



THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

HOLDEN THORP
Chancellor

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March 6, 2009

Dear Members of the Licensing Labor Code Advisory Committee:

I agree with and accept the committee's recommendation that the University should not renew the license of Russell Athletic to manufacture and sell products bearing the Carolina logo as of March 31, 2009, the expiration date of the current license.

Since the committee, through thoughtful consideration this semester, has now concluded that Russell is not complying with the University's labor code, this is the right step for our University in light of what has happened with Russell plants in Honduras. I do not take ending a partnership with a longtime licensee lightly. However, our expectations for our licensees are clear: comply with our labor code and the protections it affords to the people who make these logoed products if you want to do business with Carolina.

I also agree with the committee that if Russell can successfully document compliance with our code in the future, we should consider their new application to become a licensee, but only after March 31, 2010.

With this communication, I am asking Derek Lochbaum, as our director of trademark licensing, to immediately communicate the University's non-renewal position to the Collegiate Licensing Company, our licensing agent, to share, in turn, with Russell.

Jack Evans has kept me informed about the committee's deliberations concerning Russell since last month. I sincerely appreciate the committee's hard work on this topic. You all have done the University community a great service.

Sincerely,

A handwritten signature in cursive script that reads "H. Holden Thorp".

H. Holden Thorp