

THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL
ALL-SPORT AGREEMENT

THIS AGREEMENT is made and entered into by and between The University of North Carolina at Chapel Hill, a North Carolina public university, on behalf of its Department of Athletics (hereinafter "UNIVERSITY"), having its principal athletics administrative office at CB# 8500, Ernie Williamson Athletic Center, 450 Skipper Bowles Drive, Chapel Hill, North Carolina 27599-8500 and NIKE USA, Inc. (hereinafter "NIKE"), an Oregon corporation having its principal offices at One Bowerman Drive, Beaverton, Oregon 97005-6453.

WITNESSETH

WHEREAS, UNIVERSITY fields and maintains nationally recognized athletic teams in numerous sports (and retains the coaches and staff in connection therewith) and owns all right, title and interest in and to certain names, nicknames, mascots, trademarks, service marks, logographics and/or symbols, and other recognized references to UNIVERSITY or its "Intercollegiate Athletic Programs" (as defined below);

WHEREAS, NIKE is a sports and fitness company engaged in the manufacture, distribution and sale of athletic and athleisure footwear, apparel and related accessories, and desires to support UNIVERSITY's intercollegiate athletic programs by supplying athletic footwear and other products for use in its Intercollegiate Athletic Programs, and in other ways as described herein;

WHEREAS, UNIVERSITY and NIKE entered an All-Sport Agreement effective as of July 1, 2008 (the "Original Agreement");

WHEREAS, UNIVERSITY and NIKE intend to replace the Original Agreement with this Amended Agreement effective upon the full execution of this Agreement; and

NOW, THEREFORE, in consideration of the mutual promises, terms and conditions set forth herein, it is agreed as follows:

1. DEFINITIONS.

As used in this Agreement, the terms set forth below shall be defined as follows:

(a) "Aligned Media Company" shall mean a media entity (such as The Basketball Network LLC, d/b/a Hoopstv.com) under the "control" (as defined under the Securities Act of 1933) of, any person or entity that manufactures, sells, fulfills or otherwise distributes Authentic Competition Apparel or athletic footwear, or any principal or senior executive of an entity that

manufactures, sells, fulfills or otherwise distributes Authentic Competition Apparel or athletic footwear.

(b) "Authentic Competition Apparel" shall mean apparel that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective Intercollegiate Athletic Program, consisting of uniforms (excluding Speedo swimsuits, swim goggles and caps, provided that UNIVERSITY shall not source such products from any other party without written approval from NIKE), sideline or courtside jackets and sweaters, game-day warm-ups, basketball shooting shirts, football player capes, wool and fitted caps, windsuits, rainsuits, sideline or courtside pants, shorts and shirts, and similar apparel, practicewear, thermal wear and performance undergarments worn as a "base layer."

(c) "Base Compensation" shall mean the cash payments in each Contract Year set forth in Paragraph 8(a), and shall be subject to the reduction provisions of Paragraphs 8(b), 8(c), and 8(d).

(d) "Celebration Apparel" shall mean a Product (e.g., t-shirts and caps) bearing UNIVERSITY Marks which is designed to commemorate the UNIVERSITY's victory in an applicable championship (e.g., victory in bowl game or tournament). Celebration Apparel includes apparel which is commonly worn by Team members, Coaches and Staff immediately following the event on-court/on-field, in the locker room, and/or at a UNIVERSITY-sponsored celebration of the championship, and also includes any replica item of such apparel which thereafter is made available for sale to the public.

(e) "Coach" shall mean an individual employed as a head coach of an Intercollegiate Athletic Program.

(f) "Coach Contract" shall mean a personal appearances agreement in furtherance of this All-Sport Agreement that NIKE enters into with a Contracted Coach.

(g) "Coach Properties" shall mean a Coach's name, nickname, initials, autograph, facsimile signature, voice, video or film portrayals, photographs, likeness and image or facsimile image, and any other means of endorsement used by such Coach.

(h) "Competitive Product" shall have the meaning set forth in Paragraph 4(b).

(i) "Conference" shall mean the intercollegiate athletic conference of which UNIVERSITY is a member.

(j) "Contract Year" shall mean each consecutive twelve (12) month period from July 1 through June 30 during the term of this Agreement.

(k) "Contracted Coach" shall mean a Coach of the Football, Baseball, Basketball (Men's and Women's), and Soccer (Women's) Intercollegiate Athletic Programs who have entered into a personal appearances agreement with NIKE.

(l) "Designations" shall have the meaning set forth in Paragraph 3(a).

(m) "Game" shall mean game, match, meet, test or such other competition reference as is appropriate to each Intercollegiate Athletic Program.

(n) "Game Footage" shall have the meaning set forth in Paragraph 3(b)(2).

(o) "Game Photos" shall have the meaning set forth in Paragraph 3(b)(2).

(p) "Intercollegiate Athletic Program(s)" shall mean all existing official UNIVERSITY athletic program activity, as designated by NCAA and Conference rules and the policies of UNIVERSITY for Intercollegiate Athletic Programs, such as games, practices, clinics, photo shoots, community appearances, and other official UNIVERSITY athletic program activity, as designated by the Head Coach of the respective team, and such other replacement or additional intercollegiate athletic programs as may be established from time to time during the term of this Agreement. It shall not include unofficial activities, on or off campus.

(q) "Internet" shall mean a global network of interconnected computer networks or other devices which is used to transmit Internet Content that is directly or indirectly delivered to a computer or other device for display to a user thereof, whether such Internet Content is delivered through on-line browsers, off-line browsers, "push" technology, electronic mail, broadband distribution (whether cable, DSL or otherwise), satellite, telephony, wireless or any other means whether now known or hereafter created.

(r) "Internet Content" shall mean text, graphics, photographs, film, video, audio and/or other data or information which can be published on the Internet.

(s) "Licensed Articles" shall have the meaning set forth in the Retail License Agreements.

(t) "NCAA" shall mean the National Collegiate Athletic Association.

(u) "NIKE" shall mean NIKE USA, Inc., its parent, subsidiaries, affiliates, and any successor company.

(v) "NIKE Marks" shall mean the NIKE name, the Swoosh Design, the NIKE AIR Design, the Basketball Player Silhouette ("Jumpman") Design or any other trademarks or brands (e.g., Jordan Brand, Converse, Hurley) now or hereafter owned and/or controlled by NIKE.

(w) "NIKE Products" shall mean all Products in connection with which, or upon which, the NIKE Marks appear, inside or outside.

(x) "NIKE Related Parties" shall mean NIKE's licensees and distributors.

(y) "Products" shall mean:

(1) all athletic and athletically inspired or derived footwear that members of any Team, Coaches and/or Staff wear or may be reasonably expected to wear while participating in their respective Intercollegiate Athletic Program (specifically including skates);

(2) Authentic Competition Apparel as defined above;

(3) all other apparel articles of an athletic or athleisure nature that members of any Team, Coaches and/or Staff wear or use or may be reasonably expected to wear or use while participating in their respective Intercollegiate Athletic Program including but not limited to polo shirts, golf shirts, tank-tops, T-shirts, sweatsuits, separates and other body coverings, and accessories of an athletic or athleisure nature that members of any Team, Coaches and/or Staff wear or use or may be reasonably expected to wear or use while participating in their respective Intercollegiate Athletic Program, including but not limited to headwear, headbands, wristbands, bags, socks, receiver's and linemen's gloves, weight training gloves, elbow and knee pads;

(4) competition balls (i.e., footballs, basketballs, soccer balls);

(5) Notwithstanding any language or definition anywhere in this Agreement to the contrary, the term "Products" shall not include (i) Celebration Apparel, as defined herein; or (ii) any item which is the personal property of any Team member, Coach, or Staff, and which is worn by such person in a setting which is unrelated to that person's status as a participant in an Intercollegiate Athletic Program. Subject to the provisions of Paragraph 12 below, "Products" also shall not include volleyballs, baseball and softball bats, fielding gloves, and catchers' equipment, ice hockey equipment, golf clubs, golf balls, field hockey equipment, swimming training equipment, swimsuits, tennis racquets, lacrosse equipment, fencing equipment, swim goggles and caps, helmets and other protective head gear or face gear.

(z) "Product Supply/Sponsorship Rights" shall have the meaning set forth in Paragraph 11(a).

(aa) "Retail License Agreement(s)" shall mean those retail licensing agreement(s) between NIKE and UNIVERSITY's licensing agent.

(bb) "Staff" shall mean, collectively, all assistant coaches and strength coaches, equipment managers, trainers, sports medicine personnel, and any on-field/courtside staff (e.g., ballpersons, basketball stat crews, etc.) employed by UNIVERSITY to provide services to Intercollegiate Athletic Programs.

(cc) "Team" shall mean that group of athletes that comprise the roster of each Intercollegiate Athletic Program while attending the UNIVERSITY.

(dd) "UNIVERSITY Marks" shall mean the names "The University of North Carolina", "Tar Heels", "Heels", and any other recognized reference to the UNIVERSITY; all trademarks registered, filed or obtained by or for the UNIVERSITY in relation to such names; and all logos, marks and/or symbols associated with the UNIVERSITY, all as described in Appendix A. UNIVERSITY Marks do not include those marks protected by the University that are used solely in connection with its academic, research or outreach mission.

(ee) "UNIVERSITY Content" shall have the meaning set forth in Paragraph 3(b)(3).

(ff) "UNIVERSITY Web Sites" shall mean any now existing or hereafter created web site owned and/or controlled by UNIVERSITY's Athletic Department.

2. TERM.

This Agreement shall become effective as of full execution and shall remain in full force and effect through June 30, 2028, unless sooner terminated in accordance with the terms and conditions hereof (the "Term"). This Agreement shall be interpreted in its entirety and not as a series of one-year agreements.

3. OFFICIAL DESIGNATIONS AND USE OF UNIVERSITY MARKS.

UNIVERSITY hereby grants to NIKE and NIKE Related Parties, and NIKE hereby accepts for itself and on behalf of NIKE Related Parties:

(a) The designation as "the exclusive supplier of the athletic footwear, apparel and accessory products of (each Intercollegiate Athletic Program)" and "the exclusive athletic footwear, apparel and accessories sponsor of (each Intercollegiate Athletic Program)", "the exclusive supplier of the athletic footwear of the Intercollegiate Athletic Program", "the exclusive athletic footwear supplier of the Intercollegiate Athletic Program" and/or such similar designations as the parties may agree upon in writing (collectively, the "Designations"). UNIVERSITY further grants to NIKE and NIKE Related Parties the exclusive right throughout the Term to advertise, publicly represent, commercially market, and otherwise promote the fact that NIKE is the "exclusive supplier of (Products) of the University of North Carolina Tar Heels" by that or similar representations (also "Designations"), also as mutually agreed upon in writing.

(b) Subject to Paragraph 3(d) below, the right to utilize (subject to the approval provisions of Paragraph 9(a) below) the UNIVERSITY Marks, Designations and/or (subject to the approval of each respective Coach) Coach Properties worldwide, in any media (now known or hereafter created) including, but not limited to, the Internet, CD-ROM and other interactive and multi-media technologies, in connection with the advertising, marketing and promotion (including programming in any and all media including the Internet) of Products and NIKE brands. Such rights shall specifically include, but shall not be limited to, the following:

(i) The exclusive right to supply Products to each Team, except as otherwise expressly set forth herein, and to use the Designations;

(ii) Subject to NCAA and Conference rules, the right to utilize game photographs ("Game Photos"), videotape and/or film footage ("Game Footage") of any and all Intercollegiate Athletic Programs, to the extent that the same are controlled and lawfully available for transfer by UNIVERSITY, for promotion and advertising purposes (but not for retail sale) without a use fee, other than reasonable search and edit charges. NIKE acknowledges that it is responsible for obtaining all rights owned or controlled by third parties, including, without limitation, rights of publicity as may be necessary of individuals in said Game Photos

and Game Footage. It is understood that NIKE's rights pursuant to this paragraph shall be subject to no greater restriction than those of any other retail product licensee of UNIVERSITY. To the extent such materials are not controlled by UNIVERSITY, UNIVERSITY shall provide such reasonable (non-financial) assistance as NIKE may request in obtaining access to such materials.

(iii) Subject to NCAA and Conference rules, the right to utilize Internet Content on the Internet, including game photographs, video, audio, text, graphics, film footage and/or any other data, materials or information (e.g., statistics, biographical profiles, archival materials, etc.) of any and all Teams whether created by NIKE (or its agent) or controlled by UNIVERSITY (collectively, "UNIVERSITY Content"), to the extent that the same are controlled and lawfully available for transfer by UNIVERSITY, for promotion and advertising (but not retail sales) purposes, without a use fee, other than reasonable search and edit charges. Nothing in this paragraph shall be construed so as to confer upon NIKE or NIKE Related Parties the right to operate any "Official University Website." It is understood that NIKE's rights pursuant to this paragraph shall be subject to no greater restriction than those of any other retail product licensee of UNIVERSITY. To the extent such materials are not controlled by UNIVERSITY, UNIVERSITY shall provide such reasonable (non-financial) assistance as NIKE may request in obtaining access to such materials.

(c) Use by NIKE and/or NIKE Related Parties of the UNIVERSITY Marks on any Product sold, marketed or provided to anyone other than an Intercollegiate Athletic Program shall be subject to the terms and conditions of the Retail License Agreement.

(d) Except with respect to Product provided to an Intercollegiate Athletic Program as otherwise provided herein (including without limitation Paragraph 22) and any exclusive rights granted by UNIVERSITY to NIKE and/or NIKE Related Parties in the Retail License Agreement or any other licensing agreement between the parties, UNIVERSITY shall retain all rights in and to UNIVERSITY'S name and endorsement and shall not be prevented from using, permitting, or licensing others to use UNIVERSITY's name or UNIVERSITY Marks in connection with the advertisement, promotion or sale of any product or service. NIKE and UNIVERSITY agree that they shall take all reasonable steps during the Term to protect the UNIVERSITY Marks in connection with the advertisement, promotion and sale of NIKE Products.

(e) The license rights granted herein do not extend to the manufacture and/or sale of Celebration Apparel. UNIVERSITY shall make best efforts to ensure that there is no camera-visible manufacturer identification on non-NIKE Celebration Apparel (including on hang-tags, stickers, etc.) distributed to Team members for their post-game wear immediately following the end of the championship game (e.g., during court-side/on-field spontaneous celebration, or locker room celebration), or distributed to Team for any UNIVERSITY organized celebration event (e.g., victory rally or parade, or award presentation). Further, NIKE shall enjoy under the terms of the Retail License Agreement the right to use UNIVERSITY Marks to create and sell as

Licensed Articles commemorative apparel products which do not constitute Celebration Apparel, whether or not it has sought or obtained the rights to Celebration Apparel.

(f) NIKE shall ensure that the Licensed Articles, Authentic Competition Apparel, and/or any other Products bearing any indicia of UNIVERSITY do not include any Products relating to alcohol, tobacco, firearms, gambling, sexually explicit matters or any other products that would reflect negatively on UNIVERSITY's reputation.

(g) UNIVERSITY shall not license UNIVERSITY Marks to Under Armour prior to the termination of this Agreement; provided, however, that such restriction shall not apply if, prior to termination of this Agreement, the Retail License Agreement is terminated by the UNIVERSITY in accordance with its terms.

4. NIKE'S PRODUCT SUPPLY OBLIGATIONS AND LOGO USE ON PRODUCT.

(a) In partial consideration for the rights granted under this Agreement, each Contract Year, unless otherwise specified, NIKE shall supply to UNIVERSITY NIKE Product up to the dollar amount (retail value) set opposite the indicated Contract Year:

<u>Contract Year</u>	<u>Athletics Product</u>	<u>Other University Product</u>
Contract Year 2018-19	\$4,900,000	\$200,000
Contract Year 2019-20	\$4,500,000	\$200,000
Contract Year 2020-21	\$4,600,000	\$200,000
Contract Year 2021-22	\$4,700,000	\$200,000
Contract Year 2022-23	\$4,800,000	\$200,000
Contract Year 2023-24	\$4,900,000	\$200,000
Contract Year 2024-25	\$5,000,000	\$200,000
Contract Year 2025-26	\$5,100,000	\$200,000
Contract Year 2026-27	\$5,200,000	\$200,000
Contract Year 2027-28	\$5,300,000	\$200,000

In addition to the NIKE Product identified above, NIKE shall supply to UNIVERSITY additional NIKE Product up to the dollar amount of Six Million Five Hundred Thousand Dollars

(\$6,500,000) (retail value), to be used throughout the Term at the discretion of UNIVERSITY and in coordination with NIKE.

(i) The exact styles, sizes and delivery dates and, where appropriate, quantities of such NIKE Products shall be mutually determined by NIKE and UNIVERSITY (and subject to availability and subparagraph 4(b) below) for each Contract Year.

(ii) Each Contract Year, provided UNIVERSITY has then ordered at least three hundred twenty-five (325) pairs of football shoes from its Annual Allotment of merchandise for such year, UNIVERSITY shall be entitled to purchase direct from NIKE, at the same time UNIVERSITY submits its annual order for Products, additional football shoes for team use on a "2-for-1" basis as follows: for every two (2) pairs of football shoes purchased by UNIVERSITY from NIKE, UNIVERSITY shall receive from NIKE one (1) pair of football shoes free of charge. (By way of illustration, if for the 2018 season UNIVERSITY has placed an initial order of 325 pairs of football shoes to be credited against its Annual Allotment, then places a subsequent single purchase order that season for an additional 150 pairs of football shoes, UNIVERSITY would pay published wholesale price for 100 pairs and would receive 50 pairs free of charge.) In no event, however, may UNIVERSITY receive gratis more than five hundred (500) pairs of football shoes pursuant to the 2-for-1 benefit described in this paragraph.

(iii) Each Contract Year, provided UNIVERSITY has then ordered at least five hundred (500) pairs of football gloves for such year, UNIVERSITY shall be entitled to purchase direct from NIKE, at the same time UNIVERSITY submits its annual order for Products, additional football gloves for team use on a "1-for-1" basis as follows: for every pair of football gloves purchased by UNIVERSITY from NIKE, UNIVERSITY shall receive from NIKE one (1) pair of football gloves. (By way of illustration, if for the 2018 season UNIVERSITY has placed an initial order for 500 pairs of football gloves to be credited against its Annual Allotment of merchandise, then places a subsequent single purchase order that season for an additional 100 pairs of football gloves, UNIVERSITY would pay published wholesale price for 50 pairs and would receive 50 pairs free of charge.) In no event, however, may UNIVERSITY receive gratis more than 500 pairs of gloves pursuant to the 1-for-1 benefit under this paragraph.

(iv) Subject to timely ordering by UNIVERSITY, NIKE undertakes to deliver Authentic Competition Apparel a reasonable time prior to the opening of practice for each Intercollegiate Athletic Program season. Subject to all applicable purchasing rules and regulations of the State of North Carolina, UNIVERSITY may order and purchase additional quantities of the foregoing merchandise, or components thereof, from NIKE, or such local authorized team dealer as NIKE may designate, at NIKE's published wholesale prices for comparable Products. In addition, and subject to all applicable purchasing rules and regulations of the State of North Carolina, UNIVERSITY shall be permitted to order from NIKE other NIKE Products for use by any Intercollegiate Athletic Program(s) at NIKE's published wholesale price, subject to availability.

(v) All Product to be supplied by NIKE hereunder shall be delivered F.O.B. to UNIVERSITY via regular ground freight (the cost of shipping by any other means shall be borne by UNIVERSITY). Only properly submitted orders from UNIVERSITY's Athletic Director or any authorized representative of UNIVERSITY's Athletic Director shall be filled by NIKE.

(vi) Each Contract Year UNIVERSITY shall be permitted to carry-over up to Two Hundred Thousand Dollars (\$200,000) (retail value) of unordered annual allotment of merchandise from such Contract Year to the next immediately subsequent Contract Year provided that it confirms in writing such desire (and the intended amount of carryover) by April 1st with respect to carry-over from any Contract Year, and provided further that if the carry-over amount is not used in the Contract Year into which it has been carried, such carry-over amount shall be forfeited. For the avoidance of doubt, carry-over amounts from the previous Contract Year shall be deemed to be spent before the allotted amounts for any current Contract Year.

(b) UNIVERSITY acknowledges that:

(i) Annual product allotments must be ordered in accordance with NIKE's "futures program" (typically 6 months in advance of each season) to ensure timely delivery.

(ii) Certain Products and NIKE sports equipment and accessory products requested by UNIVERSITY for its use as required under this Agreement may, at the time of such request, not be available for ordering from NIKE because they are not at that time a part of NIKE's product offering. NIKE's inability to provide such requested Product on such occasions shall not be deemed a violation or breach of this Agreement. However, in the event UNIVERSITY requires one or more Products for Team use that are unavailable for the reasons provided in the preceding sentence (e.g., protective pads), UNIVERSITY may use and/or wear such Product manufactured by a third-party ("Competitive Product"); provided, however, (aa) UNIVERSITY shall not endorse, or otherwise advertise, promote, or disclose its use of, such Competitive Product, except as required by law, or allow the supplier of such Competitive Product to promote, advertise, or disclose the source of such Competitive Product, except as required by law; (bb) any such Competitive Product must not bear any camera-visible manufacturer identification if such product may be reasonably obtained without manufacturer identification or covered in a reasonable and practical manner (e.g., by "spatting"); and (cc) subject to the provisions of Paragraph 12, UNIVERSITY shall evaluate and switch to NIKE's version of such Product at such time as such Product may become available through NIKE at no additional cost to UNIVERSITY. In the event of a mid-Contract Year switch by UNIVERSITY, such Product shall not count against UNIVERSITY's current Contract Year allotment, but shall count against UNIVERSITY's allotment during the next and future Contract Years; except that, in the event UNIVERSITY previously received compensation (in the form of cash and/or free products) from the non-NIKE supplier, NIKE shall increase UNIVERSITY's allotment or compensation hereunder to match the amount(s) forfeited by UNIVERSITY.

(iii) In the unlikely event that NIKE is unable to provide a Product which is normally available from NIKE due to supply or delivery problems or other temporary issues, or because NIKE has discontinued that specific Product, UNIVERSITY shall have the right to source such Products from a third-party, provided, however, (aa) UNIVERSITY shall not endorse, or otherwise advertise, promote, or disclose its use of, such Competitive Product, except as required by law, or allow the supplier of such Competitive Product to promote, advertise, or disclose the source of such Competitive Product, except as required by law; and (bb) any such Competitive Product must not bear any camera-visible manufacturer identification if such product may be reasonably obtained without manufacturer identification or covered in a reasonable and practical manner (e.g., by "spatting"). In the event it is necessary for UNIVERSITY to source any Products in accordance with this Paragraph 4(b)(iii), NIKE shall reimburse UNIVERSITY for the receipted cost of such Products, and shall reduce UNIVERSITY's product allocation for that Contract Year by an amount equal to the lesser of (x) the receipted amount actually paid by UNIVERSITY to obtain such unavailable Products from the third party, or (y) the amount that would have been charged against UNIVERSITY's product allocation if the unavailable Products had been obtained from NIKE in the normal course of this Agreement.

(iv) In the event NIKE decides to discontinue any sport's Product types completely, to the extent that NIKE could no longer outfit one or more of UNIVERSITY's Intercollegiate Athletic Programs, NIKE shall provide eighteen (18) months' notice of such discontinuation to UNIVERSITY. Promptly following such notice, NIKE and UNIVERSITY shall negotiate in good faith to determine the effect of such discontinuation upon the future annual Product allocations recited in Paragraph 4(a). NIKE's Cash Compensation to UNIVERSITY (as provided in Paragraph 8) shall not be affected by the discontinuation of any Product type as provided herein. Also in the event of such discontinuation, the parties shall agree upon appropriate amendments to the exclusivity provisions of Paragraphs 3, 7(a) and 7(c), as well as the Designations.

(v) In the event that the Products unavailable to UNIVERSITY under subparagraph 4(b)(iii) reach a total value of ten percent (10%) of UNIVERSITY's total product allocation during any Contract Year, NIKE shall send a delegation of responsible managers to Chapel Hill to meet with UNIVERSITY to present an appropriate corrective action plan.

(c) In addition to the annual allotment set forth in Paragraph 4(a) above, each Contract Year, UNIVERSITY shall be entitled to directly order, without charge (unless express shipping is desired, in which case shipping charges shall be at UNIVERSITY's expense), NIKE Product for UNIVERSITY use. The aggregate maximum amount (in terms of retail value) of NIKE Product that may be ordered shall be Two Hundred Thousand Dollars (\$200,000) per Contract Year in Contract Years 2018-19 through 2022-23, and Two Hundred Fifty Thousand Dollars (\$250,000) per Contract Year in Contract Years 2023-24 through 2027-28. All NIKE Product must be ordered through the "NIKE Elite Client Services" program and subject to

procedures established by NIKE for such purpose. No carry-over of unordered annual allotments of merchandise from one Contract Year to another shall be allowed under this Paragraph 4(c).

(d) NIKE shall not be liable to UNIVERSITY, any Team member, Coach, or Staff for any injury or damage suffered from wearing or using NIKE Products, except such injury or damage resulting from NIKE's negligence. NIKE specifically disclaims all express warranties and implied warranties of merchantability and fitness for a particular purpose.

(e) UNIVERSITY acknowledges that any merchandise supplied by NIKE, or on its behalf, under this Paragraph shall be free of any royalty fee obligations which may otherwise be applicable to such product manufacture or sale.

(f) UNIVERSITY acknowledges that the placement of the NIKE logo, as it is currently permitted by the NCAA and now placed by NIKE (in terms of size, location placement, color contrast/prominence and/or number of placements), on Authentic Competition Apparel is a bargained for material benefit contemplated by NIKE under this Agreement and that such continued degree of manufacturer logo prominence on competition product is of the essence of this Agreement. Accordingly, during the Term, UNIVERSITY, acting in its individual institutional capacity, shall take no action that shall have the effect of reducing or restricting NIKE's logo placement rights on product as such logo now appears and is permitted by current relevant NCAA rules or regulations including, but not limited to, NCAA Bylaws section 12.5.4. Notwithstanding anything contained in this subparagraph, UNIVERSITY further acknowledges that nothing herein shall be construed as a restriction of any right of NIKE to avail itself of such more favorable presentation or placement of its logo (e.g., size, color contrast, number of placements, location of placement, etc.) as may be currently permitted under NCAA, Conference and/or other applicable rules, or hereafter permitted by any subsequent relaxation in NCAA, Conference and/or other applicable rules.

(g) If during the Term, UNIVERSITY shall add any additional varsity Intercollegiate athletic program(s) with full-time coaches and scholarship athletes, NIKE shall increase the quantity of NIKE Product set forth in Paragraph 4(a) above to provide such additional program(s) with a mutually determined sufficient annual supply of appropriate Product.

(h) NIKE and UNIVERSITY shall comply with the labor code provisions set forth in Appendix B in connection with NIKE Product provided hereunder.

5. APPEARANCES, NIKE EVENTS & COMMUNITY SERVICES.

(a) In an effort to promote sports participation and the values associated with such participation and to promote the UNIVERSITY's athletic programs generally, each Contract Year, upon reasonable prior notice and subject to the limitations of the terms of any Coach's contract with the UNIVERSITY and any coaching commitment, if so requested by NIKE, UNIVERSITY shall make each Head Coach other than a Contracted Coach available for up to three (3) personal appearances on behalf of NIKE, with the dates and times of such

appearances subject to the reasonable approval of UNIVERSITY's Athletic Director. No single appearance shall exceed twenty-four (24) hours in duration, including travel time; unless otherwise agreed upon in writing in advance. Such appearances may include, but are not limited to, photo shoots for posters, brochures or in-store displays, internet chat sessions, retail store appearances, trade shows, speaking engagements, appearances at sports clinics, celebrity events and other public appearances, but shall not include the production or filming of television or radio advertising without the express written consent of the affected Coach. NIKE shall pay all reasonable out-of-pocket expenses for accommodations, meals and travel incurred by the Coach. NIKE shall be solely responsible for complying with all federal and state tax payments applicable to NIKE and reporting obligations associated with such reimbursed expenses. UNIVERSITY shall receive no additional compensation for such appearances.

(b) With regard to Coach Contracts, UNIVERSITY agrees that: (1) NIKE shall have the right to offset payment made thereunder against the Base Compensation payable to UNIVERSITY under Paragraph 8(a) below; and (2) if any such Coach Contract is terminated (e.g., if a Contracted Coach departs the UNIVERSITY), NIKE shall have the right, in its discretion and in coordination with UNIVERSITY, to either contract with the successor head coach, or to secure personal appearances from such successor pursuant to, and in accordance with, subparagraph 5(a) above.

(c) Upon reasonable prior notice and subject to any other playing commitments and compliance with any applicable NCAA and/or Conference rules or regulations, UNIVERSITY shall make the UNIVERSITY's men's and/or women's basketball and/or soccer teams available to participate in a NCAA exempt NIKE-sponsored tournament (e.g., like the PK80 Tournament), or a game which is non-exempt insofar as schedule limits are concerned, not more frequently than once in any 3-year period. NIKE shall pay all reasonable travel and related expenses (including meals and accommodations) for each Team, Coach and Staff, as applicable, in connection with any appearance hereunder. NIKE shall be solely responsible for payment of all Federal and state taxes applicable to NIKE, and for tax reporting obligations associated with such reimbursed expenses.

6. NIKE SPONSOR BENEFITS.

As the exclusive footwear, apparel and accessories Product supplier of UNIVERSITY's Intercollegiate Athletic Programs, each Contract Year, NIKE shall be provided by UNIVERSITY with the following promotional benefits at no additional cost to NIKE except as otherwise indicated:

(a) NIKE shall receive season tickets to home games (and tickets to each round of post-season and/or other tournament games as indicated below) for each Intercollegiate Athletic Program in accordance with the following:

PROGRAM	No. TICKETS
Football	1 press box pass + 10 "VIP" tickets and 2 sideline passes
Football Bowl/Playoff games*	10
Basketball (M)	8
Conference Basketball Tournament (M)	8
NIT Basketball Tournament (M)*	12
NCAA Basketball Tournament (M)*	12
Basketball (W)	8
NCAA Basketball Tournament (W)*	12
All Other Programs	4

* if UNIVERSITY participates

In addition, each Contract Year, NIKE shall receive: (i) fifty (50) tickets (i.e., 40 tickets in addition to NIKE's ten (10) season tickets, press box pass, and 2 sideline passes) to one mutually agreed upon football game; and (ii) thirty (30) tickets (i.e., 22 tickets in addition to NIKE's 8 season tickets) to each of one mutually agreed upon men's basketball game and one mutually agreed upon women's basketball game. UNIVERSITY shall use best efforts so that all tickets provided under the foregoing provisions shall be for adjacent seats. UNIVERSITY shall use best efforts to ensure that all football tickets shall be field level and between the 40-yard lines; that all basketball tickets shall be in the lower bowl at court level and at or near center court; and that tickets for all other programs shall be prime location seating. UNIVERSITY shall use best efforts to fulfill NIKE's purchase requests for such additional quantities of tickets as it may reasonably request, such tickets to be best available and at face-value.

(b) At the mutually agreed football game for which NIKE receives the fifty (50) tickets under subparagraph (a) above, if requested by NIKE and upon reasonable advance notice, the right to host an appropriate hospitality event on, or adjacent to, the stadium grounds (set-up and catering to be at NIKE's sole expense).

(c) At each UNIVERSITY home football, basketball (M and W), and soccer (W) game, NIKE shall receive four (4) VIP parking passes.

(d) Full-page, 4-color (if color is available) NIKE promotional material (camera-ready to be produced and provided by NIKE at its cost), subject to the prior written approval of UNIVERSITY when UNIVERSITY Marks are displayed thereon, in game programs published for

football, basketball (M and W), soccer (W), and any game programs that may be published from time to time for other Intercollegiate Athletic Programs. The NIKE promotional material shall comply with the requirements of 26 USC 513 to qualify as "qualified sponsorship" material and as such NIKE shall not have the right to display a message that contains a comparative or qualitative description of a NIKE Product, price information or other indications of savings or value, or an inducement to purchase, sell or use NIKE Product.

(e) Prominent NIKE name and/or logo recognition in the media guides and schedules for each Intercollegiate Athletic Program as well as in such other collateral and promotional materials as UNIVERSITY may deem appropriate.

(f) NIKE shall receive at no extra charge venue signage in which it may prominently display the NIKE logo, NIKE.com and/or other NIKE Mark or message as NIKE may designate from time to time, as described in subparagraph (i)-(iii) below. The NIKE logo identification or message shall comply with the requirements of 26 USC 513 to qualify the payment to the UNIVERSITY as a "qualified sponsorship payment" and as such NIKE shall not have the right to display a message that contains a comparative or qualitative description of NIKE Product, price information or other indications of savings or value, an endorsement, or an inducement to purchase, sell or use NIKE Product.

(i) At each home Game of an Olympic sporting event, NIKE shall receive venue signage that is the same as such signage of other sponsors.

(ii) At each home basketball Game in the Dean E. Smith Center, the NIKE name and logo will appear on the basketball standards; and

(iii) In the event permanent, commercial signage is permitted in Kenan Stadium, the NIKE name and logo will receive exposure similar to what it receives in the Dean E. Smith Center.

(g) If requested in writing by NIKE, at each home game of each Intercollegiate Athletic Program at which a public address system and/or electronic message board (or other electronic messaging systems) is used, as applicable, UNIVERSITY shall make suitable in-game P.A. announcements and/or board messages recognizing NIKE as the exclusive Products supplier and sponsor of the applicable program. The announcement/acknowledgement shall comply with the requirements of 26 USC 513 to qualify the payment to the UNIVERSITY as a "qualified sponsorship payment" and as such NIKE shall not have the right to display a message that contains a comparative or qualitative description of NIKE Product, price information or other indications of savings or value, an endorsement, or an inducement to purchase, sell or use NIKE Product. All content proposed for display by NIKE shall be subject to reasonable approval by the UNIVERSITY.

(h) NIKE shall receive recognition as one of the Department of Athletics' official on-line sponsors, which includes a sponsorship acknowledgement on the main page of the "Tar Heel Blue" Web Site (or any successor thereto), and additional logo exposure in a manner consistent

with the last sentence of this subparagraph 6(h). In addition, NIKE will receive the opportunity to create a link from the Department of Athletics' official Web Site to a NIKE Web Site. The appearance, location and size of the acknowledgement and the link shall be subject to final determination by UNIVERSITY.

(i) To the extent not prohibited by other contractual obligations, NIKE shall receive reasonable access to Intercollegiate Athletic Program activities, for NIKE (or its agent) to create and use in accordance with the terms of this Agreement and with the prior written approval of UNIVERSITY in each instance, and subject to applicable NCAA rules and regulations with respect to the depiction of eligible athletes, UNIVERSITY content (controlled and lawfully available for transfer by UNIVERSITY), including but not limited to conducting and taping post-game interviews or filming "Late Night with Roy" (or similar future program), Team practices, or their participation in a domestic or international tournament/tour.

(j) During the effectiveness of the Retail License Agreement, NIKE's UNIVERSITY Licensed Articles shall be granted placement in campus stores (e.g., the University bookstores), to the extent permitted by North Carolina law.

(k) Free of any lease or use fees, NIKE shall be permitted, upon its reasonable request and agreement to pay any actual operating costs, to use mutually agreed upon Athletic Department-controlled facilities in connection with community based programs and events held by the NIKE Foundation (formerly known as the "P.L.A.Y." program), on an occasional basis.

7. USE OF NIKE PRODUCTS.

(a) Throughout the Term, UNIVERSITY shall make NIKE Products available on an exclusive basis to each Intercollegiate Athletic Program, to be worn and/or used by Team members, Coaches and Staff during Intercollegiate Athletic Program activities during which Team members, Coaches and Staff wear and/or use Products. Except as otherwise provided elsewhere in this Agreement, UNIVERSITY shall require all Coaches and Team and Staff members to wear and/or use exclusively NIKE Products during such activities. However, it shall not be a breach of this Agreement for any Coach to wear non-athletic footwear and/or apparel where appropriate in connection with his or her official duties. Notwithstanding the foregoing, (i) NIKE acknowledges that the applicable Team may be prohibited from using NIKE-supplied basketballs, footballs and soccer balls during certain tournaments, away and neutral site competitions, and (ii) in the event any Team member is unable to wear NIKE footwear due to a bona fide medical condition as evidenced by a certification by the Team's physician, such Team member shall be permitted to wear non-NIKE footwear provided all visible manufacturer's identification is taped over or otherwise covered so as to completely obscure such manufacturer's identification, provided that UNIVERSITY shall give NIKE reasonable notice of the problem and an opportunity to work with the Team member to find a NIKE footwear product that is suitable.

(b) During each Intercollegiate Athletic Program activity, UNIVERSITY shall ensure that Coaches, Staff members, and Team members do not:

(i) Alter or permit the alteration of the appearance of any NIKE Product worn or used by them; or

(ii) Wear any non-NIKE Products which have been altered to resemble NIKE Products.

(c) UNIVERSITY shall require that during all Intercollegiate Athletic Program activities Team members, Coaches and Staff members shall not wear and/or use any athletic footwear, or other Products, manufactured by companies other than NIKE except as permitted elsewhere in this Agreement. NIKE acknowledges that any Coach's wearing of non-athletic footwear and apparel in connection with his or her official coaching duties, as appropriate, shall not constitute a breach of this Paragraph.

(d) UNIVERSITY acknowledges that polishing out, taping, "spatting" or otherwise altering the appearance of the NIKE athletic shoes worn by members of the Teams during Intercollegiate Athletic Program activities is inconsistent with the purpose of this Agreement and the benefits to be derived from it by NIKE. UNIVERSITY acknowledges its commitment not to permit such activities, and to require that all NIKE Products worn or used by Team members during Intercollegiate Athletic Program activities remain unaltered, so as to allow the designs of and NIKE logos on the NIKE Products to remain visible. Notwithstanding the foregoing, it shall not be a breach of this Agreement for a Team member to have his or her shoe taped by a Team trainer or Team physician during a game or practice in response to an injury to that foot sustained during that game or practice, if such trainer or physician believes that such taping is necessary for the Team member to continue in the game or practice. UNIVERSITY agrees that UNIVERSITY and Coaches shall work with NIKE to eliminate the need for any unauthorized spatting or taping in the event it occurs during the Term of the Contract. If in accordance with the foregoing UNIVERSITY is unable to or unwilling to discontinue any pattern or practice of spatting or taping of the NIKE footwear worn by members of a Team, then NIKE shall have the right to terminate this Agreement in accordance with the provisions of Paragraph 14 below.

(e) UNIVERSITY shall not permit the trade name, trademark, name, logo or any other identification of any person, company or business entity other than NIKE or UNIVERSITY (including its UNIVERSITY Marks, any names of Coaches, Staff and Team Members) to appear on NIKE Products worn or used by Coaches, Staff or Team members in connection with Intercollegiate Athletic Program activities (except for [i] the UNIVERSITY's conference name or logo; [ii] an NCAA post-season logo; [iii] with respect to the Football team only, a bowl game logo or bowl game sponsor's logo; or [iv] any other logo required by the NCAA or the Conference) provided in every case that the logo shall not be, include, or incorporate the name or logo of any person or entity who manufactures, sells, fulfills or otherwise distributes Authentic Competition Apparel and shall not cover or obscure any NIKE logo on such Products; and

further provided that NIKE shall not bear any cost or expense of the application of such logos, or owe any royalty payable to UNIVERSITY or any other party with respect to the use of such logos).

8. CASH COMPENSATION.

(a) (1) Each Contract Year, NIKE shall pay UNIVERSITY Base Cash Compensation in the amount indicated in the below table, to be made on July 1 of each Contract Year except that within thirty (30) days of full execution of this Agreement, NIKE shall pay UNIVERSITY the amount of Eight Million Dollars (\$8,000,000) as a cash advance against the combined annual Base Cash Compensation scheduled for payment in Contract Years 2026-27 and 2027-28. All payments pursuant to this Paragraph 8(a)(1) are subject to reduction pursuant to subparagraphs 5(b), 8(b), 8(c), and 8(d) of this Agreement.

<u>Contract Year</u>	<u>Base Compensation</u>
Contract Year 2018-19	\$3,250,000
Contract Year 2019-20	\$3,250,000
Contract Year 2020-21	\$3,250,000
Contract Year 2021-22	\$3,250,000
Contract Year 2022-23	\$3,250,000
Contract Year 2023-24	\$3,250,000
Contract Year 2024-25	\$3,250,000
Contract Year 2025-26	\$3,250,000
Contract Year 2026-27	\$4,000,000
Contract Year 2027-28	\$4,000,000

(2) In addition to the cash advance to be paid UNIVERSITY, within thirty (30) days of full execution of this Agreement, NIKE shall also pay UNIVERSITY a one-time recommitment bonus in the amount of One Million Five Hundred Ninety Thousand Dollars (\$1,590,000).

(b) UNIVERSITY acknowledges that one of the principal inducements for NIKE's entrance into this Agreement is the prominent brand exposure NIKE receives through the placement of the NIKE logo, as it currently appears (in terms of location placement, number of placements, color prominence or size), on footwear and Authentic Competition Apparel and that such continued exposure is of the essence of this Agreement. Accordingly, if in any Contract

Year an Intercollegiate Athletic Program is banned from television or post-season appearances or if, for any reason, NIKE's logo placement rights on Products as currently placed by NIKE and permitted under NCAA, Atlantic Coast Conference, bowl organizers, bowl sponsor or broadcaster rules or regulations (or other third-party having jurisdiction of such matters) are materially diminished (in terms of location, placement, size, color prominence [i.e., prohibition of the use of a NIKE logo in a color that contrasts with a uniform's background color] and/or number of placements, with respect to an Intercollegiate Athletic Program, in lieu of NIKE's exercise of its termination right under Paragraph 14(a) below, then for such Contract Year NIKE shall have the right to reduce UNIVERSITY's scheduled Base Compensation under this Agreement by the applicable percentage in the table set forth below. For purposes of this provision, a reduction in logo size that is readily discernible upon casual observation as opposed to one that is only discernible through actual measurement, shall be deemed a "material" diminution.

PROGRAM AFFECTED	% REDUCTION
Football	35%
Basketball (M)	65%
Basketball (W)	10%
Soccer (W)	10%

(c) In the event members of any Team wear or use NIKE Products polished out, spatted, taped, or otherwise altered in appearance in violation of Paragraphs 7(a) and/or 7(d), after NIKE has provided written notice of such violation to UNIVERSITY and the violation then recurs during the same Contract Year, in NIKE's discretion and in lieu of exercising its right of termination pursuant to Paragraph 14(a), NIKE shall have the right to reduce UNIVERSITY's scheduled Base Compensation for such Contract Year in accordance with the following (it being understood that no reduction shall be made until after a second offense occurs after UNIVERSITY receives written notice hereof:

OFFENSE AFTER NOTICE	% REDUCTION
2nd	5%
3rd	5% additional
4th and later	5% additional

The indicated reductions shall be cumulative during a Contract Year, i.e. three (3) occurrences commencing with the second offense after written notice shall result in a fifteen percent (15%) reduction of the total Base Compensation for that Contract Year.

(d) If NIKE logo placement rights are materially diminished in a manner other than as described above, in lieu of exercising any right of termination it may have under Paragraph 14(a), NIKE shall have the right to a reasonable equitable reduction in scheduled Base Compensation to be paid UNIVERSITY for the Contract Years in which such diminution occurs, the amount of such reduction to be negotiated by the parties in good faith. If the parties cannot agree upon the amount of a reasonable equitable reduction, the parties may submit the matter to mediation in accordance with the provisions of Paragraph 16 below.

(e) Each summer during the Term, NIKE shall fund four (4) paid internships for undergraduates that will be based at NIKE's World Headquarters in Beaverton, Oregon. The interns will be selected by NIKE, in consultation with UNIVERSITY, from two (2) applicant pools of qualified candidates, with two (2) interns chosen from a pool submitted by the UNIVERSITY's Department of Athletics, and two (2) interns to be chosen from a pool submitted by the UNIVERSITY's administration other than the Department of Athletics.

9. ADVERTISING APPROVALS.

(a) In the event NIKE desires to use the UNIVERSITY Marks or Game Footage in any consumer advertising or promotion, NIKE shall first submit a sample or the concept of the proposed advertisement or promotion to UNIVERSITY for approval (which approval shall not be unreasonably withheld), if possible, at least ten (10) business days prior to such intended use. UNIVERSITY, acting through both its Department of Athletics and its Trademark and Licensing Office, shall use its best efforts to advise NIKE of its approval or disapproval of the sample or concept within seven (7) business days of its receipt thereof. UNIVERSITY's approval, or disapproval, shall be in writing and signed by the Athletic Director or designated Senior Associate Athletic Director on behalf of the UNIVERSITY. (If a submission is disapproved, UNIVERSITY's written notice thereof shall set forth in reasonable detail the basis for such disapproval.) Once a submitted sample or concept is approved, NIKE shall not depart therefrom in any material respect without re-submission of the item or concept and obtaining UNIVERSITY's further written approval.

(b) In the event UNIVERSITY desires to use the NIKE Marks in any advertising or promotion (other than NIKE Marks that appear on Products provided under this Agreement, which have not been altered or retouched in any way), UNIVERSITY shall first submit a sample or the concept of the proposed advertisement or promotion to NIKE for approval, which approval shall not be unreasonably withheld. NIKE shall use its best efforts to advise UNIVERSITY of its approval or disapproval of the sample or concept within seven (7) business days of its receipt thereof.

10. NEW LOGOS, DESIGNS & INTELLECTUAL PROPERTY OWNERSHIP.

(a) If NIKE desires to develop an additional trademark, service mark, symbol and/or logographic to be used in connection with UNIVERSITY's Intercollegiate Athletic Programs (collectively, a "New Logo"), NIKE shall provide such design services at no expense to

UNIVERSITY except as provided below. In the event NIKE designs such New Logo and it is approved by UNIVERSITY, acting through both its Department of Athletics and its Trademark and Licensing Office, the parties hereby agree that the UNIVERSITY shall be the sole owner of all right, title and interest in the New Logo. NIKE agrees to execute the documents necessary to assign all rights in the New Logo to the UNIVERSITY prior to any use of the New Logo. NIKE shall have the exclusive rights during the Term to produce, develop, promote, market, and sell NIKE Products bearing the New Logo. UNIVERSITY shall not license the use of the New Logo on or in connection with Products during the Term to any third-party without NIKE prior approval, which approval shall not be unreasonably withheld, but shall be free to license the use of the New Logo thereafter to any third-party. Following the expiration or termination of the Agreement for any reason, NIKE shall have no further rights with respect to the New Logo.

(b) Any production and retail sale of Products bearing the New Logo or any other element of the UNIVERSITY Marks by NIKE shall be subject to the terms and conditions of the Retail License Agreement(s). UNIVERSITY shall be responsible for all trademark/ copyright registration and maintenance expenses in connection with the New Logo and NIKE agrees that it shall not incur any such expense on behalf of UNIVERSITY without prior approval.

(c) NIKE recognizes the value of the UNIVERSITY Marks and acknowledges that the goodwill attached thereto belongs to UNIVERSITY and that nothing in this Agreement serves to assign, convey or transfer to NIKE any rights, title or interest in or to the UNIVERSITY Marks. Furthermore, NIKE acknowledges that UNIVERSITY owns all right, title, and interest in the argyle trim design. Notwithstanding the foregoing, UNIVERSITY acknowledges that NIKE is the sole owner of all rights, title and interest in and to any proprietary fabrics and/or technology used in connection with any Authentic Competition Apparel designed by NIKE pursuant to this Agreement.

(d) UNIVERSITY recognizes the value of the NIKE Marks and acknowledges that the goodwill attached thereto belongs to NIKE and that nothing in this Agreement serves to assign, convey or transfer to UNIVERSITY any rights, title or interest in or to the NIKE Marks.

11. RIGHTS OF FIRST NEGOTIATION AND FIRST REFUSAL.

(a) At NIKE's request made no later than November 1, 2026, UNIVERSITY shall for a period of two (2) months negotiate with NIKE in good faith with respect to the terms of a renewal of this Agreement. The parties shall not be obligated to enter into an agreement if they cannot settle on mutually satisfactory terms. Prior to January 1, 2027 (the "Exclusive Negotiating End Date"), UNIVERSITY shall not (nor shall UNIVERSITY permit its agents, attorneys or representatives to) engage in discussions or negotiations with any third-party regarding product supply for any Intercollegiate Athletic Program with respect to any Products, or sponsorship of any Intercollegiate Athletic Program (or similar supply or promotional arrangement) with respect to any Products ("Product Supply/Sponsorship Rights") after the Term.

(b) During the Term and for a period of ninety (90) days thereafter (the "First Refusal Period"), NIKE shall have the right of first refusal for Product Supply/Sponsorship Rights, as follows: If UNIVERSITY receives any bona fide third-party offer at any time on or after the Exclusive Negotiating End Date but prior to the end of the First Refusal Period, with respect to any Product Supply/Sponsorship Rights, UNIVERSITY shall submit to NIKE in writing the specific terms of such bona fide third-party offer. NIKE shall have fifteen (15) business days from the date of its receipt of such third party offer to notify UNIVERSITY in writing if it will enter into a new contract with UNIVERSITY on terms no less favorable to UNIVERSITY than the material, measurable and matchable terms of such third-party offer. If NIKE so notifies UNIVERSITY within such 15-day period, UNIVERSITY shall enter into a contract with NIKE on the terms of NIKE's offer. If NIKE fails or declines to match or better the material, measurable and matchable terms of such third-party offer within such 15-day period, UNIVERSITY may thereafter consummate an agreement with such third party on the terms of the offer made to UNIVERSITY. Prior to the Exclusive Negotiating End Date, UNIVERSITY shall not solicit, consider or present to NIKE, and NIKE shall not be obligated to respond to, any third party offer for any Product Supply/Sponsorship Rights.

12. ADDITIONAL PRODUCTS.

From time to time during the term of this Agreement, NIKE may add to its Products line one or more items of sports equipment.

(a) In the event NIKE wishes to add to its Products line a type of product UNIVERSITY currently obtains from a brand other than NIKE, the following process shall apply: except as otherwise provided herein, if at any time during the Term NIKE shall have a bona fide intention to expand its Products line by adding any such item(s), then NIKE shall give UNIVERSITY six (6) months advance written notice of the particular item(s) then in development by NIKE. NIKE shall provide UNIVERSITY with adequate opportunity to sample and field test the new item(s). UNIVERSITY agrees subject to the Athletic Director's and Coach's satisfaction as to quality and suitability and further subject to NIKE's agreement, as described in Section 4(b)(ii), that it will match the consideration (product supply as well as cash, if any) currently being received by UNIVERSITY from the incumbent brand, that such item(s) shall thereafter be adopted by UNIVERSITY, and shall be deemed to be included in "Products" as defined in Paragraph 1(x) above and "NIKE Products" as defined in Paragraph 1(v) above and covered in all pertinent respects by the terms hereof. UNIVERSITY shall adopt the NIKE product(s) immediately upon the expiration or lawful termination (whichever is earlier) of the term of the agreement with the incumbent brand. UNIVERSITY agrees that, after receiving advance notice from NIKE of a new Product, UNIVERSITY shall not extend the term of or otherwise amend any existing agreement it may have with the incumbent brand, provided that UNIVERSITY, in its discretion, may seek early termination, if lawful, of any agreement it may have with the incumbent brand.

(b) In the event NIKE wishes to add to its Products line a type of product not currently in use by UNIVERSITY, or which is a wholly new product, the following process shall apply: if UNIVERSITY has not already entered into or substantially negotiated a product supply or endorsement agreement with respect to such item(s) for an Intercollegiate Athletic Program, it will not do so during the six (6) month period next following the date on which UNIVERSITY receives written notice from NIKE of NIKE's new item. If during such six (6) month period, NIKE shall notify UNIVERSITY that an item is commercially available, then (subject to the Athletic Director's and Coach's satisfaction as to quality and suitability and subject to mutually acceptable additional compensation) such item(s) shall thereafter be deemed to be included in "Products" as defined in Paragraph 1(x) above and "NIKE Products" as defined in Paragraph 1(v) above and covered in all pertinent respects by the terms hereof. Thereafter, NIKE shall supply UNIVERSITY, free of charge, with sufficient quantities of such Products for the use of the relevant Intercollegiate Athletic Program(s). The value of such Products shall be in addition to the amounts specified in Paragraph 4(a). UNIVERSITY shall make such new Product item(s) available to Team members, Coaches and/or Staff members.

13. RIGHT OF TERMINATION BY UNIVERSITY.

UNIVERSITY shall have the right to terminate this Agreement upon written notice to NIKE stating the effective date of termination, which effective date shall be thirty (30) days after delivery of the notice of termination if termination is to be effected pursuant to Paragraph 13(a) or 13(b), and may otherwise be specified, at UNIVERSITY's discretion, anywhere from ninety (90) days to eighteen (18) months after delivery of the written notice of termination (this election to be made at the time the notice of termination is given), if:

- (a) NIKE is adjudicated insolvent or declares bankruptcy;
- (b) NIKE fails to make payment to UNIVERSITY of any sum due pursuant to this Agreement within thirty (30) days following NIKE's receipt of written notice from UNIVERSITY that such payment is past due;
- (c) NIKE shall be in material breach of this Agreement, which breach NIKE fails to cure within thirty (30) days of NIKE's receipt of written notice from UNIVERSITY specifying such breach;
- (d) The Retail License Agreement has been lawfully terminated (i) as a result of NIKE's material breach thereof, or (ii) as a result of NIKE's breach of the Labor Code Standards set forth as Appendix B hereto;
- (e) It is understood and agreed that UNIVERSITY will not exercise any right of termination under Paragraphs 13(c) and/or 13(d) or for any breach of Paragraph 4(h), until the parties have had a minimum of thirty (30) days from NIKE's receipt of a written request from UNIVERSITY to engage one another at the highest level to discuss in good faith their differences and the various alternative resolutions of such differences.

(f) Each of UNIVERSITY's termination rights under this Paragraph 13 shall expire if the UNIVERSITY has not communicated with NIKE in writing pursuant to subparagraphs (a) through (e) above within one hundred eighty (180) days of the event triggering such termination right.

14. RIGHT OF TERMINATION BY NIKE.

(a) NIKE shall have the right to terminate this Agreement upon written notice to UNIVERSITY stating the effective date of termination, which effective date shall be thirty (30) days if so specified below, and may otherwise be specified, at NIKE's discretion, anywhere from ninety (90) days to eighteen (18) months after delivery of the written notice of termination (this election to be made at the time the notice of termination is given), if:

(i) Any of the football, men's basketball, women's basketball, and/or women's soccer programs is placed on NCAA probation resulting in a ban on television and/or post-season appearances for longer than a single playing season, or UNIVERSITY ceases for any reason to field a Division I team in any of those sports, provided that NIKE's termination right shall expire if not exercised within one hundred eighty (180) days of such probation or cessation;

(ii) Any Coach, Staff or Team member fails to perform any material obligations provided for in this Agreement, which failure to perform, if curable, remains uncured thirty (30) days after NIKE delivers written notice thereof to UNIVERSITY;

(iii) UNIVERSITY, the NCAA, the Conference or any assignee thereof (including any licensing agent or broadcast partner of the foregoing) enacts, adopts or accedes to any regulation, restriction, prohibition or practice that materially deprives NIKE of the promotional benefits and/or product/brand exposure contemplated by this Agreement including, but not limited to, (1) any diminution of NIKE's logo placement rights as currently permitted by the NCAA (in terms of size, location placement, color prominence and/or number of placements as it is currently permitted) on Product, including any total ban on the placement of camera-visible logo identification on Authentic Competition Apparel, (2) "air brushing" NIKE identification from still photography or footage, or (3) use of L-VIS technology or other "virtual signage" or electronic/computer imaging technology that alters, substitutes or replaces NIKE's stadium/arena signage (including NIKE logo identification that appears on uniforms) with other commercial identification that is seen by home television viewers;

(iv) UNIVERSITY, the NCAA, the Conference or any assignee thereof (including any licensing agent or broadcast partner of the foregoing) enacts, adopts or accedes to any regulation, restriction, prohibition or practice, or takes any action, or causes or induces UNIVERSITY, the Athletic Department or any Team to take any action, that would materially adversely affect any rights conveyed to NIKE under this Agreement (e.g., limiting the right of NIKE to supply brand-identified footwear for Team use, requiring the use of Competitive Product or to display competitor identification, etc.); or

(v) UNIVERSITY is in material breach of this Agreement, which breach UNIVERSITY fails to cure, if curable, within thirty (30) days of NIKE's delivery of written notice to UNIVERSITY of any such breach;

(b) Upon the effective date of termination under this Paragraph or Paragraph 13, UNIVERSITY shall not be entitled to any further consideration under this Agreement, except any unpaid Base Compensation earned prior to the effective date of termination, pro-rated (in the case of Base Compensation) over the entire Contract Year and calculated to the effective date of termination. Alternatively, NIKE shall have the right to receive from UNIVERSITY reimbursement for Base Compensation, if any, paid in excess of the amount to which UNIVERSITY would be entitled if the Base Compensation were pro-rated over the entire Contract Year, calculated to the effective date of termination. Any such payment shall be due within thirty (30) days of the effective date of termination. No other payment from UNIVERSITY shall be required, and the UNIVERSITY shall be free to use and to dispose of NIKE Products as it deems appropriate; provided, however, that NIKE may, at its option, require that its logo be removed from game uniforms or covered in a reasonable and practical manner.

(c) It is understood and agreed that NIKE will not exercise any right of termination under this Paragraph 14 or for any breach of Paragraph 4(h), until the parties have had a minimum of thirty (30) days from UNIVERSITY's receipt of a written request from NIKE to engage one another at the highest level to discuss in good faith their differences and the various alternative resolutions of such differences.

(d) Each of NIKE's termination rights under Paragraph 14(a) shall expire if NIKE has not communicated with UNIVERSITY in writing pursuant to subparagraphs (a) or (c) above within one hundred eighty (180) days of the event triggering such termination right.

15. POST-TERMINATION RIGHTS.

(a) Upon expiration or termination of this Agreement for any reason, NIKE shall have the right to:

(i) For a period of three (3) months, run any non-cancelable media using the UNIVERSITY Marks and exhaust all advertising and promotional materials which were produced prior to the effective date of expiration or termination; and

(ii) Use, in perpetuity, Game Photos or Game Footage provided during the Term, and preserve examples of the Licensed Articles and Authentic Competition Apparel, for non-commercial in-house use or exhibition for historical, educational or commemorative purposes.

(b) Upon expiration or termination of this Agreement for any reason, each Contracted Coach shall have the right to terminate his/her personal services agreement with NIKE, and NIKE shall have the right to terminate any such personal services agreements with Contracted Coaches.

16. SPECIAL REMEDY.

Any dispute between the parties relating solely to the amount of a reduction to which NIKE shall be entitled pursuant to Paragraph 8 above may be first submitted for mediation, subject to the authority of the Attorney General of the State of North Carolina, under the Commercial Mediation Rules and Procedures of the American Arbitration Association (the "AAA") then in effect. Such mediation proceeding shall take place within the State of North Carolina (unless otherwise agreed) before a single mutually agreed mediator who shall be a lawyer. If UNIVERSITY and NIKE cannot agree upon the choice of the mediator within ten (10) days of the date the matter is submitted for mediation, the parties shall request, and accept, assignment of a mediator by the AAA. Any mediation proceeding and decision shall be private and confidential to the extent permitted by law.

17. NOTICES.

All notices, statements and payments provided for herein shall be in writing and deemed given if sent by express courier service or facsimile with confirmed delivery, to the parties at the addresses given below, or such other addresses as either party may designate to the other. Any written notice shall be deemed to have been given at the time delivery is confirmed to the parties as set forth below. It is the obligation of each party to notify the other party of any change in its respective address.

NIKE USA, Inc.
One Bowerman Drive
Beaverton, OR 97005-6453
Attn: Legal Dept
Contracts Specialist
Fax: 503-646-6926

The University of North Carolina at Chapel Hill
c/o Director of Athletics
CB #8500, Ernie Williamson Athletic Center
450 Skipper Bowles Drive
Chapel Hill, NC 27599-8500
Fax: 919-962-7490

cc:

The University of North Carolina at Chapel Hill
c/o Vice Chancellor and General Counsel
CB# 9105, Bynum Hall, Suite 110
222 East Cameron Avenue
Chapel Hill, NC 27599-9105
Fax: 919-843-1617

The address of the UNIVERSITY'S Director of Trademarks and Licensing is CB #1500, 15 Lenoir Hall, The University of North Carolina at Chapel Hill, Chapel Hill, NC 27599-1500 and the fax number is 919-962-1656.

18. RELATIONSHIP OF PARTIES.

The performance of services for UNIVERSITY by NIKE, and vice versa, is in the capacity of independent contractors. Accordingly, nothing contained in this Agreement shall be construed as establishing an employer/employee, partnership or joint venture relationship between UNIVERSITY and NIKE.

19. ASSIGNMENT.

This Agreement may not be assigned except on written mutual agreement of the parties.

20. WAIVER.

The failure at any time of UNIVERSITY or NIKE to demand strict performance by the other of any of the terms, covenants or conditions set forth herein shall not be construed as a continuing waiver or relinquishment thereof, and either party may, at any time, demand strict and complete performance by the other party of such terms, covenants and conditions.

21. SEVERABILITY.

Every provision of this Agreement is severable. If any term or provision hereof is held to be illegal, invalid or unenforceable for any reason whatsoever, such illegality, invalidity or unenforceability shall not affect the validity of the remainder of this Agreement or any other provision.

22. ADDITIONAL REPRESENTATIONS.

(a) NIKE and UNIVERSITY agree and represent that each believes no agreement, contract, understanding, statute, regulation, law, bylaw, or similar rule of any national, international or collegiate governing body or the State of North Carolina or the University of North Carolina at Chapel Hill exists which would prevent or limit performance of any of the obligations of either party hereunder.

(b) UNIVERSITY represents and warrants that as of the date hereof neither it nor, to its knowledge, any Coach is party to any pre-existing agreement with any third-party that would prevent, limit or otherwise restrict any Intercollegiate Athletic Program's exclusive use of NIKE Products as required by this Agreement other than third-party arrangements previously disclosed to NIKE. UNIVERSITY agrees and represents that neither UNIVERSITY nor, to its knowledge, any Coach is party to any oral or written agreement, contract or understanding for the endorsement of Products which would prevent, limit or hinder the performance of any of UNIVERSITY's obligations hereunder. UNIVERSITY further represents and warrants that during the Term UNIVERSITY will not:

(1) In connection with any Intercollegiate Athletic Program, and consistent with Paragraph 22(b)(7) below, enter into any sponsorship, endorsement, product supply, promotional, consulting or similar agreement (including the sale of signage or other media) with any person or entity who manufactures, sells, fulfills or distributes Products (via the Internet or

otherwise), other than (i) NIKE, (ii) NIKE Related Parties, (iii) retailers of NIKE Products, (iv) Chapel Hill area businesses that sell Products as an incidental part of their offerings (e.g., local department or boutique clothing stores); or (v) other third parties as expressly permitted by this Agreement (e.g., pursuant to Paragraph 4[b]);

(2) Allow any Coach or Staff, while acting in his or her official capacity as part of any Intercollegiate Athletic Program (including without limitation during practices, games, exhibitions, clinics, photo sessions, community appearances, or other official UNIVERSITY Intercollegiate Athletic Program activities) to violate Paragraph 7 above or to enter into any sponsorship, endorsement, product supply, promotional, consulting or similar agreement with any person or entity who manufactures, sells, fulfills or otherwise distributes Products (via the Internet or otherwise) other than (i) NIKE, (ii) NIKE Related Parties, (iii) retailers of NIKE Products, (iv) Chapel Hill area businesses that sell Products as an incidental part of their offerings (e.g., local department or boutique clothing stores); or (v) other third parties as expressly permitted by this Agreement (e.g., pursuant to Paragraph 4[b]), consistent with Paragraph 22(b)(7) below. It is understood that any Coach or Staff member may elect to wear business attire and dress footwear of any brand at any time, provided that such attire and footwear does not bear any externally visible logos or indicia;

(3) In connection with any UNIVERSITY sports camp or tournament, or sports camp or tournament held on UNIVERSITY property, allow any Coach or Staff member to enter into any sponsorship, endorsement, product supply, promotional, consulting or similar agreement (including the sale of signage or other media) with any person or entity other than NIKE who manufactures, sells, fulfills or otherwise distributes Products (via the Internet or otherwise) other than (i) NIKE, (ii) NIKE Related Parties, (iii) retailers of NIKE Products, (iv) Chapel Hill area businesses that sell Products as an incidental part of their offerings (e.g., local department or boutique clothing stores); or (v) other third parties as expressly permitted by this Agreement (e.g., pursuant to Paragraph 4[b]), consistent with Paragraph 22(b)(7) below. It is understood that any Coach or Staff member may elect to wear business attire and dress footwear of any brand at any time, provided that such attire and footwear does not bear any externally visible logos or indicia;

(4) Sell to any person or entity Products purchased or provided hereunder by NIKE or any other third-party;

(5) In connection with any Intercollegiate Athletic Program, enter into any agreement or allow any Coach or Staff member of any Intercollegiate Athletic Program to enter into any agreement with any Aligned Media Company, unless mandated by the NCAA or the Conference; and

(6) Permit the trade name, trademark, name, logo or any other identification of any manufacturer or seller of Products other than (i) NIKE, (ii) NIKE Related Parties, (iii) retailers of NIKE Products, or (iv) Chapel Hill area businesses that sell Products as an incidental

part of their offerings (e.g., local department or boutique clothing stores) to appear on signage at practices, games, exhibitions, clinics, sports camps and other official or UNIVERSITY sanctioned Intercollegiate Athletic Program activities (including but not limited to photo sessions and interviews), it being understood that no brand of Products shall be allowed to share or participate in such benefits.

(7) Permit or condone any merchandise brand other than NIKE which is primarily or substantially associated with Products to receive any advertising or promotional benefits pursuant to any otherwise permitted promotional relationship under Paragraphs 22(b)(1), 22(b)(2), or 22(b)(3). It is understood that promotional benefits may accrue indirectly to Products from a merchandise or retail brand which is not primarily or substantially associated with Products, or to a house brand of Products from a permitted local retail sponsor, but such Products may not be advertised or promoted in connection with UNIVERSITY Intercollegiate Athletic Programs.

(8) Notwithstanding anything in this Paragraph 22(b) (or elsewhere in this Agreement) to the contrary, UNIVERSITY may enter into agreements for the supply, sponsorship and use by Coaches, Team, and/or Staff members of (i) baseball/softball bats produced by any manufacturer principally known for bats (e.g., H&B, DiMarini, Marucci, Easton, etc.), and (ii) baseball/softball fielding gloves and batting helmets produced by any manufacturer of baseball fielding gloves and batting helmets (e.g., Wilson, Rawlings, Easton, etc.), other than adidas, Reebok, Under Armour, Mizuno, Asics, EvoShield and/or New Balance (and/or their brands, controlled brands, licensees), and permit such suppliers to respectively use of such designations as "Official glove and helmet supplier of UNC baseball," "Official bat supplier of UNC baseball," etc.

(c) To its knowledge, all rights and licenses to the UNIVERSITY Content supplied by UNIVERSITY hereunder have been or will be obtained by UNIVERSITY, and, to its knowledge, such UNIVERSITY Content does not violate the personal or property right of any person or entity.

(d) Without limiting NIKE's rights under Paragraphs 4(f), 8(b), 8(d), and/or 14(a) hereof, NIKE agrees that its display or other use of its trademarks on uniforms supplied to UNIVERSITY to be worn by Coaches, Staff members and members of the several Teams shall comply with NCAA regulations, including Bylaw 12.5.4 as it appears in the 2008-09 NCAA Manual, or any successor regulation.

(e) Each party has the full legal right and authority to enter into and fully perform this Agreement in accordance with its terms.

23. CONFIDENTIALITY.

Although it is NIKE's policy and practice to maintain the confidentiality of agreements such as this contract, NIKE acknowledges that UNIVERSITY may be required to publicly

disclose the terms and conditions of this Agreement consistent with applicable open records laws of the State of North Carolina.

24. CAPTIONS.

Paragraph captions and other headings contained in this Agreement are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of the Agreement or any provision hereof.

25. STATE AUDITOR ACCESS.

The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by the UNIVERSITY in accordance with North Carolina General Statute 147-64.7 or any successor statute.

26. SURVIVABILITY.

The terms, provisions, representations, and warranties contained in this Agreement that by their sense and context are intended to survive the performance thereof by any of the parties hereunder shall so survive the completion of performance and/or termination of this Agreement, including the making of any and all payments and the provision of any and all Product hereunder.

27. ENTIRE CONTRACT.

UNIVERSITY and NIKE are currently parties to agreements titled "University of North Carolina All-Sport Agreement" and "Retail License Agreement" (the "Superseded Agreements") which are and shall remain in effect in accordance with the terms thereof until the execution of this Agreement and the Retail License Agreement to be entered into contemporaneously herewith. As of the effective date hereof, this Agreement, when read together with the Retail License Agreement to be entered into contemporaneously herewith, shall supersede the Superseded Agreements (which shall be of no further force or effect) and shall constitute the entire understanding between UNIVERSITY and NIKE with respect to the subject matter of both agreements, and may not be altered or modified except by a written agreement, signed by both parties. In the event of any inconsistency between this Agreement and the contemporaneous Retail License Agreement, the provisions of this Agreement shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the latest date written below.

THE UNIVERSITY OF NORTH CAROLINA
AT CHAPEL HILL

By: [Signature]
Name: Jonathan Pruitt
Its: Vice Chancellor of Finance & Operations
Date: June 29, 2018

By: [Signature]
Name: Lawrence (Bubba) Cunningham
Its: Director of Athletics
Date: June 29, 2018

NIKE USA, Inc.

By: [Signature]
Name: John Slusher
Its: Executive Vice President, Global Sports Marketing
Date: June 29, 2018

By: [Signature]
Name: Ann Miller
Its: Vice President, Corporate Secretary
& Chief Compliance Officer
Date: June 29, 2018

Fed. Id. No: 56-6001 393

APPENDIX A

LICENSED MARKS



University of North Carolina at Chapel Hill

Current Revision Date: 04/12/18

Established: 1789 **Location:** Chapel Hill, NC **Nickname:** Tar Heels
Mascot Name: Rameses **Conference:** Athletic Coast Conference (ACC)

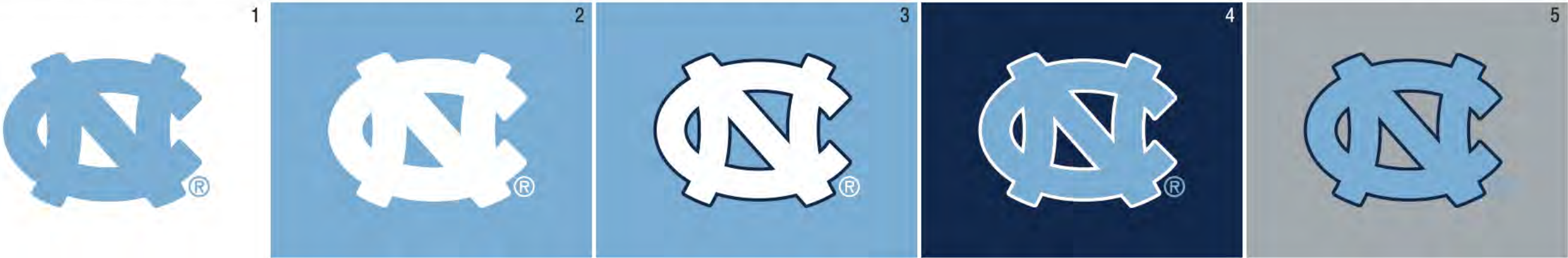
Verbiage

University of North Carolina [®]	Tar Heel [™]	Dean E. Smith Center [™]	Old Well [™]
North Carolina [®]	Heels [™]	Dean Dome [™]	Carolina Blue [™]
Carolina [™]	Carolina Fever [®]	Kenan Memorial Stadium [™]	Hark the Sound [™]
UNC [®]	North Carolina Tar Heels [™]	Boshamer Stadium [™]	
Tar Heels [®]	Carolina Tar Heels [®]	Carmichael Auditorium [™]	

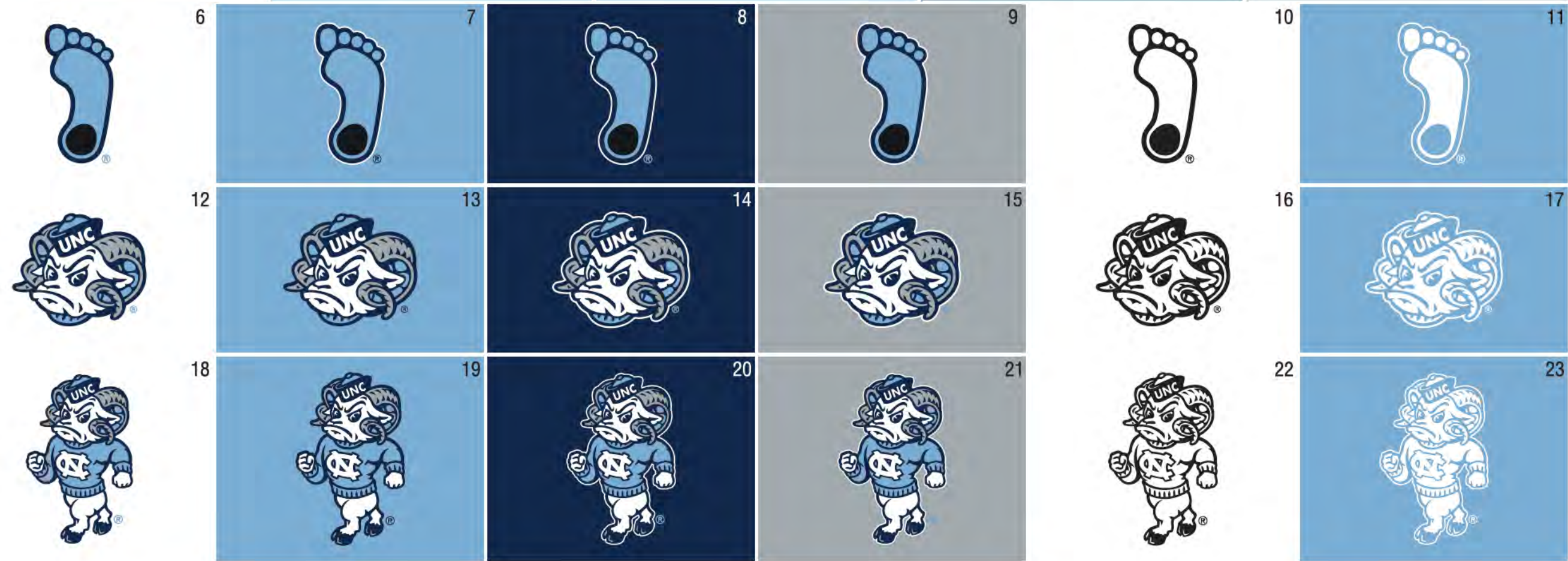
Carolina Blue	White	Navy Blue	Black	Silver	Flat Grey
PANTONE 542 C C:60 M:19 Y:1 K:4 R:123 G:175 B:212 MADEIRA Rayon: 1175 RA: No Match	WHITE MADEIRA:1002 RA: 2297	PANTONE 2767 C C:100 M:90 Y:10 K:77 R:19 G:41 B:75 MADEIRA Rayon: 1043 RA: 2303	PANTONE PROCESS BLACK C MADEIRA: 1000 RA: 2296	PANTONE 877 C C:23 M:16 Y:13 K:46 R:141 G:144 B:146 MADEIRA Metallic: 5011	PANTONE 429 C C:21 M:11 Y:9 K:23 R:162 G:170 B:173 MADEIRA Rayon: 1043 RA: 2585

• Approved University colors or the *PANTONE® colors listed on this page must be used. The colors on this page are not intended to match PANTONE color standards. For PANTONE color standards, refer to the current editions of the PANTONE color publications. *PANTONE® is a registered trademark of PANTONE, Inc.

Primary Athletic Marks



Secondary Athletic Marks





Combination Marks

Word Marks

	24	25	26	27	28	29
	30	31	32	33	34	35
	36	37	38	39	40	41
	42	43	44	45	46	47
	48	49	50	51		
	52	53	54	55		



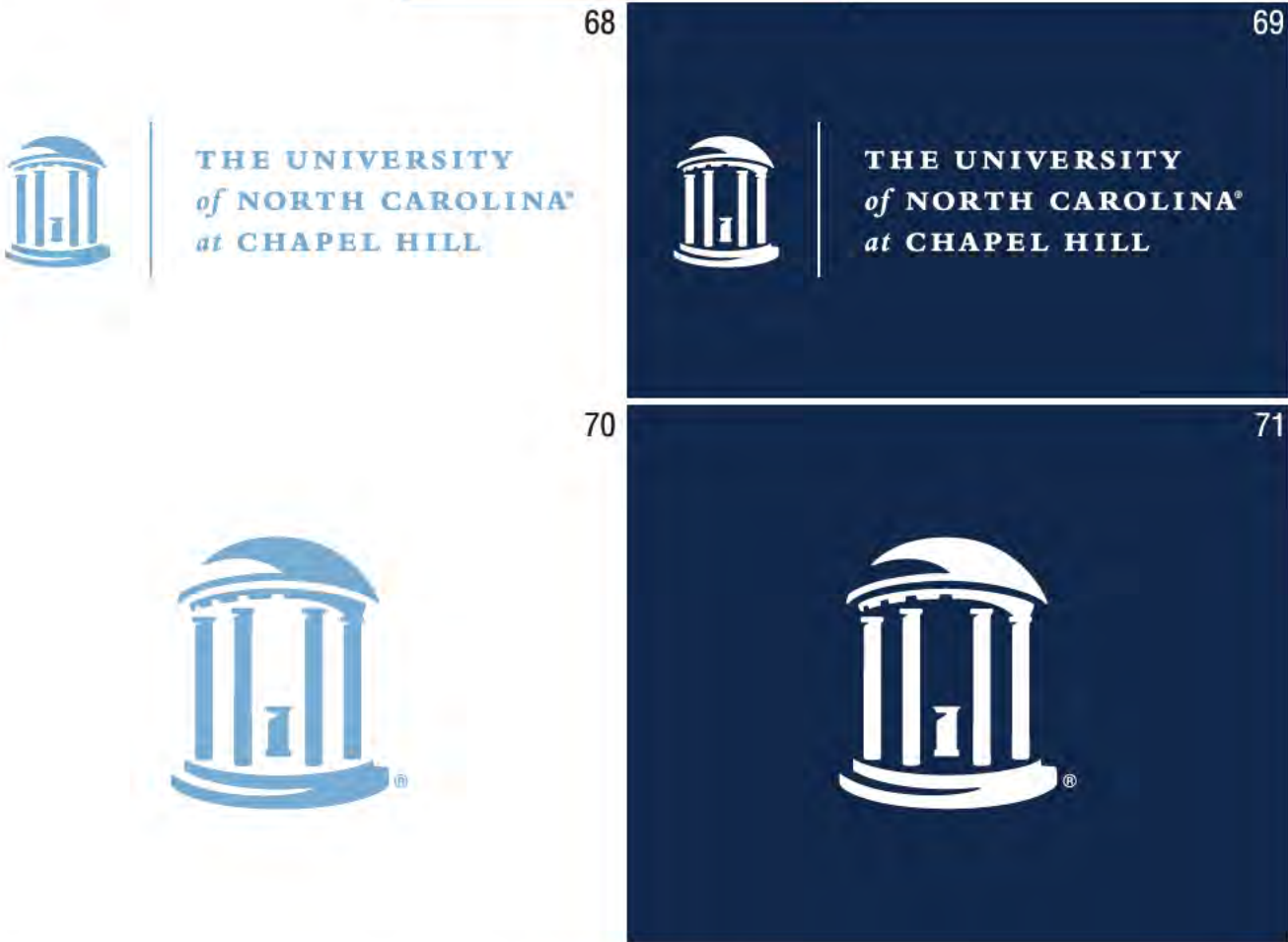
University of North Carolina at Chapel Hill

Current Revision Date: 04/12/18

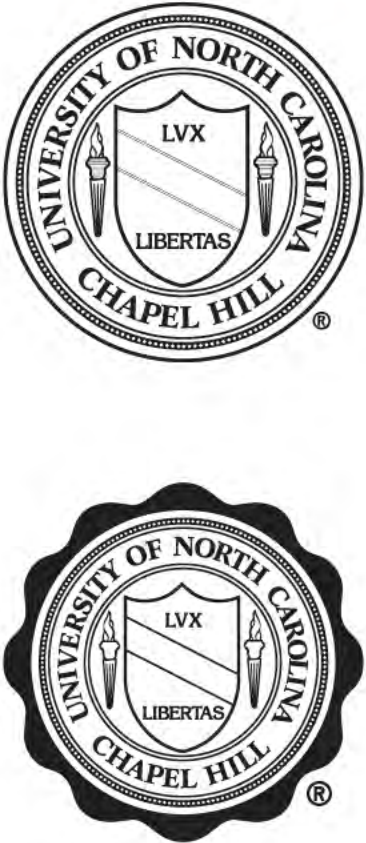
Script Marks



Institutional Marks



School Seals



ADDITIONAL PERTINENT INFORMATION

- University seal permitted on products for resale (limited use).
- No alterations or overlaying graphics to seal permitted.
- University licenses consumables (must have expiration date on packaging).
- University licenses health and beauty products.
- University permits numbers on products for resale. The use of 23 on jerseys is restricted to the University sideline partner.
- The argyle pattern on uniforms is an exclusive program and not available for use by additional licensees.
- Cross licensing with other marks may be permitted with an additional agreement.
- No use of current players' name, image, or likeness is permitted on commercial products in violation of NCAA rules and regulations.
- No references to alcohol, drugs, or tobacco related products may be used in conjunction with University marks.
- Tar Heels must be two words.

APPENDIX B

LABOR CODE STANDARDS

**AGREEMENT REGARDING
LABOR STANDARDS AND CORPORATE SOCIAL RESPONSIBILITY**

This is an Agreement between NIKE USA, Inc., a corporation organized under the laws of the state of Oregon, having its principal place of business at One Bowerman Drive, Beaverton, Oregon 97005-6453 ("Licensee"), and IMG College Licensing LLC, a Georgia limited liability company, having its principal place of business at 1075 Peachtree Street Suite 3300, Atlanta, Georgia 30309 ("IMGCL"), as agent on behalf of University of North Carolina at Chapel Hill ("Collegiate Institution").

WHEREAS Licensee and IMGCL, contemporaneously with their entry into this Agreement, are entering into a Retail Product License Agreement involving the use of Collegiate Institution indicia (together with all appendices, thereto, the "License Agreement");

WHEREAS Collegiate Institution is committed to sourcing products which bear the Licensed Indicia only from licensees and manufacturers that use fair labor practices and conduct business in a socially responsible manner;

WHEREAS defined terms not defined herein will have the same meanings as ascribed to such terms in the License Agreement.

NOW, THEREFORE, in consideration of the parties' mutual covenants and undertakings, and other good and valuable consideration the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. LICENSEE OBLIGATIONS

Licensee agrees to the following:

- A. **Labor Code Standards.** Licensee shall ensure that all domestic or foreign parties producing Licensed Articles or applying Licensed Indicia of the Collegiate Institution ("Manufacturers") comply with the IMGCL Labor Code Standards attached as Schedule I for the manufacturing of Licensed Articles under the License Agreement. Notwithstanding anything to the contrary in this Agreement, the IMGCL Labor Code Standards attached to this Agreement as Schedule I, or the Licensing Agreement, the IMGCL Labor Code Standards apply, and any and all references to Licensee in the IMGCL Labor Code Standards shall be deemed to apply, exclusively to Manufacturers.
- B. **Factory Monitoring.** Collegiate Institution is an affiliate of Worker Rights Consortium ("WRC", an independent labor rights monitor), and the Fair Labor Association, ("FLA") a multi-stakeholder initiative that conducts independent monitoring of its Licensee affiliates, and has designated both the WRC and the FLA as its independent labor rights monitors. Licensee is an affiliate of the FLA (and shall participate in one of the applicable categories). Licensee will continue to comply with its obligations to participate in and remain in good standing with the FLA under the applicable category. Licensee and the WRC have agreed to a Protocol for Monitor Investigations of Nike Supplier Factories ("Protocol"), which is incorporated herein as Exhibit A. Licensee agrees to comply with its obligations under the terms of the Protocol for all Manufacturers. Collegiate Institution may participate in discussions facilitated by a designated college or university between Licensee and the WRC on a regular basis, and at other times if concerns arise in the carrying out of any portion of this protocol. Collegiate Institution may invite other universities to participate in these discussions.
- C. **Factory Disclosures.** On not less than a quarterly basis, Licensee shall identify and provide information regarding each Manufacturer to IMGCL or the Collegiate Institution designee. For each Manufacturer, Licensee will provide the factory name, contact name, address, phone number, email address, products produced, and nature of business association with the Licensee. Such information will be provided on forms provided by IMGCL. The Collegiate Institution reserves the right to disclose this information to third parties, without restriction as to its further distribution.
- D. **Wages.** Licensee recognizes that wages are essential to meeting employees' basic needs. Licensee shall require Manufacturers to pay employees, as a floor, at least the minimum wage required by local law or the local prevailing industry wage, whichever is higher, and to provide legally mandated benefits.
- E. **Remediation.** Licensee will use its best efforts, including all available economic leverage including exit, to cause Manufacturers to remediate any violations identified by the WRC and/or FLA. To the extent that a disagreement exists between Licensee and a Collegiate Institution as to whether an identified violation has been fully remediated, Licensee

agrees to discuss in good faith the differences with that Collegiate Institution. IMGCL may terminate the License Agreement without cause on behalf of any Collegiate Institution at the request of that Collegiate Institution, including whether the Collegiate Institution determines that Licensee has failed to effectively remediate a violation within a time period that is reasonable with respect to the nature and extent of the violation.

- F Bangladesh Accord. Licensees that source Licensed Articles from Manufacturers in Bangladesh must sign the Accord on Fire and Building Safety in Bangladesh ("Accord"). Licensee agrees to be identified among Accord signatories at <http://bangladeshaccord.org/signatories/> and provide written documentation to IMGCL and Collegiate Institution to this effect prior to sourcing Licensed Articles from Manufacturers in Bangladesh.

Licensee's failure to comply with any of its obligations under this Section shall be considered a breach of the License Agreement.

2. TERM

This Agreement shall begin effect on the last date of signature below and shall terminate upon the termination, revocation, cancellation or expiration of the rights granted Licensee under the License Agreement with respect to affected Collegiate Institution(s). Any renewal(s) of said License Agreement shall constitute renewal of this Agreement.

3. SEVERABILITY

The determination that any provision of this Agreement is invalid or unenforceable shall not invalidate this Agreement, and the remainder of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

4. NO WAIVER, MODIFICATION, ETC.

This Agreement, including attachments, constitutes the entire agreement and understanding between the parties and cancels, terminates, and supersedes any prior agreement or understanding relating to the subject matter hereof between Licensee, IMGCL and Collegiate Institution. There are no representations, promises, agreements, warranties, covenants or understandings other than those contained herein. None of the provisions of this Agreement may be waived or modified, except expressly in writing signed by both parties. However, failure of either party to require the performance of any term in this Agreement or the waiver by either party of any breach shall not prevent subsequent enforcement of such term nor be deemed a waiver of any subsequent breach.

5. MISCELLANEOUS

When necessary for appropriate meaning, a plural shall be deemed to be the singular and singular shall be deemed to be the plural. The attached Schedules and Riders are an integral part of this Agreement. Paragraph headings are for convenience only and shall not add to or detract from any of the terms or provisions of this Agreement. This Agreement shall be construed in accordance with the laws of the state of Georgia, which shall be the sole jurisdiction for any disputes.

AGREED AND ACCEPTED:

NIKE USA, INC.

By: Gary D. Way
Name: Gary D. Way
Title: General Counsel-Jordan Brand

IMG College Licensing LLC,
Authorized agent on behalf of the University
of North Carolina at Chapel Hill

By: [Signature]
Name: Cory Z. Moss
Title: 9-5-18

IMGCL Labor Code Standards
Schedule I

- I. Introduction: IMG College Licensing ("IMGCL") and the collegiate institutions represented by IMGCL ("Collegiate Institutions") are each committed to conducting their business affairs in a socially responsible and ethical manner consistent with their respective educational, research and/or service missions, and to protecting and preserving the global environment. While IMGCL and the Collegiate Institutions believe that Licensees share this commitment, IMGCL and certain Collegiate Institutions have adopted the following Labor Code Standards (the "Code") which requires that all Licensees, at a minimum, adhere to the principles set forth in the Code.

Throughout the Code the term "Licensee" shall include all persons or entities which have entered into a written "License Agreement" with IMGCL to manufacture "Licensed Articles" (as that term is defined in the License Agreement) bearing the names, trademarks and/or images of one or more Collegiate Institutions. The term "Licensee" shall for purposes of the Code, and unless otherwise specified in the Code, encompass all of Licensees' contractors, subcontractors or manufacturers which produce, assemble or package finished Licensed Articles for the consumer.

- II. Standards: Licensees agree to operate work places and contract with companies whose work places adhere to the standards and practices described below. IMGCL and the Collegiate Institutions prefer that Licensees exceed these standards.

A. Legal Compliance: Licensees must comply with all applicable legal requirements of the country(ies) of manufacture in conducting business related to or involving the production or sale of Licensed Articles. Where there are differences or conflicts with the Code and the laws of the country(ies) of manufacture, the higher standard shall prevail, subject to the following considerations. In countries where law or practice conflicts with these labor standards, Licensees agree to consult with governmental, human rights, labor and business organizations and to take effective actions as evaluated by IMGCL, the applicable Collegiate Institution(s) or their designee, and the applicable Licensee(s) to achieve the maximum possible compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards.

B. Employment Standards: Licensees shall comply with the following standards:

1. Wages and Benefits: Licensees recognize that wages are essential to meeting employees' basic needs. Licensees shall pay employees, as a floor, at least the minimum wage required by local law or the local prevailing industry wage, whichever is higher, and shall provide legally mandated benefits.¹
2. Working Hours: Except in extraordinary business circumstances, hourly and/or quota-based wage employees shall (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country do not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period.
3. Overtime Compensation: In addition to their compensation for regular hours of work, hourly and/or quota-based wage employees shall be compensated for overtime hours at such a premium rate as is legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate at least equal to their regular hourly compensation rate.

¹IMGCL and the Collegiate Institutions will continue to monitor these issues and will promote studies that examine conditions and factors related to minimum and prevailing wages and employees' basic needs.

4. **Child Labor:** Licensees shall not employ any person at an age younger than 15 (or 14, where, consistent with International Labor Organization practices for developing countries, the law of the country of manufacture allows such exception). Where the age for completing compulsory education is higher than the standard for the minimum age of employment stated above, the higher age for completing compulsory education shall apply to this section. Licensees agree to consult with governmental, human rights and nongovernmental organizations, and to take reasonable steps as evaluated by IMGCL, the applicable Collegiate Institution(s) or their designee, and the applicable Licensee(s) to minimize the negative impact on children released from employment as a result of implementation or enforcement of the Code.
5. **Forced Labor:** There shall not be any use of forced prison labor, indentured labor, bonded labor or other forced labor.
6. **Health and Safety:** Licensees shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of Licensee facilities.
7. **Nondiscrimination:** No person shall be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.
8. **Harassment or Abuse:** Every employee shall be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse. Licensees will not use or tolerate any form of corporal punishment.
9. **Freedom of Association and Collective Bargaining:** Licensees shall recognize and respect the right of employees to freedom of association and collective bargaining.

**Labor Code Standards
Rider to Schedule I**

Women's Rights:

1. Women workers will receive equal remuneration, including benefits, equal treatment, equal evaluation of the quality of their work, and equal opportunity to fill all positions as male workers.
2. Pregnancy tests will not be a condition of employment, nor will they be demanded of employees.
3. Workers who take maternity leave will not face dismissal nor threat of dismissal, loss of seniority or deduction of wages, and will be able to return to their former employment at the same rate of pay and benefits.
4. Workers will not be forced or pressured to use contraception.
5. Workers will not be exposed to hazards, including glues and solvents, that may endanger their safety, including their reproductive health.
6. Licensees shall provide appropriate services and accommodations to women workers in connection with pregnancy.

EXHIBIT A

PROTOCOL FOR WRC INVESTIGATIONS OF NIKE SUPPLIER FACTORIES

I) Request for Access

- A) The Worker Rights Consortium ("WRC") will provide Nike, Inc., ("Nike") with a written request for access to a specific Nike supplier factory, for the purpose of conducting an investigation of working conditions at the factory or to confirm remediation as described in Section I(B). The WRC will provide the substantive reasons for the request when requesting access to the factory. If requested by the WRC, Nike will not disclose the reasons for requesting access to the factory.
- B) Nike will use its best efforts, using all available economic leverage including exit, to facilitate access to the factory, including its facilities and personnel, within fifteen (15) days from receiving the WRC's written request. In extraordinary circumstances, Nike will use its best efforts, using all available economic leverage including exit, to facilitate access no more than twenty-one (21) days from receiving the WRC's written request. In the event that an urgent problem is reported at the factory, Nike will facilitate access for the WRC as soon as possible. Consistent with Section I(A), the WRC will have the ability to return to the factory, after its initial visit, to confirm that remediation has occurred.
- C) To the extent possible, Nike will share records of audits that have been conducted at the factory by Nike's staff, its agents, or other organizations. Nike and the WRC will discuss any findings that have been made and corrective actions that have been recommended or implemented. The WRC will review and give due consideration to findings reached by other organizations that have previously conducted audits or assessments in the factory.

II) Investigation

- A) The WRC will be permitted to take photographs, copy documents, and interview factory workers and managers.
- B) Following an inspection, or in lieu of inspection when determined by the WRC, Nike will use its best efforts to ensure the WRC has access to physical or electronic records needed to complete the WRC's investigation.
- C) Nike's staff or its agents may be present in the factory during the WRC's investigation. The WRC will make best efforts to coordinate logistics with other entities. If coordinating schedules between Nike or its agents and the WRC would cause a significant delay, then Nike will facilitate separate access to the factory for the WRC. When necessary, the WRC will be permitted to review personnel records or interview factory workers or managers in private in order to protect confidentiality and anonymity.
- D) The WRC will protect the confidentiality of competitive or proprietary information related to Nike or the factory obtained during its investigation.

III) Remediation and Reporting

- A) The WRC will provide reasonable notice, including a detailed summary of findings, to Nike prior to publishing its factory report in order to include commitments from Nike or the factory regarding remediation, or for Nike or the factory to demonstrate that appropriate corrective actions have been taken or are in process. The WRC may communicate its findings, prior to the publication of its report, to the factory owners, the factory workers, their representatives, government officials, and/or other buyers, and will discourage these parties from prematurely circulating this information. The WRC will not communicate its findings to any parties other than these prior to publication of its report. In its factory report, the WRC will identify all brands and retailers that it knows to be sourcing from the factory and specify which of them are university licensees sourcing university apparel.
- B) Nike and the WRC will work with the factory – and, if possible, non-collegiate apparel brands and retailers sourcing from the factory – to develop a remediation plan within a reasonable time after Nike receives the WRC’s summary of findings. To the extent that the WRC learns that the factory manufactures university-licensed products for other university licensees, the WRC will engage all university licensees sourcing from the factory to discuss its findings and work together on a remediation plan. If Nike and the WRC agree on the needed outcome of remediation but disagree on the process of achieving remediation, the parties will discuss such differences, and the WRC will retain the absolute right to express its recommendations regarding remediation in its reports.
- C) In the event that a problem identified at the factory is of such an urgent nature (for example, where there is an imminent danger to workers’ health and safety, or where a mass dismissal of workers is imminent or has occurred) that immediate reporting is necessary, the WRC will notify Nike and publicly report the problem.