Company decides to change already posted rates, it will promptly advise the Agents to suspend solicitation of offers until the new posted rates have been established with the Agents.

**Acceptance of Offers by the Company:**

Each Agent will promptly advise the Company by telephone or other appropriate means of all reasonable offers to purchase Book-Entry Securities, other than those rejected by such Agent. Each Agent may, in its discretion reasonably exercised, reject any offer received by it in whole or in part. Each Agent also may make offers to the Company to purchase Book-Entry Securities as a Purchasing Agent. The Company will have the sole right to accept offers to purchase Book-Entry Securities and may reject any such offer in whole or in part.

The Company will promptly notify the Agent or Purchasing Agent, as the case may be, of its acceptance or rejection of an offer to purchase Book-Entry Securities. If the Company accepts an offer to purchase Book-Entry Securities, it will confirm such acceptance in writing to the Selling Agent or Purchasing Agent, as the case may be, and the Trustee.

**Communication of Sale Information to the Company by Agent and Settlement Procedures:**

A. After the acceptance of an offer by the Company, the Selling Agent or Purchasing Agent, as the case may be, will communicate promptly, but in no event later than the time set forth under "Settlement Procedure Timetable" below, the following details of the terms of such offer (the "Sale Information") to the Company by telephone (confirmed in writing) or by facsimile transmission or other acceptable written means:

- (1) Principal Amount of Book-Entry Securities to be purchased;
- (2) Original Issue Date;
- (3) If a Fixed Rate Book-Entry Security, the interest rate;
- (4) Stated Maturity;
- (5) Interest Payment Date(s);
- (6) Default Rate;
- (7) Record Date(s);
- (8) If a redeemable Book-Entry Security, such of the following as are applicable:
  - (i) Redemption Commencement Date,
  - (ii) Initial Redemption Percentage, and
  - (iii) Annual Redemption Percentage Reduction;
- (9) Optional Repayment Dates, if any;
- (10) If such Securities are to be issued as Original Issue Discount Securities, the Issue Price;
- (11) Specified Currency and, if the Specified Currency is other than U.S. dollars, the Exchange Rate Agent (it being understood that currently the Depository accepts deposits of Global Securities denominated in U.S. dollars only);
- (12) Authorized Denominations;

(13) If a Floating Rate Book-Entry Security, such of the following as are applicable:

(i) Minimum Interest Rate,

(ii) Maximum Interest Rate,

(iii) Initial Interest Reset Date,

(iv) Interest Reset Period,

(v) Interest Determination Date,

(vi) Interest Reset Date(s),

(vii) Initial Interest Rate,

(viii) Spread and/or Spread Multiplier,

(ix) Calculation Agent,

(x) Interest Category, indicating whether such Securities are:

(a) Regular Floating Rate Securities,

(b) Floating Rate/Fixed Rate Securities (in which case the Fixed Rate Commencement Date and the Fixed Interest Rate shall be specified, or

(c) Inverse Floating Rate Securities (in which case the Fixed Interest Rate shall be specified);

(xi) Day Count Convention, indicating one of the following (including the applicable period):

(a) Actual/360,

(b) Actual/Actual, or

(c) 30/360;

(xii) Interest Rate Basis or Bases, which may include:

(a) CD Rate,

(b) Prime Rate,

(c) Federal Funds Rate,

(d) Commercial Paper Rate,

(e) LIBOR, in which case either Reuters Page or Telerate Page shall be indicated, as well as the Index Currency,

(f) Treasury Rate,

(g) CMT Rate, in which case the Designated CMT Telerate Page or the Designated CMT Maturity Index shall be indicated, or

(h) Other;

(14) Name, address and taxpayer identification number of the registered owner(s);

(15) Denomination of certificates to be delivered at settlement;

(16) Selling Agent or Purchasing Agent.

(17) Selling Agent's commission or Purchasing Agent's discount, as the case may be;

(18) Net Proceeds to the Company.

B. After receiving the Sale Information from the Selling Agent or Purchasing Agent, as the case may be, the Company will communicate such Sale Information to the Trustee by facsimile transmission or other acceptable written means. The Trustee will assign a CUSIP number to the Global Security from a list of CUSIP numbers previously delivered to the Trustee by the Company representing such Book-Entry Security and then advise the Company and the Selling Agent or Purchasing Agent, as the case may be, of such CUSIP number.

C. The Trustee will enter a pending deposit message through the Depository's Participant Terminal System, providing the following settlement information to the Depository, and the Depository shall forward such information to such Agent and Standard & Poor's Corporation:

(14) The applicable Sale Information;

(15) CUSIP number of the Global Security representing such Book-Entry Security;

(16) Whether such Global Security will represent any other Book-Entry Security (to the extent known at such time);

(17) Number of the participant account maintained by the Depository on behalf of the Selling Agent or Purchasing Agent, as the case may be;

(18) The interest payment period; and

(19) Initial Interest Payment Date for such Book-Entry Security, number of days by which such date succeeds the record date for the Depository's purposes (which in the case of Floating Rate Securities which reset weekly shall be the date five calendar days immediately preceding the applicable Interest Payment Date and in the case of all other Book-Entry Securities shall be the Regular Record Date, as defined in the Security) and, if calculable at that time, the amount of interest payable on such Interest Payment Date.

D. The Trustee will complete and authenticate the Global Security previously delivered by the Company representing such Book-Entry Security.

E. The Depository will credit such Book-Entry Security to the Trustee's participant account at the Depository.

F. The Trustee will enter an SDFS deliver order through the Depository's Participant Terminal System instructing the Depository to (i) debit such Book-Entry Security to the Trustee's participant account and credit such Book-Entry Security to such Agent's participant account and (ii) debit such Agent's settlement account and credit the Trustee's settlement account for an amount equal to the price of such Book-Entry Security less such Agent's commission. The entry of such a deliver order shall constitute a representation and warranty by the Trustee to the Depository that (a) the Global Security representing such Book-Entry Security has been issued and authenticated and (b) the Trustee is holding such Global Security pursuant to the Certificate Agreement.

G. Such Agent will enter an SDFS deliver order through the Depository's Participant Terminal System instructing the Depository (i) to debit such Book-Entry Security to such Agent's participant account and credit such Book-Entry Security to the participant accounts of the Participants with respect to such Book-Entry Security and (ii) to debit the settlement accounts of such Participants and credit the settlement account of such Agent for an amount equal to the price of such Book-Entry Security.

H. Transfers of funds in accordance with SDFS deliver orders described in Settlement Procedures "F" and "G" will be settled in accordance with SDFS operating procedures in effect on the settlement date.

I. Upon confirmation of receipt of funds, the Trustee will transfer to such account as the Company may have previously specified to the Trustee, funds available for immediate use in the amount transferred to the Trustee in accordance with Settlement Procedure "F".

J. Upon request, the Trustee will send to the Company a statement setting forth the principal amount of Book-Entry Securities outstanding as of that date under the Indenture.

K. Such Agent will confirm the purchase of such Book-Entry Security to the purchaser either by transmitting to the Participants with respect to such Book-Entry Security a confirmation order or orders through the Depository's institutional delivery system or by mailing a written confirmation to such purchaser.

L. The Depository will, at any time, upon request of the Company or the Trustee, promptly furnish to the Company or the Trustee a list of the names and addresses of the participants for whom the Depository has credited Book-Entry Securities.

**Preparation of Pricing Supplement:**

If the Company accepts an offer to purchase a Book-Entry Security, it will prepare a Pricing Supplement reflecting the terms of such Book-Entry Security and arrange to have delivered to the Selling Agent or Purchasing Agent, as the case may be, at least ten copies of such Pricing Supplement, not later than 10:00 a.m., New York City time, on the Business Day following the Trade Date (as defined below), or if the Company and the purchaser agree to settlement on the Business Day following the date of acceptance of such offer, not later than noon, New York City time, on such date. The Company will arrange to have the Pricing Supplement filed with the Commission not later than the close of business of the Commission on the fifth Business Day following the date on which such Pricing Supplement is first used.

**Delivery of Confirmation and Prospectus to Purchaser by Selling Agent:**

The Selling Agent will deliver to the purchaser of a Book-Entry Security a written confirmation of the sale and delivery and payment instructions. In addition, the Selling Agent will deliver to such purchaser or its agent the Prospectus as amended or supplemented (including the Pricing Supplement) in relation to such Book-Entry Security prior to or together with the earlier of the delivery to such purchaser or its agent of

- (a) the confirmation of sale or
- (b) the Book-Entry Security.

**Date of Settlement:**

The receipt by the Company of immediately available funds in payment for a Book-Entry Security and the authentication and issuance of the Global Security representing such Book-Entry Security shall constitute "settlement" with respect to such Book-Entry Security. All orders of Book-Entry Securities solicited by a Selling Agent or made by a Purchasing Agent and accepted by the Company on a particular date (the "Trade Date") will be settled on a date (the "Settlement Date") which is the third Business Day after the Trade Date pursuant to the "Settlement Procedure Timetable" set forth below, unless the Company and the purchaser agree to settlement on another Business Day which shall be no earlier than the next Business Day after the Trade Date.

**Settlement Procedure Timetable:**

For orders of Book-Entry Securities solicited by a Selling Agent and accepted by the Company for settlement on the third Business Day after the Trade Date, Settlement Procedures "A" through "I" set forth above shall be completed as soon as possible but not later than the respective times (New York City time) set forth below:

SETTLEMENT PROCEDURE		TIME
-----		-----
A	10:00 a.m.	on the Business Day following the Trade Date
B	12:00 noon	on the second Business Day immediately preceding the Settlement Date
C	2:00 p.m.	on the second Business Day immediately preceding the Settlement Date
D	9:00 a.m.	on the Settlement Date
E	10:00 a.m.	on the Settlement Date
F-G	2:00 p.m.	on the Settlement Date
H	4:45 p.m.	on the Settlement Date
I	5:00 p.m.	on the Settlement Date

If the initial interest rate for a Floating Rate Book-Entry Security has not been determined at the time that Settlement Procedure "A" is completed, Settlement Procedures "B" and "C" shall be completed as soon as such rate has been determined but no later than 2:00 p.m. on the second Business Day immediately preceding the Settlement Date. Settlement Procedure "H" is subject to extension in accordance with any extension of Fedwire closing deadlines and in the other events specified in the SDFS operating procedures in effect on the Settlement Date.

If settlement of a Book-Entry Security is rescheduled or canceled, the Trustee, upon obtaining knowledge thereof, will deliver to the Depository, through the Depository's Participation Terminal System, a cancellation message to such effect by no later than 2:00 p.m. on the Business Day immediately preceding the scheduled Settlement Date.

**Failure to Settle:**

If the Trustee fails to enter an SDFS deliver order with respect to a Book-Entry Security pursuant to Settlement Procedure "F", the Trustee may deliver to the Depository, through the Depository's Participant Terminal System, as soon as practicable a withdrawal message instructing the Depository to debit such Book-Entry Security to the Trustee's participant account, provided that the Trustee's participant account contains a principal amount of the Global Security representing such Book-Entry Security that is at least equal to the principal amount to be debited. If a withdrawal message is processed with respect to all the Book-Entry Securities represented by a Global Security, the Trustee will mark such Global Security "canceled", make appropriate entries in the Trustee's records and send such canceled Global Security to the Company. The CUSIP number assigned to such Global Security shall, in accordance with CUSIP Service Bureau procedures, be canceled and not immediately reassigned. If a withdrawal message is processed with respect to one or more, but not all, of the Book-Entry Securities represented by a Global Security, the Trustee will exchange such Global Security for two Global Securities, one of which shall represent such Book-Entry Security or Securities and shall be canceled immediately after issuance and the other of which shall represent

the remaining Book-Entry Securities previously represented by the surrendered Global Security and shall bear the CUSIP number of the surrendered Global Security.

If the purchase price for any Book-Entry Security is not timely paid to the participants with respect to such Book-Entry Security by the beneficial purchaser thereof (or a person, including an indirect participant in the Depository, acting on behalf of such purchaser), such participants and, in turn, the Agent for such Book-Entry Security may enter deliver orders through the Depository's Participant Terminal System debiting such Book-Entry Security to such participant's account and crediting such Book-Entry Security to such Agent's account and then debiting such Book-Entry Security to such Agent's participant account and crediting such Book-Entry Security to the Trustee's participant account and shall notify the Company and the Trustee thereof. Thereafter, the Trustee will (i) immediately notify the Company of such order and the Company shall transfer to such Agent funds available for immediate use in an amount equal to the price of such Book-Entry Security which was credited to the account of the Company maintained at the Trustee in accordance with Settlement Procedure I, and (ii) deliver the withdrawal message and take the related actions described in the preceding paragraph. If such failure shall have occurred for any reason other than default by the applicable Agent to perform its obligations hereunder or under the Distribution Agreement, the Company will reimburse such Agent on an equitable basis for the loss of its use of funds during the period when the funds were credited to the account of the Company.

Notwithstanding the foregoing, upon any failure to settle with respect to a Book-Entry Security, the Depository may take any actions in accordance with its SDFS operating procedures then in effect. In the event of a failure to settle with respect to one or more, but not all, of the Book-Entry Securities to have been represented by a Global Security, the Trustee will provide, in accordance with Settlement Procedure "D", for the authentication and issuance of a Global Security representing the other Book-Entry Securities to have been represented by such Global Security and will make appropriate entries in its records. The Company will, from time to time, furnish the Trustee with a sufficient quantity of Securities.

## **PART II: ADMINISTRATIVE PROCEDURE FOR CERTIFICATED SECURITIES**

### **Posting Rates by Company:**

The Company and the Agents will discuss from time to time the rates of interest per annum to be borne by and the maturity of Certificated Securities that may be sold as a result of the solicitation of offers by an Agent. The Company may establish a fixed set of interest rates and maturities for an offering period ("posting"). If the Company decides to change already posted rates, it will promptly advise the Agents to suspend solicitation of offers until the new posted rates have been established with the Agents.

### **Acceptance of Offers by Company:**

Each Agent will promptly advise the Company by telephone or other appropriate means of all reasonable offers to purchase Certificated Securities, other than those rejected by such Agent. Each Agent may, in its discretion reasonably exercised, reject any offer received by it in whole or in part. Each Agent also may make offers to the Company to purchase Certificated Securities as a Purchasing Agent. The Company will have the sole right to accept offers to purchase Certificated Securities and may reject any such offer in whole or in part.

The Company will promptly notify the Selling Agent or Purchasing Agent, as the case may be, of its acceptance or rejection of an offer to purchase Certificated Securities. If the Company accepts an offer to purchase Certificated Securities, it will confirm such acceptance in writing to the Selling Agent or Purchasing Agent, as the case may be, and the Trustee.

**Communication of Sale Information to Company by Agent:**

After the acceptance of an offer by the Company, the Selling Agent or Purchasing Agent, as the case may be, will communicate the following details of the terms of such offer (the "Sale Information") to the Company by telephone (confirmed in writing) or by facsimile transmission or other acceptable written means:

(20) Principal Amount of Certificated Securities to be purchased;

(21) Original Issue Date;

(22) If a Fixed Rate Certificated Security, the interest rate;

(23) Stated Maturity;

(24) Interest Payment Date(s);

(25) Default Rate;

(26) Record Date(s);

(27) If a redeemable Certificated Security, such of the following as are applicable:

(i) Redemption Commencement Date,

(ii) Initial Redemption Percentage, and

(iii) Annual Redemption Percentage Reduction;

(28) Optional Repayment Dates, if any;

(29) If such Securities are to be issued as Original Issue Discount Securities, the Issue Price;

(30) Specified Currency and, if the Specified Currency is other than U.S. dollars, the Exchange Rate Agent (it being understood that currently the Depository accepts deposits of Global Securities denominated in U.S. dollars only);

(31) Authorized Denominations;

(32) If a Floating Rate Certificated Security, such of the following as are applicable:

(i) Minimum Interest Rate,

(ii) Maximum Interest Rate,

(iii) Initial Interest Reset Date,

(iv) Interest Reset Period,

(v) Interest Determination Date,

(vi) Interest Reset Date(s),

(vii) Initial Interest Rate,

(viii) Spread and/or Spread Multiplier,

(ix) Calculation Agent,

(x) Interest Category, indicating whether such Securities are:

(a) Regular Floating Rate Securities,

(b) Floating Rate/Fixed Rate Securities (in which case the Fixed Rate Commencement Date and the Fixed Interest Rate shall be specified) or

- (c) Inverse Floating Rate Securities (in which case the Fixed Interest Rate shall be specified);
- (xi) Day Count Convention, indicating one of the following (including the applicable period):
  - (a) Actual/360,
  - (b) Actual/Actual, or
  - (c) 30/360;
- (xii) Interest Rate Basis or Bases, which may include:
  - (a) CD Rate,
  - (b) Prime Rate,
  - (c) Federal Funds Rate,
  - (d) Commercial Paper Rate,
  - (e) LIBOR, in which case either Reuters Page or Telerate Page shall be indicated, as well as the Index Currency,
  - (f) Treasury Rate,
  - (g) CMT Rate, in which case the Designated CMT Telerate Page or the Designated CMT Maturity Index shall be indicated, or
  - (h) Other;
- (14) Name, address and taxpayer identification number of the registered owner(s);
- (15) Denomination of certificates to be delivered at settlement;
  - (16) Selling Agent or Purchasing Agent.
  - (17) Selling Agent's commission or Purchasing Agent's discount, as the case may be;
- (18) Net Proceeds to the Company.

**Preparation of Pricing Supplement by Company:**

If the Company accepts an offer to purchase a Certificated Security, it will prepare a Pricing Supplement reflecting the terms of such Certificated Security and arrange to have delivered to the Selling Agent or Purchasing Agent, as the case may be, at least ten copies of such Pricing Supplement, not later than 10:00 a.m., New York City time, on the Business Day following the Trade Date, or if the Company and the purchaser agree to settlement on the date of acceptance of such offer, not later than noon, New York City time, on such date. The Company will arrange to have the Pricing Supplement filed with the Commission not later than the close of business of the Commission on the fifth Business Day following the date on which such Pricing Supplement is first used.

**Delivery of Confirmation and Prospectus to Purchaser by Selling Agent:**

The Selling Agent will deliver to the purchaser of a Certificated Security a written confirmation of the sale and delivery and payment instructions. In addition, the Selling Agent will deliver to such purchaser or its agent the Prospectus as amended or supplemented (including the Pricing Supplement) in relation to such Certificated Security prior to or together with the earlier of the delivery to such purchaser or its agent of

- (a) the confirmation of sale or
- (b) the Certificated Security.

**Date of Settlement:**

All offers of Certificated Securities solicited by a Selling Agent or made by a Purchasing Agent and accepted by the Company will be settled on a date (the "Settlement Date") which is the third Business Day after the date of acceptance of such offer, unless the Company and the purchaser agree to settlement (a) on another Business Day after the acceptance of such offer or (b) with respect to an offer accepted by the Company prior to 10:00 a.m., New York City time, on the date of such acceptance.

**Instruction from Company to Trustee for Preparation of Certificated Securities:**

After receiving the Sale Information from the Selling Agent or Purchasing Agent, as the case may be, the Company will communicate such Sale Information to the Trustee by telephone (confirmed in writing) or by facsimile transmission or other acceptable written means.

The Company will instruct the Trustee by facsimile transmission or other acceptable written means to authenticate and deliver the Certificated Securities no later than 2:15 p.m., New York City time, on the Settlement Date. Such instruction will be given by the Company prior to 3:00 p.m., New York City time, on the Business Day immediately preceding the Settlement Date unless the Settlement Date is the date of acceptance by the Company of the offer to purchase Certificated Securities in which case such instruction will be given by the Company by 11:00 a.m., New York City time.

**Preparation and Delivery of Certificated Securities by Trustee and Receipt of Payment Therefor:**

The Trustee will prepare each Certificated Security and appropriate receipts that will serve as the documentary control of the transaction.

In the case of a sale of Certificated Securities to a purchaser solicited by a Selling Agent, the Trustee will, by 2:15 p.m., New York City time, on the Settlement Date, deliver the Certificated Securities to the Selling Agent for the benefit of the purchaser of such Certificated Securities against delivery by the Selling Agent of a receipt therefor. On the Settlement Date the Selling Agent will deliver payment for such Certificated Securities in immediately available funds to the Company in an amount equal to the issue price of the Certificated Securities less the Selling Agent's commission; provided that the Selling Agent reserves the right to withhold payment for which it has not received funds from the purchaser. The Company shall not use any proceeds advanced by a Selling Agent to acquire securities.

In the case of a sale of Certificated Securities to a Purchasing Agent, the Trustee will, by 2:15 p.m., New York City time, on the Settlement Date, deliver the Certificated Securities to the Purchasing Agent against delivery of payment for such Certificated Securities in immediately available funds to the Company in an amount equal to the issue price of the Certificated Securities less the Purchasing Agent's discount.

**Failure of Purchaser to Pay Selling Agent:**

If a purchaser (other than a Purchasing Agent) fails to make payment to the Selling Agent for a Certificated Security, the Selling Agent will promptly notify the Trustee and the Company thereof by telephone (confirmed in writing) or by facsimile transmission or other acceptable written means. The Selling Agent will immediately return the Certificated Security to the Trustee. Immediately upon receipt of such Certificated Security by the Trustee, the Company will return to the Selling Agent an amount equal to the amount previously paid to the Company in respect of such Certificated Security. The Company will reimburse the Selling Agent on an equitable basis for its loss of the use of funds during the period when they were credited to the account of the Company.

The Trustee will cancel the Certificated Security in respect of which the failure occurred, make appropriate entries in its records and, unless otherwise instructed by the Company, destroy the Certificated Security.

## EXHIBIT 4.1

### NIKE, INC. OFFICERS' CERTIFICATE PURSUANT TO SECTIONS 2.2 AND 10.4 OF THE INDENTURE

Robert S. Falcone and Lindsay D. Stewart do hereby certify that they are the Vice President and Chief Financial Officer, and Vice President and Assistant Secretary, respectively, of NIKE, Inc., an Oregon corporation (the "Company") and do further certify, pursuant to resolutions of the Board of Directors of the Company adopted on June 14, 1996 (the "June Board Resolutions") and September 16, 1996 (the "September Board Resolutions") and resolutions of the Executive Committee of the Company adopted by written consent on November 8, 1996 (the "Executive Committee Resolutions") (collectively, the "Resolutions"), pursuant to Sections 2.2 and 10.4 of the Indenture (the "Indenture") dated as of December 13, 1996 between the Company and The First National Bank of Chicago, as trustee (the "Trustee"), as follows:

(a) Attached hereto as Annex A is a true and correct copy of a specimen of the Company's Fixed Rate Medium-Term Notes (the "Fixed Rate Notes"); and attached hereto as Annex B is a true and correct copy of a specimen of the Company's Floating Rate Medium-Term Notes (the "Floating Rate Notes", and together with the Fixed Rate Notes, the "Notes").

(b) The Specified Currency, Authorized Denomination, Index Currency, Principal Amount, Default Rate, Original Issue Date, Stated Maturity, Redemption Commencement Date, if any, Initial Redemption Percentage, if any, Annual Redemption Percentage Reduction, if any, and Optional Repayment Date or Dates, if any, Original Issue Discount, if applicable, and, in the case of Fixed Rate Notes and Floating Rate/Fixed Rate Notes, the Interest Rate, the Interest Payment Date or Dates (if other than March 1 and September 1 of each year), the Record Date or Dates (if other than February 15 and August 15 of each year), the Exchange Rate Agent (if other than the Trustee) and any other applicable terms that may be specified with respect to any Fixed Rate Note or any Floating Rate/Fixed Rate Note pursuant to the terms thereof, and, in the case of Floating Rate Notes and Floating Rate/Fixed Rate Notes, the Interest Rate Basis or Bases, the Index Maturity (if applicable), the Initial Interest Rate, the Maximum Interest Rate, if any, the Minimum Interest Rate, if any, the Interest Payment Date or Dates, the Regular Record Date or Dates, the Initial Interest Reset Date, the Interest Reset Date or Dates, the Interest Reset Period, the Interest Determination Date, the Spread and/or Spread Multiplier, if any, the Interest Category, the Day Count Convention, the Calculation Agent and the Exchange Rate Agent (if other than the Trustee) and any other applicable terms that may be specified with respect to any Floating Rate Note or any Floating Rate/Fixed Rate Note, shall be determined by any one of the officers of the Company listed in Attachment A hereto (each a "Designated Officer"), and such terms shall be set forth in the applicable Note.

(c) Each of the Designated Officers and the persons listed in Attachment B hereto is hereby authorized to communicate, from time to time through the use of facsimile transmission or by telephone (immediately confirmed in writing at any time

on the same date), the foregoing terms of any Note and any additional terms of forms of Notes permissible under the Indenture and any other instructions related thereto to the Trustee or any authenticating agent or paying agent regarding the completion and delivery of such Note.

(d) The Trustee and any authenticating agent and paying agent shall be entitled to rely on the information provided to it or them in accordance with paragraphs (b) and (c) above until such time as the Trustee and such authenticating agent and paying agent receive a subsequent certificate from the Company deleting or amending any of the information set forth therein.

(e) The Fixed Rate Notes and the Floating Rate Notes, when completed as contemplated by paragraphs (b) and (c) above, will set forth the terms required to be set forth in this certificate pursuant to Section 2.2 of the Indenture, and said terms are incorporated herein by reference.

(f) Attached hereto as Annex C are true and correct copies of the

**Resolutions.**

(g) Attached hereto as Annex D are true copies of the letters addressed to the Trustee entitling the Trustee to rely on the Opinions of Counsel attached thereto, which Opinions relate to the Notes and comply with Section 10.4(b) of the Indenture.

(h) Each of the undersigned has reviewed the provisions of the Indenture, including the covenants and conditions precedent pertaining to the issuance of the Notes.

(i) In connection with this certificate each of the undersigned has examined documents, corporate records and certificates and has spoken with other officers of the Company.

(j) Each of the undersigned has made such examination and investigation as is necessary to enable him to express an informed opinion as to whether or not the covenants and conditions precedent of the Indenture pertaining to the issuance of the Notes have been complied with.

(k) In our opinion all of the covenants and conditions precedent provided for in the Indenture for the issuance of the Notes have been complied with.

Capitalized terms used herein that are not otherwise defined shall have the meanings ascribed thereto in the Indenture or the Notes, as the case may be.

IN WITNESS WHEREOF, each of the undersigned officers has executed this certificate this 23rd day of April 1997.

---

Name: Robert S. Falcone  
Title: Vice President and  
Chief Financial Officer

---

Name: Lindsay D. Stewart  
Title: Vice President and  
Assistant Secretary

**ATTACHMENT A  
TO OFFICERS' CERTIFICATE  
PURSUANT TO SECTIONS 2.2 AND 10.4 OF THE INDENTURE**

The Designated Officers referred to in paragraph (b) of the above- referenced Officers' Certificate shall be as follows:

	Title -----	Specimen Signature -----
Robert S. Falcone	Vice President and Chief Financial Officer	_____
Lindsay D. Stewart	Vice President and Assistant Secretary	_____
Marcia A. Stilwell	Treasurer	_____

ATTACHMENT B  
-----  
TO OFFICERS' CERTIFICATE

**PURSUANT TO SECTIONS 2.2 AND 10.4 OF THE INDENTURE**

	Title -----	Specimen Signature -----
Marcia A. Stilwell	Treasurer	_____
Bob W. Woodruff	Director, Global Cash  and Banking	_____

EXHIBIT 4.2

[FACE OF NOTE]

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (THE "DEPOSITORY") OR A NOMINEE THEREOF. THIS NOTE IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY, BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY./1/

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (THE "DEPOSITORY"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN./2/

REGISTERED CUSIP No.: PRINCIPAL AMOUNT:  
No. FXR- \_\_\_\_\_

NIKE, INC.  
MEDIUM-TERM NOTE  
(Fixed Rate)

ORIGINAL ISSUE DATE:	INTEREST RATE: %	STATED MATURITY:
INTEREST PAYMENT DATE(S): [ ] March 1 and September 1 [ ] Other:	RECORD DATE(S): [ ] February 15 and August 15 [ ] Other:	DEFAULT RATE: %
REDEMPTION COMMENCEMENT DATE:	INITIAL REDEMPTION PERCENTAGE: %	ANNUAL REDEMPTION PERCENTAGE REDUCTION: %
OPTIONAL REPAYMENT DATE(S):		[ ] CHECK IF AN ORIGINAL ISSUE DISCOUNT NOTE Issue Price: %
SPECIFIED CURRENCY: [ ] United States dollars [ ] Other:	AUTHORIZED DENOMINATION: [ ] \$1,000 and integral multiples thereof [ ] Other:	EXCHANGE RATE AGENT (if other than The First National Bank of Chicago):

/1/ This paragraph applies to global Notes only.

/2/ This paragraph applies to global Notes only.

**ADDENDUM ATTACHED: OTHER/ADDITIONAL PROVISIONS:**

Yes

No

NIKE, INC., an Oregon corporation (the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to , or registered assigns, the principal sum of , on the Stated Maturity specified above (or any Redemption Date or Repayment Date, each as defined on the reverse hereof) (each such Stated Maturity, Redemption Date or Repayment Date being hereinafter referred to as the "Maturity Date" with respect to the principal repayable on such date) and to pay interest thereon, at the Interest Rate per annum specified above, until the principal hereof is paid or duly made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the Default Rate per annum specified above on any overdue principal, premium and/or interest. The Company will pay interest in arrears on each Interest Payment Date, if any, specified above (each, an "Interest Payment Date"), commencing with the first Interest Payment Date next succeeding the Original Issue Date specified above, and on the Maturity Date; provided, however, that if the Original Issue Date occurs between a Record Date (as defined below) and the next succeeding Interest Payment Date, interest payments will commence on the second Interest Payment Date next succeeding the Original Issue Date to the registered holder of this Note (the "Holder") on the Record Date with respect to such second Interest Payment Date. Interest on this Note will be computed on the basis of a 360-day year of twelve 30-day months.

Notwithstanding the foregoing, if an Addendum is attached hereto or "Other/Additional Provisions" apply to this Note as specified above, this Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions".

Interest on this Note will accrue from and including the immediately preceding Interest Payment Date to which interest has been paid or duly provided for (or from and including the Original Issue Date if no interest has been paid or duly provided for) to but excluding the applicable Interest Payment Date or the Maturity Date, as the case may be (each, an "Interest Period"). The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, subject to certain exceptions described herein, be paid to the person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the fifteenth day (whether or not a Business Day, as defined below) of the month immediately preceding such Interest Payment Date (the "Record Date"); provided, however, that interest payable on the Maturity Date will be payable to the person to whom the principal hereof and premium, if any, hereon shall be payable. Any such interest not so punctually paid or duly provided for ("Defaulted Interest") will forthwith cease to be payable to the Holder on any Record Date, and shall be paid to the person in whose name this Note is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee (as defined on the reverse hereof), notice whereof shall be given to the Holder of this Note by the Trustee not less than 10 calendar days prior to such Special Record Date or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this Note may be listed, and upon such notice as may be required by such exchange, all as more fully provided for in the Indenture.

Payment of principal, premium, if any, and interest in respect of this Note due on the Maturity Date will be made in immediately available funds upon presentation and surrender of this Note (and, with respect to any applicable repayment of this Note, a duly completed election form as contemplated on the reverse hereof) at the corporate trust office of the Trustee ("Corporate Trust Office") at One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126 or at its trust office maintained for that purpose ("New York Window") in the Borough of Manhattan, The City of New York, currently located at c/o First Chicago Trust Company of New York, 14 Wall Street, 8th Floor, New York, N.Y. 10005, or at such other paying agency in the Borough of Manhattan, The City of New York, as the Company may determine; provided, however, that if such payment is to be made in a Specified Currency other than United States dollars as set forth below, such payment will be made by wire transfer of immediately available funds to an account with a bank designated by the Holder hereof at least 15 calendar days prior to the Maturity Date, provided that such bank has appropriate facilities therefor and that this Note (and, if applicable, a duly completed repayment election form) is presented and surrendered at the aforementioned office of the Trustee in time for the Trustee to make such payment in such funds in accordance with its normal procedures. Payment of interest due on any

Interest Payment Date other than the Maturity Date will be made by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register maintained at the aforementioned office of the Trustee; provided, however, that a holder of U.S.\$10,000,000 (or, if the Specified Currency specified above is other than United States dollars, the equivalent thereof in the Specified Currency) or more in aggregate principal amount of Notes (whether having identical or different terms and provisions) will be entitled to receive interest payments on such Interest Payment Date by wire transfer of immediately available funds if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 calendar days prior to such Interest Payment Date. Any such wire transfer instructions received by the Trustee shall remain in effect until revoked by such Holder.

If any Interest Payment Date or the Maturity Date falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest shall be made on the next succeeding Business Day with the same force and effect as if made on the date such payment was due, and no interest shall accrue with respect to such payment for the period from and after such Interest Payment Date or the Maturity Date, as the case may be, to the date of such payment on the next succeeding Business Day.

As used herein, "Business Day" means any day except a Saturday, Sunday or a legal holiday in The City of New York, the City of Portland, Oregon or the City of Chicago on which banking institutions are authorized or required by law, regulation or executive order to close; provided, however, that if the Specified Currency is other than United States dollars and any payment is to be made in the Specified Currency in accordance with the provisions hereof, such day is also not a day on which banking institutions are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as defined below) of the country issuing the Specified Currency (or, in the case of European Currency Units ("ECU"), is not a day that appears as an ECU non- settlement day on the display designated as "ISDE" on the Reuter Monitor Money Rates Service (or a day so designated by the ECU Banking Association) or, if ECU non-settlement days do not appear on that page (and are not so designated), is not a day on which payments in ECU cannot be settled in the international interbank market). "Principal Financial Center" means the capital city of the country issuing the Specified Currency, except that with respect to United States dollars, Australian dollars, Deutsche marks, Dutch guilders, Italian lire, Swiss francs and ECU, the "Principal Financial Center" shall be The City of New York, Sydney, Frankfurt, Amsterdam, Milan, Zurich and Luxembourg, respectively.

The Company is obligated to make payment of principal, premium, if any, and interest in respect of this Note in the Specified Currency (or, if the Specified Currency is not at the time of such payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued the Specified Currency as at the time of such payment is legal tender for the payment of such debts). If the Specified Currency is other than United States dollars, any such amounts so payable by the Company will be converted by the Exchange Rate Agent specified above into United States dollars for payment to the Holder of this Note; provided, however, that the Holder of this Note may elect to receive such amounts in such Specified Currency pursuant to the provisions set forth below.

If the Specified Currency is other than United States dollars and the Holder of this Note shall not have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency, any United States dollar amount to be received by the Holder of this Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Company for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on such payment date in the aggregate amount of the Specified Currency payable to all holders of Notes scheduled to receive United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs will be borne by the Holder of this Note by deductions from

such payments. If three such bid quotations are not available, payments on this Note will be made in the Specified Currency.

If the Specified Currency is other than United States dollars, the Holder of this Note may elect to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency by submitting a written request for such payment to the Trustee at its Corporate Trust Office in the City of Chicago or at its New York Window in the Borough of Manhattan, The City of New York on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be. Such written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. The Holder of this Note may elect to receive all or a specified portion of all future payments in the Specified Currency in respect of such principal, premium, if any, and/or interest and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Trustee, but written notice of any such revocation must be received by the Trustee on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be.

If the Specified Currency is other than United States dollars or a composite currency and the Holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest, if any, in respect of this Note in the Specified Currency and if the Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the control of the Company, or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions within the international banking community, then the Company will be entitled to satisfy its obligations to the Holder of this Note by making such payment in United States dollars on the basis of the Market Exchange Rate (as defined below) on the second Business Day prior to such payment date or, if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate; provided, however, that if such Specified Currency is replaced by a single European currency, the payment of principal of, premium, if any, or interest, if any, on this Note denominated in such currency shall be effected in the new single European currency in conformity with legally applicable measures taken pursuant to, or by virtue of, the treaty establishing the European Community, as amended by the treaty on European Unity. The "Market Exchange Rate" for the Specified Currency means the noon dollar buying rate in The City of New York for cable transfers for the Specified Currency as certified for customs purposes by (or if not so certified, as otherwise determined by) the Federal Reserve Bank of New York. Any payment made under such circumstances in United States dollars or a new single European currency where the required payment is in a Specified Currency other than United States dollars or such single European currency, respectively, will not constitute an Event of Default (as defined in the Indenture).

If the Specified Currency is a composite currency and the Holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest, if any, in respect of this Note in the Specified Currency and if such composite currency is unavailable due to the imposition of exchange controls or other circumstances beyond the control of the Company, then the Company will be entitled to satisfy its obligations to the Holder of this Note by making such payment in United States dollars. The amount of each payment in United States dollars shall be computed by the Exchange Rate Agent on the basis of the equivalent of the composite currency in United States dollars. The component currencies of the composite currency for this purpose (collectively, the "Component Currencies" and each, a "Component Currency") shall be the currency amounts that were components of the composite currency as of the last day on which the composite currency was used. The equivalent of the composite currency in United States dollars shall be calculated by aggregating the United States dollar equivalents of the Component Currencies. The United States dollar equivalent of each of the Component Currencies shall be determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate for each such Component Currency, or as otherwise specified on the face hereof.

If the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of the currency as a Component Currency shall be divided or multiplied in the same proportion. If two or more Component Currencies are consolidated into a single currency, the amounts of those currencies as Component Currencies shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Component Currencies expressed in such single currency. If any Component Currency is divided into two or more currencies, the amount of the original Component Currency shall be replaced by the amounts of such two or more currencies, the sum of which shall be equal to the amount of the original Component Currency.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of this Note.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and, if so specified above, in the Addendum hereto, which further provisions shall have the same force and effect as if set forth on the face hereof.

Unless the Certificate of Authentication hereon has been executed by the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, NIKE, Inc. has caused this Note to be duly executed.

**NIKE, INC.**

By \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Title:

Dated:

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION:**

This is one of the Debt Securities of the series designated as Medium-Term Notes referred to in the within-mentioned Indenture.

**THE FIRST NATIONAL BANK OF CHICAGO,  
as Trustee**

By \_\_\_\_\_  
Authorized Signatory

[REVERSE OF NOTE]

**NIKE, INC.**  
**MEDIUM-TERM NOTE**  
(Fixed Rate)

This Note is one of a duly authorized series of Debt Securities (the "Debt Securities") of the Company issued and to be issued under an Indenture, dated as of December 13, 1996, as amended, modified or supplemented from time to time (the "Indenture"), between the Company and The First National Bank of Chicago, as Trustee (the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the holders of the Debt Securities, and of the terms upon which the Debt Securities are, and are to be, authenticated and delivered. This Note is one of the series of Debt Securities designated as "Medium-Term Notes" (the "Notes"). All terms used but not defined in this Note specified on the face hereof or in an Addendum hereto shall have the meanings assigned to such terms in the Indenture.

This Note is issuable only in registered form without coupons in minimum denominations of U.S.\$1,000 and integral multiples thereof or the minimum Authorized Denomination specified on the face hereof.

This Note will not be subject to any sinking fund and, unless otherwise provided on the face hereof in accordance with the provisions of the following two paragraphs, will not be redeemable or repayable prior to the Stated Maturity.

This Note will be subject to redemption at the option of the Company on any date on or after the Redemption Commencement Date, if any, specified on the face hereof, in whole or from time to time in part in increments of U.S.\$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S.\$1,000 or such minimum Authorized Denomination), at the Redemption Price (as defined below), together with unpaid interest accrued thereon to the date fixed for redemption (each, a "Redemption Date"), on notice given not more than 60 nor less than 30 calendar days prior to the Redemption Date and in accordance with the provisions of the Indenture. The "Redemption Price" shall initially be the Initial Redemption Percentage specified on the face hereof multiplied by the unpaid principal amount of this Note to be redeemed. The Initial Redemption Percentage shall decline at each anniversary of the Redemption Commencement Date by an amount equal to the Annual Redemption Percentage Reduction, if any, specified on the face hereof until the Redemption Price is equal to 100% of the unpaid principal amount to be redeemed. In the event of redemption of this Note in part only, a new Note of like tenor for the unredeemed portion hereof and otherwise having the same terms as this Note shall be issued in the name of the Holder hereof upon the presentation and surrender hereof.

This Note will be subject to repayment by the Company at the option of the Holder hereof on the Optional Repayment Date(s), if any, specified on the face hereof, in whole or in part in increments of U.S.\$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S.\$1,000 or such minimum Authorized Denomination), at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued hereon to the date fixed for repayment (each, a "Repayment Date"). For this Note to be repaid, this Note must be received, together with the form hereon entitled "Option to Elect Repayment" duly completed, by the Trustee at its Corporate Trust Office in the City of Chicago or at its New York Window in the Borough of Manhattan, The City of New York (or at such other address of which the Company shall from time to time designate and notify holders of the Notes) not more than 60 nor less than 30 calendar days prior to the Repayment Date. Exercise of such repayment option by the Holder hereof will be irrevocable. In the event of repayment of this Note in part only, a new Note of like tenor for the unrepaid portion hereof and otherwise having the same terms as this Note shall be issued in the name of the Holder hereof upon the presentation and surrender hereof.

If this is a Global Security representing Book-Entry Notes, only the Depositary may exercise the repayment option in respect of this Note. Accordingly, if this is a Global Security representing Book-Entry Notes and the beneficial owner desires to have all or any portion of the Book-Entry Note represented by this Global Security repaid, the beneficial owner must instruct the Participant through which he owns his interest to direct the Depositary to exercise the repayment option on his behalf by delivering this Note and duly completed election form to the Trustee as aforesaid.

If this Note is an Original Issue Discount Note as specified on the face hereof, the amount payable to the Holder of this Note in the event of redemption, repayment or acceleration of maturity will be equal to the sum of

(i) the Issue Price specified on the face hereof (increased by any accruals of the Discount, as defined below) and, in the event of any redemption of this Note (if applicable), multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable) and (ii) any unpaid interest on this Note accrued from the Original Issue Date to the Redemption Date, Repayment Date or date of acceleration of maturity, as the case may be. The difference between the Issue Price and 100% of the principal amount of this Note is referred to herein as the "Discount".

For purposes of determining the amount of Discount that has accrued as of any Redemption Date, Repayment Date or date of acceleration of maturity of this Note, such Discount will be accrued so as to cause the yield on the Note to be constant. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates (with ratable accruals within a compounding period) and an assumption that the maturity of this Note will not be accelerated. If the period from the Original Issue Date to the initial Interest Payment Date (the "Initial Period") is shorter than the compounding period for this Note, a proportionate amount of the yield for an entire compounding period will be accrued. If the Initial Period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period, with the short period being treated as provided in the preceding sentence.

If an Event of Default, as defined in the Indenture, shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance of (i) the entire indebtedness of the Notes or (ii) certain covenants and Events of Default with respect to the Notes, in each case upon compliance with certain conditions set forth therein, which provisions apply to the Notes.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the holders of the Debt Securities at any time by the Company and the Trustee with the consent of the holders of not less than a majority of the aggregate principal amount of all Debt Securities at the time outstanding and affected thereby. The Indenture also contains provisions permitting the holders of not less than a majority of the aggregate principal amount of the outstanding Debt Securities of any series, on behalf of the holders of all such Debt Securities, to waive compliance by the Company with certain provisions of the Indenture. Furthermore, provisions in the Indenture permit the holders of not less than a majority of the aggregate principal amount of the outstanding Debt Securities of any series, in certain instances, to waive, on behalf of all of the holders of Debt Securities of such series, certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and other Notes issued upon the registration of transfer hereof or in exchange heretofore or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay principal, premium, if any, and interest in respect of this Note at the times, places and rate or formula, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein and herein set forth, the transfer of this Note is registrable in the Security Register of the Company upon surrender of this Note for registration of transfer at the office or agency of the Company in any place where the principal hereof and any premium or interest hereon are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein and herein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of different authorized denominations but otherwise having the same terms and conditions, as requested by the Holder hereof surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Holder in whose name this Note is registered as the owner thereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The internal laws of the State of New York shall govern the Indenture and the Notes.

**ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIFT MIN ACT - _____ Custodian _____
TEN ENT - as tenants by the entirety	(Cust) (Minor)
JT TEN - as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act _____ (State)

Additional abbreviations may also be used though not in the above list.

---

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sell(s), assign(s) and transfer(s)

unto

PLEASE INSERT SOCIAL SECURITY OR  
OTHER  
IDENTIFYING NUMBER OF ASSIGNEE  
-----  
| |

---

(Please print or typewrite name and address including postal zip code of assignee)

---

this Note and all rights thereunder hereby irrevocably constituting and appointing

\_\_\_\_\_, Attorney, to transfer this Note on the books of the Trustee, with full power of substitution in the premises.

Dated: \_\_\_\_\_

---

Notice: The signature(s) on this Assignment must correspond with the name(s) as written upon the face of this Note in every particular, without alteration or enlargement or any change whatsoever.

**OPTION TO ELECT REPAYMENT**

The undersigned hereby irrevocably request(s) and instruct(s) the Company to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to \_\_\_\_\_% of the principal amount to be repaid, together with unpaid interest accrued hereon to the Repayment Date, to the undersigned, at \_\_\_\_\_

(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, the Trustee must receive at its Corporate Trust Office in the City of Chicago, currently located at One First National Plaza, Suite 206, Chicago, Illinois 60670-0126 or at its New York Window in the Borough of Manhattan, The City of New York, currently located at c/o First Chicago Trust Company of New York, 14 Wall Street, 8th Floor, New York, N.Y. 10005, not more than 60 nor less than 30 calendar days prior to the Repayment Date, this Note with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Note is to be repaid, specify the portion thereof (which shall be increments of U.S.\$1,000 (or, if the Specified Currency is other than United States dollars, the minimum Authorized Denomination specified on the face hereof)) which the Holder elects to have repaid and specify the denomination or denominations (which shall be an Authorized Denomination) of the Notes to be issued to the Holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid).

Principal Amount  
to be Repaid: \$ \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Notice: The signature(s) on this  
Option to Elect Repayment must  
correspond with the name(s) as  
written upon the face of this Note in  
every particular, without alteration  
or enlargement or any change  
whatsoever.

EXHIBIT 4.3

[FACE OF NOTE]

THIS NOTE IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (THE "DEPOSITORY") OR A NOMINEE THEREOF. THIS NOTE IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY, BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY./1/

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (THE "DEPOSITORY"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN./2/

**REGISTERED CUSIP No.: PRINCIPAL AMOUNT:**  
**No. FLR-**\_\_\_\_\_

**NIKE, INC.**  
**MEDIUM-TERM NOTE**  
(Floating Rate)

ORIGINAL ISSUE DATE:		STATED MATURITY:
INTEREST PAYMENT DATE(S):	INITIAL INTEREST RATE:	RECORD DATE(S):
REDEMPTION COMMENCEMENT DATE:	INITIAL REDEMPTION PERCENTAGE: %	ANNUAL REDEMPTION PERCENTAGE REDUCTION: %
OPTIONAL REPAYMENT DATE(S):	<input type="checkbox"/> CHECK IF AN ORIGINAL ISSUE DISCOUNT NOTE Issue Price: %	
SPECIFIED CURRENCY: <input type="checkbox"/> United States dollars <input type="checkbox"/> Other:	AUTHORIZED DENOMINATION: <input type="checkbox"/> \$1,000 and integral multiples thereof <input type="checkbox"/> Other:	CALCULATION RATE (if other than The First National Bank of Chicago):

---

/1/ This paragraph applies to global Notes only.

/2/ This paragraph applies to global Notes only.

MINIMUM INTEREST RATE:

MAXIMUM INTEREST RATE:

INITIAL INTEREST RESET  
DATE:

INTEREST RESET PERIOD:

INTEREST DETERMINATION  
DATE:

INTEREST RESET DATE(S):

INDEX MATURITY:

DEFAULT RATE: %

SPREAD (plus or minus):

SPREAD MULTIPLIER:

EXCHANGE RATE AGENT:  
(if other than The First  
National Bank of Chicago)

**INTEREST CATEGORY: DAY COUNT CONVENTION:**

Regular Floating Rate Note  Actual/360 for the period

Floating Rate/Fixed Rate Note from to Fixed Rate Commencement Date:  Actual/Actual for the period Fixed Interest Rate: % from to

Inverse Floating Rate Note  30/360 for the period Fixed Interest Rate: % from to

**INTEREST RATE BASIS OR BASES:**

CD Rate

Prime Rate

Federal Funds Rate

Commercial Paper Rate

LIBOR:

Designated LIBOR Page

Reuters Page: \_\_\_\_\_

Telerate Page: \_\_\_\_\_

Index Currency:

Treasury Rate

CMT Rate

Designated CMT Telerate Page:

Designated CMT Maturity Index:

Other:

**ADDENDUM ATTACHED:**

Yes

No

**OTHER/ADDITIONAL PROVISIONS:**

NIKE, INC., an Oregon corporation (the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to , or registered assigns, the principal sum of , on the Stated Maturity specified above (or any Redemption Date or Repayment Date, each as defined on the reverse hereof) (each such Stated Maturity, Redemption Date or Repayment Date being hereinafter referred to as the "Maturity Date" with respect to the principal repayable on such date) and to pay interest thereon, at the Interest Rate to be determined in accordance with the provisions below, depending on the Interest Rate Basis shown above (the "Floating Interest Rate"), until the principal hereof is paid or duly made available for payment, and (to the extent that the payment of such interest shall be legally enforceable) at the Default Rate per annum specified above on any overdue principal, premium and/or interest. The Company will pay interest in arrears on each Interest Payment Date, if any, specified above (each, an "Interest Payment Date"), commencing with the first Interest Payment Date next succeeding the Original Issue Date specified above, and on the Maturity Date; provided, however, that if the Original Issue Date occurs between a Record Date (as defined below) and the next succeeding Interest Payment Date, interest payments will commence on the second Interest Payment Date next succeeding the Original Issue Date to the registered holder of this Note (the "Holder") on the Record Date with respect to such second Interest Payment Date.

Notwithstanding the foregoing, if an Addendum is attached hereto or "Other/Additional Provisions" apply to this Note as specified above, this Note shall be subject to the terms set forth in such Addendum or such "Other/Additional Provisions".

Interest on this Note will accrue from and including the immediately preceding Interest Payment Date to which interest has been paid or duly provided for (or from and including the Original Issue Date if no interest has been paid or duly provided for) to but excluding the applicable Interest Payment Date or the Maturity Date, as the case may be (each, an "Interest Period"). However, in case the interest rate on this Note is reset daily or weekly, unless otherwise specified on the face hereof, the interest payments will include interest accrued only from but excluding the Record Date through which interest has been paid (or from and including the Original Issue Date, if no interest has been paid with respect to this Note) through and including the Record Date next preceding the applicable Interest Payment Date, except that the interest payment on Maturity will include interest accrued to but excluding such date. Accrued interest is calculated by multiplying the face amount of this Note by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day from the Original Issue Date, or from the last date to which interest has been paid or duly provided for, to the date for which accrued interest is being calculated. The interest factor for each day is computed by dividing the interest rate applicable to such day by 360 in the case of CD Rate Notes, Commercial Paper Rate Notes, CMT Rate Notes, Federal Funds Rate Notes, LIBOR Notes or Prime Rate Notes, or by the actual number of days in the year in the case of Treasury Rate Notes. The interest factor for Notes for which the interest rate is calculated with reference to two or more Interest Rate Bases will be calculated in each period in the same manner as if only the lowest of the applicable Interest Rates Bases applied. If any Interest Payment Date other than the Maturity Date for this Note falls on a day that is not a Business Day with respect to this Note, such Interest Payment Date for this Note will be postponed to the next succeeding Business Day for this Note, except that, in the case of a LIBOR Note (or a Note for which LIBOR is an applicable Interest Rate Basis), if such Business Day is in the next succeeding calendar month, such Interest Payment Date will be the immediately preceding day that is a Business Day for this Note. If the Maturity Date of this Note falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest will be made on the next succeeding Business Day, as if made on the date such payment was due, and no interest on such payment shall accrue on such payment for the period from and after Maturity Date to the date of such payment on the next succeeding Business Day.

The interest so payable and punctually paid or duly provided for on any Interest Payment Date will, subject to certain exceptions described herein, be paid to the person in whose name this Note (or one or more predecessor Notes) is registered at the close of business on the fifteenth calendar day (whether or not a Business Day, as defined below) immediately preceding such Interest Payment Date (the "Record Date"); provided, however, that interest payable on the Maturity Date will be payable to the person to whom the principal hereof and premium, if any, hereon shall be payable. Any such interest not so punctually paid or

duly provided for ("Defaulted Interest") will forthwith cease to be payable to the Holder on any Record Date, and shall be paid to the person in whose name this Note is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Trustee (as defined on the reverse hereof), notice whereof shall be given to the Holder of this Note by the Trustee not less than 10 calendar days prior to such Special Record Date or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which this Note may be listed, and upon such notice as may be required by such exchange, all as more fully provided for in the Indenture.

Payment of principal, premium, if any, and interest in respect of this Note due on the Maturity Date will be made in immediately available funds upon presentation and surrender of this Note (and, with respect to any applicable repayment of this Note, a duly completed election form as contemplated on the reverse hereof) at the corporate trust office of the Trustee ("Corporate Trust Office") at One First National Plaza, Suite 0126, Chicago, Illinois 60670-0126 or at its trust office maintained for that purpose ("New York Window") in the Borough of Manhattan, The City of New York, currently located at c/o First Chicago Trust Company of New York, 14 Wall Street, 8th Floor, New York, N.Y. 10005, or at such other paying agency in the Borough of Manhattan, The City of New York, as the Company may determine; provided, however, that if such payment is to be made in a Specified Currency other than United States dollars as set forth below, such payment will be made by wire transfer of immediately available funds to an account with a bank designated by the Holder hereof at least 15 calendar days prior to the Maturity Date, provided that such bank has appropriate facilities therefor and that this Note (and, if applicable, a duly completed repayment election form) is presented and surrendered at the aforementioned office of the Trustee in time for the Trustee to make such payment in such funds in accordance with its normal procedures. Payment of interest due on any Interest Payment Date other than the Maturity Date will be made by check mailed to the address of the person entitled thereto as such address shall appear in the Security Register maintained at the aforementioned office of the Trustee; provided, however, that a holder of U.S.\$10,000,000 (or, if the Specified Currency specified above is other than United States dollars, the equivalent thereof in the Specified Currency) or more in aggregate principal amount of Notes (whether having identical or different terms and provisions) will be entitled to receive interest payments on such Interest Payment Date by wire transfer of immediately available funds if appropriate wire transfer instructions have been received in writing by the Trustee not less than 15 calendar days prior to such Interest Payment Date. Any such wire transfer instructions received by the Trustee shall remain in effect until revoked by such Holder.

As used herein, "Business Day" means any day except a Saturday, Sunday or a legal holiday in The City of New York, the City of Portland, Oregon or the City of Chicago on which banking institutions are authorized or required by law, regulation or executive order to close; provided, however, that if the Specified Currency is other than United States dollars and any payment is to be made in the Specified Currency in accordance with the provisions hereof, such day is also not a day on which banking institutions are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as defined below) of the country issuing the Specified Currency (or, in the case of European Currency Units ("ECU"), is not a day that appears as an ECU non-settlement day on the display designated as "ISDE" on the Reuter Monitor Money Rates Service (or a day so designated by the ECU Banking Association) or, if ECU non-settlement days do not appear on that page (and are not so designated), is not a day on which payments in ECU cannot be settled in the international interbank market); provided, further, that, if this is a LIBOR Note, such day is also a London Business Day. "London Business Day" means (i) if the Index Currency is other than ECU, any day on which dealings in such Index Currency are transacted in the London interbank market or (ii) if the Index Currency is ECU, any day that does not appear as an ECU non-settlement day on the display designated as "ISDE" on the Reuter Monitor Money Rates Service (or a day so designated by the ECU Banking Association) or, if ECU non-settlement days do not appear on that page (and are not so designated), is not a day on which payments in ECU cannot be settled in the international interbank market. "Principal Financial Center" means the capital city of the country issuing the Specified Currency or, solely with respect to the calculation of LIBOR, the Index Currency, except that with respect to United States dollars, Australian dollars, Deutsche marks, Dutch guilders, Italian lire, Swiss francs and ECU, the "Principal Financial Center" shall be The City of New York, Sydney, Frankfurt, Amsterdam, Milan, Zurich and Luxembourg, respectively.

The "Floating Interest Rate" on this Note will be calculated by reference to the Interest Rate Basis or Bases, as specified on the first page hereof, (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any. The Interest Rate Basis may be one or more of: (a) the CD Rate, (b) the CMT Rate, (c) the Commercial Paper Rate, (d) the Federal Funds Rate, (e) LIBOR, (f) the Treasury Rate, (g) the Prime Rate or (h) such other Interest Rate Basis or interest rate formula as is set forth on the first page hereof. The "Index Maturity" is the period to maturity of the instrument or obligation with respect to which the related Interest Rate Basis or Bases are calculated. In addition, this Note may bear interest at the lowest of two or more Interest Rate Basis or Bases determined in the same manner as the Floating Interest Rates described above (except the interest rate for such Notes will not be determined with reference to the Treasury Rate). Except as otherwise provided herein, all percentages resulting from any calculation will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all amounts used in or resulting from such calculation will be rounded to the nearest cent or, in the case of a foreign currency or composite currency, to the nearest unit (with one-half cent being rounded upward).

Notwithstanding the foregoing, if this Note is designated above as having an Addendum attached, this Note shall bear interest in accordance with the terms described in such Addendum.

Unless otherwise specified on the face hereof, the "Regular Record Date" with respect to this Note shall be the fifteenth calendar day immediately preceding the related Interest Payment Date or Dates, whether or not such date shall be a Business Day, and interest will be payable, in the case of Notes which reset daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of each March, June, September and December of each year, as specified on the face hereof; in the case of Notes which reset quarterly, on the third Wednesday of March, June, September and December of each year; in the case of Notes which reset semi-annually, on the third Wednesday of the two months of each year specified on the face hereof; and in the case of Notes which reset annually, on the third Wednesday of the month specified on the face hereof (each an "Interest Payment Date"), and in each case, on the Maturity Date.

Except as provided on the face hereof, the rate of interest on this Note will be reset daily, weekly, monthly, quarterly, semi-annually or annually (each an "Interest Reset Period"), as specified on the face hereof. Except as provided on the face hereof, if this Note resets daily, the Interest Reset Date will be each Business Day; if this Note resets weekly, the Interest Reset Date will be the Wednesday of each week (with the exception of weekly reset Treasury Rate Notes, which reset Tuesday of each week except as provided below); if this Note resets monthly, the Interest Reset Date will be the third Wednesday of each month; if this Note resets quarterly, the Interest Reset Date will be the third Wednesday of each March, June, September and December of each year; if this Note resets semi-annually, the Interest Reset Date will be the third Wednesday of each of the two months of each year specified on the face hereof; and if this Note resets annually, the Interest Reset Date will be the third Wednesday of the month of each year as specified on the face hereof. The interest rate in effect on each day that is not an Interest Reset Date will be the interest rate determined as of the Interest Determination Date pertaining to the immediately preceding Interest Reset Date and the interest rate in effect on any day that is an Interest Reset Date will be the interest rate determined as of the Interest Determination Date pertaining to such Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the date of issue to the Initial Interest Reset Date will be the Initial Interest Rate; provided, further, that if this Note is a Floating Rate/Fixed Rate Note the interest rate in effect for the period commencing on the Fixed Rate Commencement Date to the Maturity Date shall be the Fixed Interest Rate specified on the face hereof or, if no interest rate is specified, the interest rate in effect on the day immediately preceding the Fixed Rate Commencement Date. If any Interest Reset Date would otherwise be a day that is not a Business Day, the Interest Reset Date shall be postponed to the next succeeding day that is a Business Day, except that in the case of a LIBOR Note or a Note for which LIBOR is an applicable Interest Rate Basis and such Business Day falls in the next succeeding calendar month, such Interest Reset Date will be the immediately preceding Business Day. In addition, if the Treasury Rate is an applicable

Interest Rate Basis and the Interest Determination Date would otherwise fall on an Interest Reset Date, then such Interest Reset Date will be postponed to the next succeeding Business Day.

The interest rate applicable to each Interest Reset Period commencing on the related Interest Reset Date will be the rate determined as of the applicable Interest Determination Date on or prior to the Calculation Date (as defined below). The Interest Determination Date with respect to the CD Rate, the CMT Rate, the Commercial Paper Rate, the Federal Funds Rate and the Prime Rate will be the second Business Day preceding the applicable Interest Reset Date; and the Interest Determination Date with respect to LIBOR will be the second London Business Day preceding the applicable Interest Reset Date, unless the Index Currency (as defined below) is British pounds sterling, in which case the Interest Determination Date will be the applicable Interest Reset Date. The Interest Determination Date with respect to the Treasury Rate will be the day in the week in which the applicable Interest Reset Date falls on which day Treasury Bills (as defined below) are normally auctioned (Treasury Bills are normally sold at an auction held on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday); provided, however, that if an auction is held on the Friday of the week preceding the applicable Interest Reset Date, the Interest Determination Date shall be such preceding Friday. If the interest rate of this Note is determined with reference to two or more Interest Rate Bases the Interest Determination Date will be the first Business Day which is a least two Business Days prior to the applicable Interest Reset Date on which each Interest Rate Basis shall be determinable. Each Interest Rate Basis shall be determined and compared on such date, and the applicable interest rate shall take effect on the applicable Interest Reset Date.

The Calculation Agent (which shall be The First National Bank of Chicago unless otherwise specified on the face hereof and which may be changed by the Company from time to time) shall calculate the Floating Interest Rate on this Note on or before each Calculation Date and, upon request, provide the holders of the Notes the Floating Interest Rate then in effect and, if different, the interest rate which will become effective as a result of a determination made for the next Interest Reset Date with respect to this Note. The Calculation Agent's determination of any Floating Interest Rate will be final and binding in the absence of manifest error. Unless otherwise specified on the face hereof or in an Addendum hereto, the "Calculation Date", where applicable, pertaining to any Interest Determination Date will be the earlier of (a) the tenth calendar day after such Determination Date, or if any such day is not a Business Day, the next succeeding Business Day, or (b) the Business Day immediately preceding the applicable Interest Payment Date or Maturity Date, as the case may be.

Notwithstanding the other provisions herein, the Floating Interest Rate hereon which may accrue during any interest period shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, shown on the first page hereof and, in addition, the Floating Interest Rate shall in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

The interest rate borne by this Note will be determined as follows:

(i) Unless the Interest Category of this Note is specified on the face hereof as a "Floating Rate/Fixed Rate Note" or an "Inverse Floating Rate Note", this Note shall be designated as a "Regular Floating Rate Note" and, except as set forth below or on the face hereof, shall bear interest at the rate determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any, in each case as specified on the face hereof. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note shall be payable shall be reset as of each Interest Rate Date specified on the face hereof; provided, however, that the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate.

(ii) If the Interest Category of this Note is specified on the face hereof as a "Floating Rate/Fixed Rate Note", then, except as set forth below or on the face hereof, this Note shall bear interest at the rate

determined by reference to the applicable Interest Rate Basis or Bases (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any. Commencing on the Initial Interest Reset Date, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date; provided, however, that (y) the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate and (z) the interest rate in effect for the period commencing on the Fixed Rate Commencement Date specified on the face hereof to the Maturity Date shall be the Fixed Interest Rate specified on the face hereof or, if no such Fixed Interest Rate is specified, the interest rate in effect hereon on the day immediately preceding the Fixed Rate Commencement Date.

(iii) If the Interest Category of this Note is specified on the face hereof as an "Inverse Floating Rate Note", then, except as set forth below or on the face hereof, this Note shall bear interest at the Fixed Interest Rate minus the rate determined by reference to the applicable Interest Rate Basis or Bases

(a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any; provided, however, that, unless otherwise specified on the face hereof, the interest rate hereon shall not be less than zero. Commencing on the Initial Reset Date, the rate at which interest on this Note shall be payable shall be reset as of each Interest Reset Date; provided, however, that the interest rate in effect for the period, if any, from the Original Issue Date to the Initial Interest Reset Date shall be the Initial Interest Rate.

#### **Determination of CD Rate.**

The "CD Rate" will be determined by the Calculation Agent in accordance with the following provisions:

"CD Rate" means, with respect to any Interest Determination Date relating to a CD Rate Note or any Floating Rate Note for which the interest rate is determined with reference to the CD Rate (a "CD Rate Interest Determination Date"), the rate on such date for negotiable United States dollar certificates of deposit having the Index Maturity specified on the face hereof as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates", or any successor publication ("H.15(519)"), under the heading "CDs (Secondary Market)," or, if not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such CD Rate Interest Determination Date, the CD Rate will be the rate on such CD Rate Interest Determination Date for negotiable United States dollar certificates of deposit of the specified Index Maturity as published by the Federal Reserve Bank of New York in its daily statistical release "Composite 3:30 P.M. Quotations for U.S. Government Securities" or any successor publication ("Composite Quotations") under the heading "Certificates of Deposit". If such rate is not published in either H.15(519) or the Composite Quotations by 3:00 P.M., New York time, on such related Calculation Date, then the CD Rate on such CD Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD Rate Interest Determination Date, of three leading nonbank dealers in negotiable United States dollar certificates of deposit in The City of New York selected by the Calculation Agent for United States dollar negotiable certificates of deposit of major United States money market banks with a remaining maturity closest to the Index Maturity specified on the face hereof in an amount that is representative for a single transaction in that market at that time; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate determined as of such CD Interest Rate Determination Date will be the CD Rate in effect on such CD Rate Interest Determination Date.

#### **Determination of CMT Rate.**

The "CMT Rate" will be determined by the Calculation Agent in accordance with the following provisions:

Unless otherwise specified on the face hereof, "CMT Rate" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the CMT Rate (a "CMT Rate Interest Determination Date"), the rate displayed on the Designated CMT Telerate Page under the caption "...Treasury Constant Maturities...Federal Reserve Board Release

H.15...Mondays Approximately 3:45 P.M.", under the column for the Designated CMT Maturity Index for (i) if the Designated CMT Telerate Page is 7055, the rate on such CMT Rate Interest Determination Date and (ii) if the Designated CMT Telerate Page is 7052, the week, or the month, as applicable, ended immediately preceding the week in which the related CMT Rate Interest Determination Date occurs. If such rate is no longer displayed on the relevant page or is not displayed by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate for such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index (as defined below) as published in the relevant H.15(519). If such rate is no longer published or is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate on such CMT Rate Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the CMT Rate Interest Determination Date with respect to such Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in the relevant H.15(519). If such information is not provided by 3:00 P.M., New York City time, on the related Calculation Date, then the CMT Rate on the CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each, a "Reference Dealer") in The City of New York selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest), for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Notes") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent is unable to obtain three such Treasury Note quotations, the CMT Rate on such CMT Rate Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 P.M., New York City time, on such CMT Rate Interest Determination Date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least \$100 million. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor the lowest of such quotes will be eliminated; provided however, that if fewer than three Reference Dealers so selected by the Calculation Agent are quoting as mentioned herein, the CMT Rate determined as of such CMT Rate Interest Determination Date will be the CMT Rate in effect on such CMT Rate Interest Determination Date. If two Treasury Notes with an original maturity as described in the second preceding sentence have remaining terms to maturity equally close to the Designated CMT Maturity Index, the Calculation Agent will obtain from five Reference Dealers quotations for the Treasury Note with the shorter remaining term to maturity.

"Designated CMT Telerate Page" means the display on the Dow Jones Telerate Service on the page specified on the face hereof (or any other page as may replace such page on that service for the purpose of displaying Treasury Constant Maturities as reported in H.15(519)). If no such page is specified on the face hereof, the Designated CMT Telerate Page shall be 7052 for the most recent week.

"Designated CMT Maturity Index" means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified on the face hereof with respect to which the CMT Rate will be calculated. If no such maturity is specified on the face hereof, the Designated CMT Maturity Index shall be 2 years.

**Determination of Commercial Paper Rate.**

The "Commercial Paper Rate" will be determined by the Calculation Agent in accordance with the following provisions:

"Commercial Paper Rate" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Commercial Paper Rate (a "Commercial Paper Rate Interest Determination Date"), the Money Market Yield (as defined below) on such date of the rate for commercial paper having the Index Maturity specified on the first page hereof as published in H.15(519) under the heading "Commercial Paper". In the event such rate is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date shall be the Money Market Yield of the rate for commercial paper having the Index Maturity specified on the face hereof as published in Composite Quotations under the heading "Commercial Paper" (with an Index Maturity of one month or three months being deemed to be equivalent to the Index Maturity of 30 days or 90 days, respectively). If such rate is not yet published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on the related Calculation Date, then the Commercial Paper Rate on such Commercial Paper Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on such Commercial Paper Rate Interest Determination Date, of three leading dealers of commercial paper in The City of New York selected by the Calculation Agent for commercial paper of the specified Index Maturity placed for an industrial issuer whose bond rating is "Aa," or the equivalent, from a nationally recognized statistical rating organization; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate determined as of such Commercial Paper Rate Interest Determination Date will be the Commercial Paper Rate in effect on such Commercial Paper Rate Interest Determination Date.

"Money Market Yield" shall be the yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = 100 \times 360 \times D$$

$$360 - (D \times M)$$

where "D" refers to the per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and "M" refers to the actual number of days in the period for which interest is being calculated.

**Determination of Federal Funds Rate.**

The "Federal Funds Rate" will be determined by the Calculation Agent in accordance with the following provisions:

"Federal Funds Rate" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Federal Funds Rate (a "Federal Funds Rate Interest Determination Date"), the rate on that date for United States dollar federal funds as published in H.15(519) under the heading "Federal Funds (Effective)" or, if not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Federal Funds Rate Interest Determination Date, as published in Composite Quotations under the heading "Federal Funds/Effective Rate". If such rate is not published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on the related Calculation Date, then the Federal Funds Rate on such Federal Funds Rate Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of federal funds transactions in The City of New York selected by the Calculation Agent prior to 9:00 A.M., New York City time, on such Federal Funds Rate Interest Determination Date; provided, however, that if the brokers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Federal Funds Rate

determined as of such Federal Funds Rate Interest Determination Date will be the Federal Funds Rate then in effect on such Federal Funds Rate Interest Determination Date.

**Determination of LIBOR.**

"LIBOR" will be determined by the Calculation Agent in accordance with the following provisions:

(i) With respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to LIBOR (a "LIBOR Interest Determination Date"), LIBOR will be either: (a) if "LIBOR Reuters" is specified on the face hereof, the arithmetic mean of the offered rates (unless the Designated LIBOR Page by its terms provides only for a single rate, in which case such single rate shall be used) for deposits in the Index Currency having the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, that appear (or, if only a single rate is required as aforesaid, appears) on the Designated LIBOR Page as of 11:00 A.M., London time, on such LIBOR Interest Determination Date, or (b) if "LIBOR Telerate" is specified on the face page hereof or if neither "LIBOR Reuters" nor "LIBOR Telerate" is specified on the face hereof as the method for calculating LIBOR, the rate for deposits in the Index Currency having the Index Maturity specified on the face hereof, commencing on such Interest Reset Date, that appears on the Designated LIBOR Page as of 11:00 A.M., London time, on such LIBOR Interest Determination Date. If fewer than two such offered rates appear, or if no such rate appears, as applicable, LIBOR in respect on such LIBOR Interest Determination Date will be determined as if the parties had specified the rate described in (ii) below.

(ii) With respect to a LIBOR Interest Determination Date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the Designated LIBOR Page, as specified in (i) above, the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in the Index Currency for the period of the Index Maturity specified on the face hereof, commencing on the applicable Interest Reset Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such LIBOR Interest Determination Date and in a principal amount that is representative for a single transaction in such Index Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center (as defined above), on such LIBOR Interest Determination Date by three major banks in such Principal Financial Center selected by the Calculation Agent for loans in the Index Currency to leading European banks, having the Index Maturity specified on the face hereof and in a principal amount that is representative for a single transaction in such Index Currency in such market at such time; provided, however, that if the banks so selected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR Interest Determination Date will be LIBOR in effect on such LIBOR Interest Determination Date.

"Index Currency" means the currency or composite currency specified on the face hereof as to which LIBOR shall be calculated. If no such currency or composite currency is specified on the face hereof, the Index Currency shall be United States dollars.

"Designated LIBOR Page" means (a) if "LIBOR Reuters" is specified on the face hereof, the display on the Reuter Monitor Money Rates Service (or any successor service) for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency, or (b) if "LIBOR Telerate" is specified on the face hereof or neither "LIBOR Reuters" nor "LIBOR Telerate" is specified on the face hereof as the method for calculating LIBOR, the display on the Dow Jones Telerate Service (or any successor service) for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency.

### **Determination of Prime Rate.**

The "Prime Rate" will be determined by the Calculation Agent in accordance with the following provisions:

"Prime Rate" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to the Prime Rate (a "Prime Rate Interest Determination Date"), the rate on such date as such rate is published in H.15(519) under the heading "Bank Prime Loan". If such rate is not published prior to 3:00 P.M., New York City time, on the related Calculation Date, then the Prime Rate will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 (as defined below) as such bank's prime rate or base lending rate as in effect for such Prime Rate Interest Determination Date. If fewer than four such rates appear on the Reuters Screen USPRIME1 for the Prime Rate Interest Determination Date, then the Prime Rate will be determined by the Calculation Agent and will be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date by four major money center banks in The City of New York selected by the Calculation Agent. If fewer than four such quotations are so provided, then the Prime Rate shall be the arithmetic mean of four prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Prime Rate Interest Determination Date as furnished in The City of New York by the major money center banks, if any, that have provided such quotations and by as many substitute banks or trust companies as necessary in order to obtain four such prime rate quotations, provided such substitute banks or trust companies are organized and doing business under the laws of the United States, or any State thereof, each having total equity capital of at least \$500 million and being subject to supervision or examination by Federal or State authority, selected by the Calculation Agent to provide such rate or rates; provided, however, that if the banks or trust companies so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Prime Rate determined as of such Prime Rate Interest Determination Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date.

"Reuters Screen USPRIME1" means the display designated as page "USPRIME1" on the Reuter Monitor Money Rates Service (or such other page as may replace the USPRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

### **Determination of Treasury Rate.**

The "Treasury Rate" will be determined by the Calculation Agent in accordance with the following provisions:

"Treasury Rate" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined by reference to the Treasury Rate (a "Treasury Rate Interest Determination Date"), the rate from the auction held on such Treasury Rate Interest Determination Date (the "Auction") of direct obligations of the United States ("Treasury Bills") having the Index Maturity specified on the face hereof, as such rate is published in H.15(519) under the heading "Treasury Bills-auction average (investment)" or, if not published by 3:00 P.M., New York City time, on the related Calculation Date, the auction average rate of such Treasury Bills (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as otherwise announced by the United States Department of the Treasury. In the event that the results of the Auction of Treasury Bills having the Index Maturity specified in the applicable Pricing Supplement are not reported as provided by 3:00 P.M., New York City time, on the related Calculation Date, or if no such Auction is held, then the Treasury Rate will be calculated by the Calculation Agent and will be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Treasury Rate Interest Determination Date, of three leading primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity

specified in the applicable Pricing Supplement; provided, however, that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the Treasury Rate determined as of such Treasury Rate Interest Determination Date will be the Treasury Rate in effect on such Treasury Rate Interest Determination Date.

The Company is obligated to make payment of principal, premium, if any, and interest in respect of this Note in the Specified Currency (or, if the Specified Currency is not at the time of such payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued the Specified Currency as at the time of such payment is legal tender for the payment of such debts). If the Specified Currency is other than United States dollars, any such amounts so payable by the Company will be converted by the Exchange Rate Agent specified above into United States dollars for payment to the Holder of this Note; provided, however, that the Holder of this Note may elect to receive such amounts in such Specified Currency pursuant to the provisions set forth below.

If the Specified Currency is other than United States dollars and the Holder of this Note shall not have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency, any United States dollar amount to be received by the Holder of this Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognized foreign exchange dealers (one of whom may be the Exchange Rate Agent) selected by the Exchange Rate Agent and approved by the Company for the purchase by the quoting dealer of the Specified Currency for United States dollars for settlement on such payment date in the aggregate amount of the Specified Currency payable to all holders of Notes scheduled to receive United States dollar payments and at which the applicable dealer commits to execute a contract. All currency exchange costs will be borne by the Holder of this Note by deductions from such payments. If three such bid quotations are not available, payments on this Note will be made in the Specified Currency.

If the Specified Currency is other than United States dollars, the Holder of this Note may elect to receive all or a specified portion of any payment of principal, premium, if any, and/or interest in respect of this Note in the Specified Currency by submitting a written request for such payment to the Trustee at its Corporate Trust Office in the City of Chicago or at its New York Window in the Borough of Manhattan, The City of New York on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be. Such written request may be mailed or hand delivered or sent by cable, telex or other form of facsimile transmission. The Holder of this Note may elect to receive all or a specified portion of all future payments in the Specified Currency in respect of such principal, premium, if any, and/or interest and need not file a separate election for each payment. Such election will remain in effect until revoked by written notice to the Trustee, but written notice of any such revocation must be received by the Trustee on or prior to the applicable Record Date or at least 15 calendar days prior to the Maturity Date, as the case may be.

If the Specified Currency is other than United States dollars or a composite currency and the Holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest, if any, in respect of this Note in the Specified Currency and if the Specified Currency is not available due to the imposition of exchange controls or other circumstances beyond the control of the Company, or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions within the international banking community, then the Company will be entitled to satisfy its obligations to the Holder of this Note by making such payment in United States dollars on the basis of the Market Exchange Rate (as defined below) on the second Business Day prior to such payment date or, if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate; provided, however, that if such Specified Currency is replaced by a single European currency, the payment of principal of, premium, if any, or interest, if any, on this Note denominated in such currency shall be effected in the new single European currency in conformity with legally applicable measures taken pursuant to, or by virtue of, the treaty establishing the European Community, as amended by the treaty on European Unity. The "Market Exchange Rate" for the Specified Currency means the noon dollar buying rate in The City of New York for cable transfers for the Specified Currency as certified for customs purposes by (or if not so certified, as otherwise determined by) the Federal Reserve Bank of New York. Any payment made under such circumstances in United States dollars or a new single European currency where the required payment is in a Specified Currency other than United States dollars or such single European currency, respectively, will not constitute an Event of Default (as defined in the Indenture).

If the Specified Currency is a composite currency and the Holder of this Note shall have duly made an election to receive all or a specified portion of any payment of principal, premium, if any, and/or interest, if any, in respect of this Note in the Specified Currency and if such composite currency is unavailable due to the imposition of exchange controls or other circumstances beyond the control of the Company, then the Company will be entitled to satisfy its obligations to the Holder of this Note by making such payment in United States dollars. The amount of each payment in United States dollars shall be computed by the Exchange Rate Agent on the basis of the equivalent of the composite currency in United States dollars. The component currencies of the composite currency for this purpose (collectively, the "Component Currencies" and each, a "Component Currency") shall be the currency amounts that were components of the composite currency as of the last day on which the composite currency was used. The equivalent of the composite currency in United States dollars shall be calculated by aggregating the United States dollar equivalents of the Component Currencies. The United States dollar equivalent of each of the Component Currencies shall be determined by the Exchange Rate Agent on the basis of the most recently available Market Exchange Rate for each such Component Currency, or as otherwise specified on the face hereof.

If the official unit of any Component Currency is altered by way of combination or subdivision, the number of units of the currency as a Component Currency shall be divided or multiplied in the same proportion. If two or more Component Currencies are consolidated into a single currency, the amounts of those currencies as Component Currencies shall be replaced by an amount in such single currency equal to the sum of the amounts of the consolidated Component Currencies expressed in such single currency. If any Component Currency is divided into two or more currencies, the amount of the original Component Currency shall be replaced by the amounts of such two or more currencies, the sum of which shall be equal to the amount of the original Component Currency.

All determinations referred to above made by the Exchange Rate Agent shall be at its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and binding on the Holder of this Note.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and, if so specified above, in the Addendum hereto, which further provisions shall have the same force and effect as if set forth on the face hereof.

Unless the Certificate of Authentication hereon has been executed by the Trustee by manual signature, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, NIKE, Inc. has caused this Note to be duly executed.

**NIKE, INC.**

By \_\_\_\_\_  
Title:

By \_\_\_\_\_  
Title:

Dated:

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION:**

This is one of the Debt Securities of the series designated as Medium-Term Notes referred to in the within-mentioned Indenture.

**THE FIRST NATIONAL BANK OF CHICAGO,  
as Trustee**

By \_\_\_\_\_  
Authorized Signatory

[REVERSE OF NOTE]

**NIKE, INC.**  
**MEDIUM-TERM NOTE**  
(Floating Rate)

This Note is one of a duly authorized series of Debt Securities (the "Debt Securities") of the Company issued and to be issued under an Indenture, dated as of December 13, 1996, as amended, modified or supplemented from time to time (the "Indenture"), between the Company and The First National Bank of Chicago, as Trustee (the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the holders of the Debt Securities, and of the terms upon which the Debt Securities are, and are to be, authenticated and delivered. This Note is one of the series of Debt Securities designated as "Medium-Term Notes" (the "Notes"). All terms used but not defined in this Note specified on the face hereof or in an Addendum hereto shall have the meanings assigned to such terms in the Indenture.

This Note is issuable only in registered form without coupons in minimum denominations of U.S.\$1,000 and integral multiples thereof or the minimum Authorized Denomination specified on the face hereof.

This Note will not be subject to any sinking fund and, unless otherwise provided on the face hereof in accordance with the provisions of the following two paragraphs, will not be redeemable or repayable prior to the Stated Maturity.

This Note will be subject to redemption at the option of the Company on any date on or after the Redemption Commencement Date, if any, specified on the face hereof, in whole or from time to time in part in increments of U.S.\$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S.\$1,000 or such minimum Authorized Denomination), at the Redemption Price (as defined below), together with unpaid interest accrued thereon to the date fixed for redemption (each, a "Redemption Date"), on notice given not more than 60 nor less than 30 calendar days prior to the Redemption Date and in accordance with the provisions of the Indenture. The "Redemption Price" shall initially be the Initial Redemption Percentage specified on the face hereof multiplied by the unpaid principal amount of this Note to be redeemed. The Initial Redemption Percentage shall decline at each anniversary of the Redemption Commencement Date by an amount equal to the Annual Redemption Percentage Reduction, if any, specified on the face hereof until the Redemption Price is equal to 100% of the unpaid principal amount to be redeemed. In the event of redemption of this Note in part only, a new Note of like tenor for the unredeemed portion hereof and otherwise having the same terms as this Note shall be issued in the name of the Holder hereof upon the presentation and surrender hereof.

This Note will be subject to repayment by the Company at the option of the Holder hereof on the Optional Repayment Date(s), if any, specified on the face hereof, in whole or in part in increments of U.S.\$1,000 or the minimum Authorized Denomination (provided that any remaining principal amount hereof shall be at least U.S.\$1,000 or such minimum Authorized Denomination), at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued hereon to the date fixed for repayment (each, a "Repayment Date"). For this Note to be repaid, this Note must be received, together with the form hereon entitled "Option to Elect Repayment" duly completed, by the Trustee at its Corporate Trust Office in the City of Chicago or at its New York Window in the Borough of Manhattan, The City of New York (or at such other address of which the Company shall from time to time designate and notify holders of the Notes) not more than 60 nor less than 30 calendar days prior to the Repayment Date. Exercise of such repayment option by the Holder hereof will be irrevocable. In the event of repayment of this Note in part only, a new Note of like tenor for the unrepaid portion hereof and otherwise having the same terms as this Note shall be issued in the name of the Holder hereof upon the presentation and surrender hereof.

If this is a Global Security representing Book-Entry Notes, only the Depositary may exercise the repayment option in respect of this Note. Accordingly, if this is a Global Security representing Book-Entry Notes and the beneficial owner desires to have all or any portion of the Book-Entry Note represented by this Global Security repaid, the beneficial owner must instruct the Participant through which he owns his interest to direct the Depositary to exercise the repayment option on his behalf by delivering this Note and duly completed election form to the Trustee as aforesaid.

If this Note is an Original Issue Discount Note as specified on the face hereof, the amount payable to the Holder of this Note in the event of redemption, repayment or acceleration of maturity will be equal to the sum of

(i) the Issue Price specified on the face hereof (increased by any accruals of the Discount, as defined below) and, in the event of any redemption of this Note (if applicable), multiplied by the Initial Redemption Percentage (as adjusted by the Annual Redemption Percentage Reduction, if applicable) and (ii) any unpaid interest on this Note accrued from the Original Issue Date to the Redemption Date, Repayment Date or date of acceleration of maturity, as the case may be. The difference between the Issue Price and 100% of the principal amount of this Note is referred to herein as the "Discount".

For purposes of determining the amount of Discount that has accrued as of any Redemption Date, Repayment Date or date of acceleration of maturity of this Note, such Discount will be accrued so as to cause the yield on the Note to be constant. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates (with ratable accruals within a compounding period) and an assumption that the maturity of this Note will not be accelerated. If the period from the Original Issue Date to the initial Interest Payment Date (the "Initial Period") is shorter than the compounding period for this Note, a proportionate amount of the yield for an entire compounding period will be accrued. If the Initial Period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period, with the short period being treated as provided in the preceding sentence.

If an Event of Default, as defined in the Indenture, shall occur and be continuing, the principal of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture contains provisions for defeasance of (i) the entire indebtedness of the Notes or (ii) certain covenants and Events of Default with respect to the Notes, in each case upon compliance with certain conditions set forth therein, which provisions apply to the Notes.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the holders of the Debt Securities at any time by the Company and the Trustee with the consent of the holders of not less than a majority of the aggregate principal amount of all Debt Securities at the time outstanding and affected thereby. The Indenture also contains provisions permitting the holders of not less than a majority of the aggregate principal amount of the outstanding Debt Securities of any series, on behalf of the holders of all such Debt Securities, to waive compliance by the Company with certain provisions of the Indenture. Furthermore, provisions in the Indenture permit the holders of not less than a majority of the aggregate principal amount of the outstanding Debt Securities of any series, in certain instances, to waive, on behalf of all of the holders of Debt Securities of such series, certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and other Notes issued upon the registration of transfer hereof or in exchange heretofore or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay principal, premium, if any, and interest in respect of this Note at the times, places and rate or formula, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein and herein set forth, the transfer of this Note is registrable in the Security Register of the Company upon surrender of this Note for

registration of transfer at the office or agency of the Company in any place where the principal hereof and any premium or interest hereon are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Notes, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein and herein set forth, this Note is exchangeable for a like aggregate principal amount of Notes of different authorized denominations but otherwise having the same terms and conditions, as requested by the Holder hereof surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Note for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Holder in whose name this Note is registered as the owner thereof for all purposes, whether or not this Note be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The internal laws of the State of New York shall govern the Indenture and the Notes.



**OPTION TO ELECT REPAYMENT**

The undersigned hereby irrevocably request(s) and instruct(s) the Company to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to \_\_\_\_\_% of the principal amount to be repaid, together with unpaid interest accrued hereon to the Repayment Date, to the undersigned, at \_\_\_\_\_

(Please print or typewrite name and address of the undersigned)

For this Note to be repaid, the Trustee must receive at its Corporate Trust Office in the City of Chicago, currently located at One First National Plaza, Suite 206, Chicago, Illinois 60670-0126 or at its New York Window in the Borough of Manhattan, The City of New York, currently located at c/o First Chicago Trust Company of New York, 14 Wall Street, 8th Floor, New York, N.Y. 10005, not more than 60 nor less than 30 calendar days prior to the Repayment Date, this Note with this "Option to Elect Repayment" form duly completed.

If less than the entire principal amount of this Note is to be repaid, specify the portion thereof (which shall be increments of U.S.\$1,000 (or, if the Specified Currency is other than United States dollars, the minimum Authorized Denomination specified on the face hereof)) which the Holder elects to have repaid and specify the denomination or denominations (which shall be an Authorized Denomination) of the Notes to be issued to the Holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid).

Principal Amount  
to be Repaid: \$ \_\_\_\_\_

Date: \_\_\_\_\_

-----  
Notice: The signature(s) on this  
Option to Elect Repayment must  
correspond with the name(s) as  
written upon the face of this Note in  
every particular, without alteration  
or enlargement or any change  
whatsoever.

---

**End of Filing**

