COUNTY OF ORANGE

STATE OF NORTH CAROLINA

THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT

MEN'S HEAD BASKETBALL COACH

THIS THIRD AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Employment Agreement" or this "Agreement") is made and entered into effective as of April 1, 2015, by The University of North Carolina at Chapel Hill ("UNIVERSITY") and Roy A. Williams ("COACH").

W I T N E S S E T H:

WHEREAS, the UNIVERSITY and COACH entered into an Amended and Restated Employment Agreement effective as of July 1, 2007; and

WHEREAS, the UNIVERSITY and COACH entered into a Second Amended and Restated Employment Agreement effective as of November 3, 2011; and

WHEREAS, the UNIVERSITY and COACH desire to amend and restate that Second Amended and Restated Employment Agreement in its entirety; and

WHEREAS, the parties acknowledge that although this Employment Agreement is sports-related, the primary mission of the UNIVERSITY is education, and, accordingly, the primary purpose of all of the UNIVERSITY's legal arrangements, including this Agreement, is the furtherance of the UNIVERSITY's educational mission;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, it is agreed as follows:

I. TERM OF EMPLOYMENT

UNIVERSITY agrees to employ COACH and the COACH agrees to serve UNIVERSITY as its Men's Head Basketball Coach for a term beginning on the effective date of this Agreement, and continuing until April 15, 2020, except that COACH at his option shall have the right to unilaterally terminate this entire Agreement at any time

upon 120 days prior written notice to the UNIVERSITY. The term of this Agreement cannot be changed without mutual agreement of UNIVERSITY and COACH.

II. DUTIES

The COACH is hereby employed by UNIVERSITY as Men's Head Basketball Coach with all of the duties, responsibilities, obligations, and privileges as are assigned to him by the Athletic Director, which duties may include, without limitation, the following:

(a) directing and conducting the Men's Basketball Program in keeping with the educational purpose of and the traditions, values, integrity, and ethics of the UNIVERSITY;

(b) recruiting and retaining only academically qualified student-athletes and promoting and encouraging academic progress, in conjunction with the faculty and UNIVERSITY, of such student-athletes toward graduation in defined degree programs;

(c) conducting himself and the Men's Basketball Program in accordance with all applicable rules, regulations, and policies of and applicable to UNIVERSITY and in accordance with the Constitution, bylaws, legislation, and regulations of the Atlantic Coast Conference ("ACC") and of the National Collegiate Athletic Association ("NCAA"), as such may be amended from time to time. COACH shall promptly advise the Athletic Director if Coach has reason to believe that violations have occurred or will occur and shall cooperate fully in any investigation of possible violations conducted or authorized by the UNIVERSITY, the ACC, or the NCAA at any time;

(d) promoting an atmosphere of compliance with, and supervising and maintaining full responsibility for the conduct of all assistant basketball coaches, basketball program staff members, employees, and student-athletes under COACH's supervision, including maintaining compliance by all such individuals with all applicable rules, regulations and policies of and applicable to UNIVERSITY and with the Constitution, bylaws, legislation, and regulations of the ACC and NCAA, as such may be amended from time to time. This responsibility shall include, without limitation, developing and maintaining reasonable processes for monitoring basketball program compliance and providing annual evaluations of such assistant coaches and staff members; and

(e) under the direction of the Athletic Director, maintaining responsibility for the fiscal and budgetary functions associated with the Men's Basketball Program; and

(f) such other reasonable duties as may be assigned by the Athletic Director from time to time, consistent with those duties typically applicable to a Division I men's basketball coach.

The COACH agrees faithfully and diligently to use his best efforts to perform all the duties of the position of Men's Head Basketball Coach and to devote such time, attention, and skill to the performance of these duties as necessary to perform the responsibilities of the position. During the term of this Agreement, COACH shall report to and be under the immediate supervision of UNIVERSITY's Athletic Director and shall regularly confer with the Athletic Director on matters concerning administrative and technical decisions. Without limiting the generality of the foregoing, COACH shall have the responsibility and authority, in consultation with the Athletic Director and consistent with all applicable UNIVERSITY policies, as such may be amended from time to time, to employ and discharge all personnel assigned to the Men's Basketball Program.

III. ANNUAL COMPENSATION

(a) The annual salary of COACH for the position of Men's Head Basketball Coach shall be as follows:

July 1, 2015 – June 30, 2016	$ 408,169.00
July 1, 2016 – June 30, 2017	$ 448,577.00
July 1, 2017 – June 30, 2018	$ 492,986.00
July 1, 2018 – June 30, 2019	$ 541,778.00
July 1, 2019 – June 30, 2020	$ 595,409.00

(b) In years in which the Men's Basketball team is invited to the NCAA post-season basketball tournament, COACH will receive additional compensation from UNIVERSITY in the form of a bonus for increased responsibilities in the amount of $25,000.00. Any amount earned hereunder shall be paid within seventy-five (75) days following the last game of the NCAA post-season basketball tournament.

(c) In years in which the Men's Basketball team appears among the Round of 32 in the NCAA post-season basketball tournament, COACH will receive, in addition to the compensation specified in Sections III (a) and (b), additional compensation from UNIVERSITY in the form of a bonus for increased responsibilities in the amount of

$100,000.00. Any amount earned hereunder shall be paid within seventy-five (75) days following the last game of the NCAA post-season basketball tournament.

(d) In years in which the Men's Basketball team appears among the Sweet 16 in the NCAA post-season basketball tournament, COACH will receive, in addition to the compensation specified in Sections III (a) – (c), additional compensation from UNIVERSITY in the form of a bonus for increased responsibilities in the amount of $150,000.00. Any amount earned hereunder shall be paid within seventy-five (75) days following the last game of the NCAA post-season basketball tournament.

(e) In years in which the Men's Basketball team appears among the Final Eight in the NCAA post-season basketball tournament, COACH will receive, in addition to the compensation specified in Sections III (a) – (d), additional compensation from UNIVERSITY in the form of a bonus for increased responsibilities in the amount of $200,000.00. Any amount earned hereunder shall be paid within seventy-five (75) days following the last game of the NCAA post-season basketball tournament.

(f) In years in which the Men's Basketball team appears among the Final Four in the NCAA post-season basketball tournament, COACH will receive, in addition to the compensation specified in Sections III (a) – (e), additional compensation from UNIVERSITY in the form of a bonus for increased responsibilities in the amount of $200,000.00. Any amount earned hereunder shall be paid within seventy-five (75) days following the last game of the NCAA post-season basketball tournament.

(g) In years in which the Men's Basketball team wins the national championship by winning the NCAA post-season basketball tournament, COACH will receive, in addition to the compensation specified in Sections III (a) – (f), additional compensation from UNIVERSITY in the form of a bonus for increased responsibilities in the amount of $250,000.00. Any amount earned hereunder shall be paid within seventy-five (75) days following the last game of the NCAA post-season basketball tournament.

(h) In years in which the four year "Academic Progress Rate" for the Men's Basketball team reported by the UNIVERSITY to the NCAA equals or exceeds 975, COACH will receive, in addition to the compensation specified in Sections III (a) – (g), additional compensation from UNIVERSITY in the form of a bonus in the amount of $75,000.00. For purposes hereof, the term "Academic Progress Rate" shall be as defined by the NCAA. Any amount earned hereunder shall be paid within seventy-five (75) days after the UNIVERSITY submits its annual Academic Progress Rate report to the NCAA.

IV. BENEFITS

The position of Men's Head Basketball Coach is classified as an EPA Non Faculty position at UNIVERSITY. As an EPA Non Faculty Employee, COACH shall be entitled to receive all employee-related benefits which are normally available to other twelve-month EPA Non Faculty Employees. COACH's employment is subject to the Employment Policies for EPA Non-Faculty Research Staff, Instructional Staff, and Tier II Senior Academic and Administrative Officers of The University of North Carolina at Chapel Hill, as adopted by the Board of Trustees, and as revised from time to time (the "Policies"). A copy of the current Policies is attached hereto and incorporated herein by reference. COACH acknowledges that benefits or classifications provided by UNIVERSITY are subject to change from time to time by the North Carolina Legislature or UNIVERSITY.

In addition to the benefits generally accorded an EPA Non Faculty Employee, so long as COACH continues to serve as UNIVERSITY's Men's Head Basketball Coach, UNIVERSITY shall provide to COACH the following additional benefits:

(a) COACH or an entity controlled by COACH shall be entitled to operate a summer basketball camp in accordance with the policies of UNIVERSITY concerning the operation of such camps, as discussed in more detail in Paragraph VI below.

(b) COACH shall be entitled to advise and comment on all proposed scheduling of UNIVERSITY men's basketball games during the term of this Agreement.

V. EXPENSES

While COACH holds the position of Men's Head Basketball Coach, COACH will receive an annual expense allowance from the Department of Athletics to be used for entertainment and other appropriate purposes to advance UNIVERSITY'S Men's Basketball Program. The amount of this annual expense allowance will be $40,000 in each contract year. A "contract year," for purposes of this Agreement, means April 16 to April 15 of the immediately following year. All appropriate State and Federal taxes will be withheld from this allowance. This allowance may be adjusted for inflationary and other reasons during the term of this Agreement. This will be at the discretion of the Athletic Director, but will at no time be reduced below the amounts set forth above per contract year. Use of these funds shall always be consistent with NCAA and ACC regulations, but COACH shall not be required to report specific expenditures to the UNIVERSITY.

VI. OUTSIDE COMPENSATION

(a) Subject to compliance with the Policy on External Professional Activities for Pay of The University of North Carolina Board of Governors, NCAA and ACC Regulations, and subject to all other relevant policies applicable to or of the UNIVERSITY and laws concerning conflicts of interest, and with the prior approval from the Athletic Director and Chancellor as provided in said policies, COACH may earn other revenue while employed by UNIVERSITY, but such activities are independent of his UNIVERSITY employment, and the UNIVERSITY shall have no responsibility for any claims by him or against him arising therefrom. Activities permitted under this Section VI shall include engaging in any radio, television, motion picture, writing, or any similar activity, personal appearances, commercial endorsements, and basketball camps, except as noted below. With respect to any such independent activities that are commercial in nature, including, without limitation, activities that promote a private business or service, COACH shall not, without the express written permission of UNIVERSITY, make use of UNIVERSITY's name, logos, or symbols.

(b) With respect to the operation of basketball camps or other activities using UNIVERSITY's name, such activity shall be only with the prior approval of the Athletic Director and Chancellor, and shall be conducted in accordance with all applicable NCAA and ACC policies and policies of or applicable to UNIVERSITY, including those requiring the payment of fees for use, if any, of UNIVERSITY facilities.

(c) As required by NCAA Regulations, COACH shall report annually as of July 1 to the Chancellor through the Athletic Director all athletically related income from sources outside the UNIVERSITY, including but not limited to, income from annuities, sports camps, endorsements, television and radio programs, and all other athletically-related income from whatever outside source. UNIVERSITY shall have reasonable access to all records of COACH to verify this report.

VII. UNIVERSITY RECORDS

All materials or articles of information including, without limitation, personnel records, recruiting records, team information, films, statistics, or any other material or data furnished to COACH by UNIVERSITY or developed by COACH on behalf of UNIVERSITY or at UNIVERSITY's direction or for UNIVERSITY's use or otherwise in connection with COACH's employment hereunder are and shall remain the sole property of UNIVERSITY. If UNIVERSITY requests the return of such materials at any time

during, or at, or after the termination of COACH's employment, COACH shall immediately deliver same to UNIVERSITY.

Coach acknowledges that this Agreement is a public record subject to disclosure under North Carolina's Public Records Law.

VIII. PROGRAM SUPPORT

In addition to the duties outlined in Section II of the Agreement:

(a) COACH agrees to attend a specified number of Educational Foundation Chapter meetings per year to promote UNIVERSITY's Men's Basketball Program, the number to be reasonably determined on an annual basis by the Athletic Director.

(b) COACH agrees to maintain and cultivate effective relations with students, faculty, staff, and friends of the University.

(c) COACH agrees that UNIVERSITY shall have the right to use the name, likeness, and image of COACH in promoting and developing the Men's Basketball Program, provided that any such use shall not be in poor taste or reflect negatively upon COACH.

IX. TERMINATION BY UNIVERSITY FOR CAUSE

This Agreement may be terminated by UNIVERSITY for Cause at any time upon written notice to COACH. For purposes hereof, "Cause" shall mean the following:

(a) Any material breach by COACH of the terms of this Agreement, including but not limited to material failure to perform any of the duties specified in Section II or Section VIII;

(b) Any of the following:

(i) any act or omission that the University determines constitutes a violation of an ACC or NCAA regulation or bylaw, or of a policy of or applicable to the University, by or permitted by COACH; or

(ii) any act or omission that the University determines constitutes a violation of an ACC or NCAA regulation or bylaw, or of a policy of or applicable to the University, by personnel COACH is responsible for supervising (directly or indirectly) which he knows or should have known about and does not immediately report as required by this Agreement; or

(iii) any act or omission that the University determines constitutes a violation of an ACC or NCAA regulation or bylaw, or of a policy of or applicable to the University, by any other person which COACH knows about and does not immediately report as required by this Agreement; or

(iv) any act or omission that the University determines constitutes a violation of an ACC or NCAA regulation or bylaw, for which COACH is otherwise responsible under the applicable standards (including but not limited to responsibility by virtue of a failure to promote an atmosphere of compliance or to monitor personnel who report, directly or indirectly, to him);

provided, however, that in order for any of the foregoing (i) – (iv) to constitute Cause, the violation must be one which is regarded as a major or serious violation (e.g., repeated violations or violations that the University determines could reasonably be expected to result in sanctions such as probation, forfeiture of athletic contests, loss of scholarships, prohibition against Conference or championship or telecast appearances, restrictions on a coach's right to recruit, etc.). For purposes of this Section IX(b), the decision as to whether a violation of an ACC or NCAA regulation or bylaw has been committed, and/or whether a violation is a major or serious violation, rests solely with the University.

(c) Behavior by COACH that, as reasonably determined in the sole discretion of the University after its review of the relevant facts and circumstances, displays a continual or serious disrespect for the integrity, values, and ethics of the University or its Men's Basketball Program or which has or is likely to have a material adverse impact on the reputation or good name of the University or its Men's Basketball Program;

(d) final conviction of (i) a criminal act that constitutes a felony committed by COACH or (ii) a criminal act which constitutes fraud or moral turpitude committed by COACH any other material breach by COACH of the terms of this Agreement; or

(e) any of those causes specified in Section VIII(1) of the UNIVERSITY's Employment Policies for EPA Non-Faculty Research Staff, Instructional Staff, and Tier II Senior Academic and Administrative Officers of the University as such Employment Policies may be amended from time to time.

In the event of a termination under this Section IX for "Cause," UNIVERSITY's sole obligation to COACH shall be payment of his compensation as set forth in Section III of this Agreement earned through the date of such termination. The UNIVERSITY shall not be liable to COACH for any collateral business opportunities, outside activities,

or other non-UNIVERSITY matters that may be related to or associated with COACH's position as Men's Head Basketball Coach.

Any process to terminate COACH for Cause shall be conducted in compliance with all relevant UNIVERSITY policies.

X. AUTOMATIC TERMINATION UPON DEATH OR DISABILITY OF COACH

(a) This Agreement shall terminate immediately and automatically without notice in the event that COACH dies. This Agreement shall terminate, upon reasonable notice to COACH by UNIVERSITY, in the event that COACH becomes and remains unable to perform the essential functions of his employment hereunder for a period of ninety (90) consecutive days or ninety (90) days in any one hundred fifty (150) day period by reason of medical illness or incapacity. Such determination of COACH's inability to perform his duties shall be made in the sole judgment of the Chancellor and Athletic Director; provided, however, that the Chancellor and Athletic Director shall, prior to making such judgment, seek the advice and opinion regarding such disability of an impartial physician competent to provide such advice and opinion, as may be mutually agreed upon by COACH or his legal representative(s) and the Athletic Director of UNIVERSITY. If COACH or his legal representative(s), as the case may be, and Athletic Director are unable to agree upon such physician, the selection shall be made by the Dean of the School of Medicine of The University of North Carolina at Chapel Hill.

(b) If this Agreement is terminated pursuant to Section X(a) above because of death, the COACH's salary and all other benefits shall terminate as of the end of the calendar month in which death occurs, except that the COACH's personal representative(s) or other designated beneficiary shall be paid all death benefits, if any, as may be contained in any benefit plan now in force or hereafter adopted by the UNIVERSITY and due the COACH as an EPA Non Faculty Employee under the Policies.

(c) In the event that COACH becomes and remains unable, in the sole judgment of the Chancellor and Athletic Director, to perform the essential functions of his employment hereunder for a period of ninety (90) consecutive days or ninety (90) days in any one hundred fifty (150) day period because of medical illness or incapacity and the UNIVERSITY thereupon affords notice of termination under subparagraph (a) above, except for payment of amounts due COACH accrued hereunder prior to the date of termination and payment of any disability benefits to which COACH may be entitled pursuant to any disability program in which COACH is enrolled through UNIVERSITY, the UNIVERSITY shall have no

further liability to COACH pursuant to this Agreement. Specifically and without limitation, at the end of such ninety (90) or one hundred fifty (150) day period, as applicable, all salary and other benefits shall terminate, except that COACH shall be entitled to receive payment of any disability benefits to which he is entitled under any disability program in which he is enrolled through the UNIVERSITY.

(d) Notwithstanding any other provision herein, this Agreement does not and shall not be construed to afford UNIVERSITY the right to take any action that is unlawful under the Americans with Disabilities Act or to constitute in any respect a waiver of rights under such Act.

(e) The termination of this Agreement under Section X(a), above, shall not constitute a breach of this Agreement, and, except for the payments required by this paragraph X, if any, COACH hereby, to the fullest extent allowable by law, waives and relinquishes all rights to payment of compensation, damages, or other relief on account of such termination.

XI. TERMINATION BY UNIVERSITY WITHOUT CAUSE; LIQUIDATED DAMAGES

(a) Following consultation with the Athletic Director, this Agreement may be terminated unilaterally by the Chancellor, at any time upon written notice to COACH, in the absence of Cause, (as "Cause" is defined in Section IX of this Agreement), upon written notice to COACH.

(b) In the event this Agreement is terminated pursuant to Section XI(a), UNIVERSITY shall pay COACH liquidated damages in lieu of any and all other legal remedies or equitable relief in an amount equal to (1) the sum of $425,000 plus his then current annual salary (as determined pursuant to Section III(a) of this Agreement), multiplied by (2) the number of contract years remaining under this Agreement (prorated for any partial year); provided, however, that the liquidated damages payable pursuant to this Section XI(b) shall be subject to the terms set forth in Section XI(c) below.

(c) Payment of the total amount determined pursuant to Section XI(b)(1) shall occur over the remaining term of the Agreement as follows: (1) on the effective date of termination without Cause, payment shall be made of amounts due with respect to the remainder of that contract year; and (2) payments due hereunder with respect to each subsequent contract year shall be made on the last day (April 15) of such subsequent contract year, until all amounts due under this paragraph XI have been paid in full. Except as specifically provided this Section XI, the UNIVERSITY in such case shall not be liable to COACH for compensation (including supplemental

compensation provided for in paragraph XIII), for benefits with respect to periods after the effective date of termination, or for any collateral business opportunities or other benefits or activities entered into pursuant to Section VI of this Agreement which may be related to his position as Men's Head Basketball Coach.

(d) The parties have bargained for this liquidated damages provision, giving consideration to the following: (1) this is an agreement for personal services; and (2) the parties recognize that a termination of this Agreement by UNIVERSITY prior to its natural expiration could cause COACH to lose benefits, compensation, and/or outside compensation relating to his employment at UNIVERSITY, which damages are difficult to determine with certainty. Therefore, the parties have agreed upon this liquidated damages provision.

(e) Termination of this Agreement upon the death or disability of COACH, as provided in Section X of this Agreement, shall not give rise to a right to liquidated damages pursuant to this Section XI.

XII. TERMINATION BY BOTH PARTIES

This Agreement may be terminated at any time upon mutual agreement of the parties.

XIII. SUPPLEMENTAL COMPENSATION

The parties acknowledge that, by accepting employment with the UNIVERSITY, COACH forfeited his rights to deferred compensation provided pursuant to an agreement between the University of Kansas Athletic Corporation and COACH. In order for the UNIVERSITY to provide COACH with a competitive compensation package, the UNIVERSITY has agreed to make certain supplemental compensation payments to COACH.

So long as COACH remains employed by the UNIVERSITY pursuant to this Agreement on the final day of the UNIVERSITY's men's basketball season concluding in the same calendar year, the UNIVERSITY shall pay supplemental compensation to COACH as follows:

April 16, 2004	$ 356,716.00
April 16, 2005	$ 481,105.00
April 16, 2006	$ 780,274.00
April 16, 2007	$ 878,920.00
April 16, 2008	$ 1,370,063.00

April 16, 2009	$ 1,200,000.00
April 16, 2010	$ 1,250,000.00
April 16, 2011	$ 1,300,000.00
April 16, 2012	$ 1,350,000.00
April 16, 2013	$ 1,400,000.00
April 16, 2014	$ 1,450,000.00
April 16, 2015	$ 1,500,000.00
April 16, 2016	$ 1,550,000.00
April 16, 2017	$ 1,600,000.00
April 16, 2018	$ 1,650,000.00
April 16, 2019	$ 1,700,000.00
April 16, 2020	$ 1,750,000.00

Should the employment of COACH by the UNIVERSITY pursuant to this Agreement terminate for any reason whatsoever, COACH shall not be entitled to any payments under this Paragraph XIII that become due and payable on or after the effective date of such termination of employment and in accordance therewith, the benefits to COACH arising pursuant to this Paragraph XIII shall terminate as of the date of death of COACH, notwithstanding anything contained in Paragraph X (b) which may be construed to the contrary.

XIV. TAXES

COACH acknowledges that, in addition to the salary provided for in this Agreement, certain benefits he receives incident to his employment relationship with UNIVERSITY may give rise to taxable income. COACH agrees to be responsible for the payment of any taxes (including federal, state, and local taxes) due on such income. COACH also understands that UNIVERSITY will withhold taxes on amounts paid or due to COACH and the value of benefits provided to COACH, to the extent required by applicable law and regulation.

XV. SEVERABILITY

The invalidity or unenforceability of any provision hereof shall in no way affect the validity or unenforceability of any other provision hereof.

XVI. NOTICES

Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and if sent by registered or certified mail to his residence in the

case of COACH, or to the offices of the Director of Athletics in the case of UNIVERSITY.

XVII. BENEFIT

This Agreement, in accordance with its terms and conditions, shall inure to the benefit of and be binding upon UNIVERSITY, its successors and assigns, and COACH, his heirs, executors, administrators, and legal representatives.

XVIII. SITUS

This Agreement shall be construed in accordance with and governed by the laws of the State of North Carolina. The exclusive venue in any judicial action or proceeding arising out of or relating to this Agreement shall be the state or federal courts located in the State of North Carolina.

XVIX. EQUAL PARTICIPANTS

Each party hereto shall be viewed as an equal participant, and each party agrees that there shall be no presumption against the drafting party.

XX. ENTIRE AGREEMENT

This instrument supersedes all prior agreements between the parties hereto and contains the entire agreement of the parties. It may not be changed orally. This Agreement can be amended only by an Agreement in writing signed by both parties and approved by the Board of Trustees of The University of North Carolina at Chapel Hill.

XXI. WAIVER

Waiver by either party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

FOR AND ON BEHALF OF
THE UNIVERSITY OF NORTH
CAROLINA AT CHAPEL HILL

Lawrence R. Cunningham
Director of Athletics

8/10/2015
Date

COACH

Roy A. Williams
Roy A. Williams

Aug. 1, 2015
Date

Carol L. Folt
Chancellor

11/19/15
Date

Matthew Fajack
Vice Chancellor for Finance and Administration

11/18/15
Date

Approved by the Board of Trustees:

Assistant Secretary

11/18/15
Date