



Cornell University

David J. Skorton
President

June 28, 2010

Dear Members of the Licensing Oversight Committee:

Thank you for your recommendation for a Cornell response to the Nike situation in Honduras.

I have carefully considered all the factors surrounding this issue. In doing so I have, in consultation with the Office of University Counsel and Vice Presidents Tommy Bruce and Susan Murphy, examined the Collegiate Licensing Company Codes of Conduct, the agency agreement between Cornell and the CLC, the Nike licensing agreement executed on Cornell's behalf by the CLC, and the correspondence between Nike and the Committee.

I have made the decision to allow the licensing agreement to run through its expiration date of December 31, 2010, at which point I will allow our agreement to expire unless significant progress is made. I am doing this to allow Nike time to accelerate discussions I understand are underway between the company and union representatives acting on behalf of the displaced workers and to become more assertive in its efforts to remediate the Codes of Conduct violations. I have also taken into consideration the harm that a discontinuation of our relationship with Nike would bring to innocent third parties, i.e., the nearly 1,000 student-athletes who benefit from the relationship.

This decision is in keeping with Cornell's notion of fairness, emphasizing the mutual expectation of good faith dealings between the university and its licensees and providing due process to a licensee with whom Cornell has a valued relationship. While the factory closings occurred 16 months ago, our discussions with Nike about these issues are only three months old.

I have also requested that the CLC, as a signee of the Nike licensing agreement, join me in these concerted efforts. I believe that the CLC, acting as Cornell's agent with Nike, has the responsibility to enforce the Codes of Conduct that, as a licensee, Nike has agreed to uphold.

I have informed Nike and the CLC of the clear expectations I will have of both companies through the remainder of the licensing agreement. I will expect to see Nike significantly accelerate its efforts to resolve this situation and will allow our licensing agreement to expire at the end of the year if Nike does not, in what I believe is an ample period of time, make satisfactory progress in bringing this matter to a conclusion.

At the same time I will monitor the CLC's efforts to determine whether they are adequately representing Cornell's interests and wishes. I believe that the CLC has a responsibility to

support Cornell in this matter by taking affirmative steps to uphold the terms of the licensing agreement which it entered into on our behalf.

Thank you very much for your hard work on this very difficult issue. As I will be traveling in the coming weeks please address any concerns or questions to Vice President Tommy Bruce.

Best,

A handwritten signature in black ink that reads "David J. Skorton". The signature is written in a cursive style with a large, prominent "D" and "S".

David J. Skorton

cc: VP Tommy Bruce