

Marketing Law and Contracts  
Assignment: Contracts Drafting

MKT3014-O 01

Full Sail University: Sports Marketing and Media

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## **ENDORSEMENT AGREEMENT**

This ENDORSEMENT AGREEMENT is effective as of June 30, 2019, between Nike Inc, a sports apparel corporation organized under the laws of Oregon, having its principal office at Nike Headquarters One Bowerman Dr, Beaverton, OR 97005 and Rory Mcilroy, an athlete under the laws of California, having its principal residence at 25211 Jim Bridger Rd, Hidden Hills, CA 91302, and a mailing address of sports agent Diana Day, of 740 Hollywood Blvd, Los Angeles CA 91605.

### **RECITALS**

WHEREAS, Nike Inc. is internationally recognized and known throughout the world as a sports apparel corporation.

WHEREAS, Rory Mcilroy is internationally recognized and known throughout the world as a professional athlete, golfer and entrepreneur.

WHEREAS, NIKE INC. wishes to enter into the endorsement agreement with Rory Mcilroy for the right to solely represent NIKE INC. on and off the golf course.

### **SECTION ONE: TERMS OF AGREEMENT**

Upon signature of both NIKE INC. and Rory Mcilroy, this agreement ought to become effective on June 30, 2019. Rory Mcilroy is to exclusively represent Nike apparel of their golf clothing and shoes. Mcilroy, is solely required to represent Nike at golfing tournaments or playing golf when practicing. In addition, NIKE INC. shall ask Rory Mcilroy to represent Nike in marketing campaigns, photoshoots and television commercials. Unless earlier terminated under the provisions of the agreement, this agreement will expired June 14, 2022 at which time the parties may extend the agreement for a two-year period agreement. Upon, expiration or termination of agreement NIKE INC. shall be granted a three-month grace period to begin phasing out Mcilroy's name of the endorsement of NIKE INC. and its products.

## **SECTION TWO: TIMELINE**

The "TERMS" upon the signatures of both parties will enter the agreement of a three (3) year contract of NIKE INC. endorsing Rory Mcilroy to represent NIKE INC. at golfing championships, tournaments and whilst being on and off the golf course. The "TERM" of the contract will begin June 30, 2019 and end June 14, 2022.

## **SECTION THREE: MORALITY CLAUSE**

At for any given event, NIKE INC. shall have the right to terminate this agreement if Rory Mcilroy has engaged in a conduct that deems a violation of the clause. NIKE INC. may terminate if the player shall at any time fail or refuse to conform his personal conduct. Rory Mcilroy shall always be fully and neatly attired in public and at all times on and off the golf course. Mcilroy, shall conduct himself in accordance of the highest standards of morality, honesty and sportsmanship. Rory Mcilroy shall not commit any act which might reasonably be considered: to be immoral, deceptive, scandalous or obscene; or to injure, tarnish, damage or otherwise negatively affect the reputation of NIKE INC.

## **SECTION FOUR: ATHLETE ENDORSEMENT AND PERSONAL APPEARANCES**

All "TERMS OF AGREEMENT" shall be met by both parties NIKE INC. and Rory Mcilroy outlined throughout the agreement.

- i.) Rory Mcilroy agrees to the "TERM" make himself available during the term of the agreement for three (3) days, not exceeding more than eight (8) hours a day for photoshoots, and tv commercials for the use of NIKE INC. advertising and marketing.
- ii.) Rory Mcilroy agrees to "TERM" of making public appearances of behalf of NIKE INC. for up to three (3) days, not exceeding more than twelve (12) hours a day to promote NIKE INC. products and events.

- iii.) Rory Mcilroy agrees to perform the obligations defined within the “TERM” of the agreement to the best of abilities and shall not be involved in any misconduct or activity that shall tarnish or damage NIKE INC. and Mcilroy name.
  
- iv.) NIKE INC. agrees to give one (1) month written notice to Rory Mcilroy of any advertising or personal appearance obligations defined within the agreement.

### **SECTION FIVE: INTERLECTUAL PROPERTY RIGHTS**

Rory Mcilroy agrees that NIKE INC. shall be the sole owner of any and all intellectual properties including but not limited to, photographs, audio-visual works, marketing and advertisements and other materials created by NIKE INC. Rory Mcilroy agrees that any personal branding if any personal logo is made during the “TERM OF AGREEMENT” by a NIKE INC. representative that would solely be the property of NIKE INC.

### **SECTION SIX: PAYMENT TERMS**

NIKE INC. agrees to the payment terms to pay Rory Mcilroy thirty million dollars (\$30,000,000) for the “TERM” defined within this agreement. Two million dollars (\$2,000,000) will be paid to Rory Mcilroy within seven (7) business days after July 1, 2019. Thereafter, Rory Mcilroy will be paid monthly at a rate of thirty thousand dollars (\$30,000) a month. All payments due to Rory Mcilroy from NIKE INC. shall be made by direct deposit as agreed. Past due payments to Rory Mcilroy under the “TERMS OF AGREEMENT” shall bear interest of a.) 15%; or b.) the maximum interest rate under the law of Oregon. Payment currency will be paid in United States dollars.

## **SECTION SEVEN: BONUSSES**

It is agreed upon that should Rory Mcilroy achieve any accomplishments during the “TERMS OF AGREEMENT”. Mcllroy shall receive payment bonuses up to twenty thousand dollars (\$20,000). Bonus payments under SECTION SEVEN will be due within seven (7) days following the achievement of each accomplishment. Bonus payments be paid through direct deposit as stated in SECTION SIX.

## **SECTION EIGHT: EXCLUSIVITY**

Rory Mcilroy agrees not to enter into any agreement with brands and or sponsors competing with NIKE INC. during the “TERM OF THE AGREEMENT”. NIKE INC. and Rory Mcilroy agree to discuss, in good faith of Rory Mcilroy involvement in additional agreements that may be beneficial to both “Parties”. It is acknowledge that Rory Mcilroy may enter into agreement with brands that are not in competition with NIKE INC. during the terms of this agreement. It is acknowledged by NIKE INC. that Rory Mcilroy may freely advertise and promote his brand during the “TERMS” as long as it does not interfere with the proposed schedule of the agreement.

## **SECTION NINE: AUTHORIZED AGENTS**

Diana Day, 740 Hollywood Blvd, Los Angeles CA 91605, is the authorized agent for all purposes of the agreement. All notices and submissions are to be made and delivered by NIKE INC. to Rory Mcilroy agent, Diana Day.

## **SECTION TEN: DEFAULT**

If either "Parties" at any-time during the "TERMS OF AGREEMENT" shall fail to abide by the agreement either party may terminate under the following:

- i.) If Rory Mcilroy engages in illegal, immoral, or criminal conduct resulting in a felony conviction NIKE INC. may terminate.
- ii.) If Rory Mcilroy engages in any activity insulting to the public or risking the name of NIKE INC., NIKE INC may terminate.
- iii.) If NIKE INC. fails to make payment to Rory Mcilroy of the sum agreed upon within seven (7) business days of the amount due Rory Mcilroy may terminate.
- iv.) If NIKE INC. declares bankruptcy or fails to sell the product of either party Rory Mcilroy may terminate.

Either "Party" may terminate the "TERMS OF AGREEMENT" a thirty (30) day written notice to the other party in the event of a breach of any provision of this Agreement that are unable to be corrected within the desired 30 days.

## **SECTION ELEVEN: ENTIRE AGREEMENT**

The writing of this "TERMS OF AGREEMENT" constitutes the entire agreement between both parties NIKE INC. AND RORY MCILROY. This Agreement may not be changed or modified except by the party or parties to be charged by such change or modification.

**SECTION TWELVE: BINDING SIGNATURES**

NIKE INC.

RORY MCILROY

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(Signature)

(Signature)

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(Print Name)

(Print Name)

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(Date)

(Date)