

June 14, 2005

Port of Tacoma Endowed Chair

I. Establishment

The University of Washington ("the University") and the Port of Tacoma ("the donor") hereby agree to establish the PORT OF TACOMA ENDOWED CHAIR per the terms of this agreement, to become effective on such date as the minimum required funding has been received and accepted by the University.

II. Purpose

The purpose of this endowment is to attract leading professors to the University to focus on teaching and research on topics related to Port priorities. The chair will support distinguished faculty who teach in one or more areas of relevance to the Port. Initially, this will include environmental science and urban waters ecology through development of the Urban Waters center.

III. Advisory Committee

UW Tacoma will establish an advisory committee to provide it with advice and counsel regarding the administration of the Port of Tacoma Endowed Chair. This Advisory Committee also will keep UWT apprised of the Port's educational and research needs. The Chancellor will seek and include the advice and counsel of the Advisory Committee in the selection of faculty to serve as the Port of Tacoma Endowed Chair. The Advisory Committee will meet annually or as required.

III. Funding

This endowment shall be funded with the following:

1. Gifts totaling \$1 million from the Port of Tacoma to be received in annual \$200,000 installments by June 30, 2009. The first installment shall be received by June 30, 2005. The Port of Tacoma may provide payment on an accelerated schedule.
2. Matching funds from the University of Washington totaling \$500,000 to be provided upon the fulfillment of the donor's commitment.
3. Any other gifts or bequests that the Port of Tacoma or other persons may designate for this purpose.

If the minimum funding requirement for an endowed chair is not met by December 31, 2009, per the terms specified under Section III Funding, then the gifts(s) received shall instead be held for current use consistent with the purpose set forth above.

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IV. Investment

All contributions to this endowment may, for investment purposes, be merged with any of the investment assets of the University of Washington, but these funds shall be entered in the University's books and records as the PORT OF TACOMA ENDOWED CHAIR. Distributions shall be made from the endowment in the manner and amount provided for in the policies established for such endowment funds by the Board of Regents and shall be used for the purposes authorized by this agreement. As authorized by the Board of Regents, the investment, management, and expenditure practices applied to the principal and earnings of this endowment, and the management and advancement fees assessed against the endowment, shall be done in accordance with University policies and procedures.

V. Selection

The PORT OF TACOMA ENDOWED CHAIR shall be filled by candidates who have achieved exceptional academic expertise. Holders of the chair may include current members of the University faculty, individuals being recruited for a faculty position, or visiting faculty members.

The recommendation for appointment shall be made by the Chancellor of the University of Washington, Tacoma in accordance with University policies and after consultation with the Port of Tacoma Endowed Chair Advisory Committee, and subject to approval by the President and Board of Trustees.

If in a given year no individual is identified for this endowed chair, the distributions may be accumulated or reinvested in the endowment, in consultation with the Port of Tacoma Endowed Chair Advisory Committee, at the discretion of the Chancellor of the University of Washington, Tacoma.

VI. Authorized Expenditures

A portion of the distributions from this endowment may be paid to a holder of the chair as part of the compensation for his or her University services. Distributions in excess of the amount needed to provide such compensation in any year may be used for research assistance, staff support, professional travel, computer services, publication expenses, supplies and equipment, data acquisition, and other activities that contribute to the productivity of a holder of the chair.

VII. Administration

The Chancellor of the University of Washington, Tacoma, or his or her designee, in consultation with the Port of Tacoma Endowed Chair Advisory Committee, shall be the administrator of this endowment. Expenditures relating to it shall be subject to University of Washington accounting procedures and guidelines.

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VIII. Recognition

All major activities and accomplishments supported by this endowment shall appropriately recognize the donor. University publications and announcements shall identify the current holder as the Port of Tacoma Endowed Chair.

IX. Amendment


This agreement may be amended by the mutual consent of the University of Washington and the Port of Tacoma, as long the Port of Tacoma and the University of Washington are in existence.

If changed circumstances should at some future time cause the continuation of this endowed chair to be inappropriate or impractical, the following steps will be taken:

- 1) If the donor is no longer in existence or is otherwise not able to consent to an amendment, then the Board of Regents may redesignate the purpose of the endowment constituting this chair, and the distributions therefrom, provided that the endowment shall continue to bear the name of the Port of Tacoma and the amended terms shall adhere as closely as possible to the donor's original intent.
- 2) If the University of Washington is no longer in existence, or the authority of the University of Washington, Tacoma Chancellor is removed, or the University of Washington is otherwise not able to consent to an amendment, then the Port of Tacoma may discontinue payment under this agreement and renegotiate payment terms with the new governing entity. In the occurrence of such a change, the endowment shall continue to bear the name of the Port of Tacoma and the amended terms will adhere as closely as possible to the donor's original intent.


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DONOR:

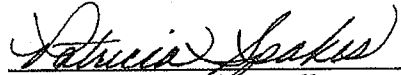


Timothy Farrell, Executive Director
Port of Tacoma

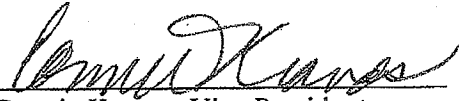
FOR THE UNIVERSITY OF WASHINGTON:



David B. Thorud, Acting Provost
University of Washington

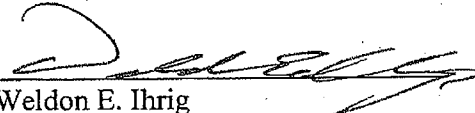


Patricia Spakes, Chancellor
University of Washington, Tacoma



Connie Kravas, Vice President
Development and Alumni Relations

6/16/05
Date



Weldon E. Ihrig
Executive Vice President