

# **EXHIBIT 35**

**Case No. C 07 0943 WHA**

**Parrish v. National Football League Players Association, et al.**

AGREEMENT

THIS AGREEMENT is made as of the 9th day of May, 1994, by and between National Football League Players Association ("Licensor"), a non-profit corporation organized under the laws of the Commonwealth of Virginia, and National Football League Players Incorporated ("Licensee"), a for-profit corporation organized under the laws of the Commonwealth of Virginia, each having its principal place of business at 2021 L Street, N.W., in the District of Columbia.

WITNESSETH:

WHEREAS, Licensor has been duly appointed and is acting on behalf of the football players of the National Football League who have entered into group licensing authorization agreements, either by execution of a Group Licensing Authorization or by execution of a player contract containing a group licensing authorization provision, the forms of which are attached hereto as Attachment "A" (hereinafter referred to as "Group Licensing Rights"), and that in such capacity it has the right to negotiate this contract and the right to grant the rights and licenses described herein;

WHEREAS, Licensor owns and possesses all rights with respect to: (1) the name "National Football League Players" (hereinafter referred to as the "Name"); (2) any abbreviation, hyphenation or other use of such Name; (3) any

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recombination, rephrasing, shortening or other adjustment of the words in such Name; and (4) a logo or logos using such Name (hereinafter referred to as the "Logo"), which Logo is identified in Attachment "B"; and

WHEREAS, Licensor owns and possesses certain contracts wherein Licensor has authorized certain third parties to utilize the Group Licensing Rights, the Name and/or the Logo, which contracts are identified in Attachment "C" (hereinafter referred to as the "Contract Base").

NOW, THEREFORE, Licensor and Licensee mutually agree as follows:

1. GRANT OF LICENSE.

(a) Upon the terms and conditions hereinafter set forth, Licensor hereby grants to Licensee and Licensee hereby accepts the exclusive worldwide right, license and privilege of utilizing the Name and Logo, Group Licensing Rights, and the Contract Base (hereinafter referred to collectively as the "Licensed Rights"), including the right to grant sublicenses of one or more of such Licensed Rights, until the expiration, cancellation or other termination of this Agreement.

(b) Licensor shall direct third parties who are authorized to utilize the Group Licensing Rights, the Name

and/or Logo and whose contracts are part of the Contract Base to make any and all payments to Licensee.

(c) Licensor shall provide sufficient Group Licensing Rights to Licensee, as of the effective date of this Agreement and throughout the term of this Agreement, to ensure that Licensee is able to perform under this Agreement.

(d) Licensee shall have full discretion as to the manner in which the Licensed Rights are to be used; provided, however, that any license or sub-license arrangement into which Licensee enters must identify the specific products that are licensed or sublicensed for production; and provided further that any license or sub-license must be based on terms and conditions consistent with this Agreement.

(e) Licensee may develop and exploit additional name(s) and/or logo(s) in the context of performing under this Agreement; provided, however, that any name or logo so developed or utilized shall be the property of Licensor and subject to the terms and conditions of this Agreement, including, but not limited to the provisions of paragraphs 10 and 18 set forth below; and provided further that Licensee shall take all necessary steps to properly register and trademark such name(s) and/or logo(s) in the name of Licensor.

(f) Any Group Licensing Rights obtained by Licensee during the term of this Agreement, or any renewals thereof, shall be the property of Licensor and subject to the terms and conditions of this Agreement.

2. **TERRITORY.** Licensee shall have the right to utilize the Licensed Rights for distribution of licensed or sublicensed product(s) anywhere in the world, including, but not limited to, the United States, its territories and possessions.

3. **TERM.** This Agreement shall commence on May 9, 1994 and shall continue until February 28, 1999 (hereinafter referred to as "Original License Period") unless earlier terminated in accordance with the provisions hereof. Thereafter, the Agreement shall be renewed automatically on a year-to-year basis under the same terms and conditions specified herein, unless either party gives written notice, at least thirty (30) days in advance of the beginning of a renewal period, of its intention to terminate the Agreement.

4. **ROYALTIES.**

(a) During the term of this Agreement, Licensee shall pay to Licensor a royalty in an amount equal to 40 percent of the first \$35 million of Licensee's gross licensing revenues, 35 percent of gross licensing revenues

above \$35 million but not in excess of \$40 million, and 30 percent of gross licensing revenues above \$40 million, subject to the following condition: the parties acknowledge that they have retained the services of an independent appraisal firm to determine the arm's-length value of the Licensed Rights and the fairness and appropriateness of the royalty percentage specified hereunder for such Licensed Rights. The parties further acknowledge that, at the time of the execution of this Agreement, such appraiser has not yet rendered its final opinion, and that, in the event such appraiser determines that the royalty percentage specified hereunder is not an arm's-length royalty, such royalty percentage must be renegotiated by the parties in good faith on the basis of such appraisal.

(b) The term "gross licensing revenues" shall mean the actual cash proceeds received by Licensee (less sales and cash discounts actually allowed, but without deductions of any other kind) relating to the license or sublicense of the Licensed Rights pursuant to the terms of this Agreement. Any cash proceeds received by Licensee as payment for the endorsement, appearance or other personal services or property of one or more players shall be included in gross licensing revenue, less a deduction for any payments to players for any such items.

(c) Royalties due to Licensor pursuant to this Paragraph (4) shall be paid on or before the 15th day of the month immediately following the close of the three-month periods ending on the last days of May, August, November and February during the Original License Period and any renewals thereof, and shall be based upon gross licensing revenues received during each such three-month period. However, with respect to the period from May 9, 1994 to February 28, 1995, Licensor's share of gross licensing revenue shall be determined and allocated as soon as practicable, but in no event later than March 15, 1995.

5. LICENSEE'S OBLIGATIONS UNDER THE GROUP LICENSING RIGHTS.

(a) Licensee hereby agrees to pay to such players as have currently licensed Licensor to use their Group Licensing Rights, and who meet the eligibility requirements set forth in paragraph 5(c) below, a royalty in the amount of 37 percent of gross licensing revenues, as defined in paragraph 4(b) above, subject to the following condition: the parties acknowledge that they have retained the services of an independent appraisal firm to determine the arm's-length value of the Group Licensing Rights and the fairness and appropriateness of the royalty percentage specified hereunder for such Group Licensing Rights. The parties agree that the arm's-length value of the Group Licensing Rights for

the fiscal year ending February 28, 1995 shall be no less than \$8 million. Licensee acknowledges that Licensor has an interest in ensuring that eligible players are paid arm's-length royalties, in order to encourage players to grant their respective Group Licensing Rights to Licensee in the future and to ensure that eligible players are paid no more than an arm's-length royalty. The parties further acknowledge that, at the time of the execution of this Agreement, such appraiser has not yet rendered its final opinion, and that, in the event such appraiser determines that the royalty percentage specified hereunder is not an arm's-length royalty, such royalty percentage must be redetermined by the parties in good faith on the basis of such appraisal.

(b) Either party may seek, periodically, to revise, either upward or downward, the royalty percentage specified in paragraph 5(a) in accordance with changes in market conditions. The amount of any such revision must be reviewed and approved by an independent appraisal firm selected by the parties to verify and affirm that the royalty percentage, as changed, will result in arm's-length payments to eligible players.

(c) Licensor and Licensee shall establish eligibility requirements, as mutually agreed to in writing



from time to time, upon which Licensee shall make royalty payments to players. Initial player eligibility requirements are set forth in Attachment "D".

6. **NFL PROPERTIES SETTLEMENT AGREEMENT.** Effective May 6, 1993, Licensor entered into the Settlement Agreement (attached hereto as Attachment "E") with National Football League Properties, Inc. ("NFL Properties"). Under the Settlement Agreement, Licensor agreed to certain terms and conditions with respect to certain licensing agreements. See Attachment E, ¶¶ 9-12. Licensee agrees to be bound by all obligations, terms and conditions with respect to which Licensor is bound under the Settlement Agreement. Under Paragraph 12(a) of the Settlement Agreement, NFL Properties is required to make certain payments to Licensor in the event royalties earned by Licensor under the Classic Games and Fler licensing arrangements do not meet specified annual dollar thresholds. Any such payments by NFL Properties are not subject to this Agreement, are not assigned to Licensee hereunder and shall be the property of Licensor unless otherwise agreed in writing by Licensor.

7. **PERIODIC STATEMENTS.**

(a) Licensee shall furnish to Licensor, on the 15th day of the first month following the close of each calendar quarter during the term of this Agreement and any

renewals thereof, a complete and accurate statement certified to be accurate by an officer of Licensee, showing the gross licensing revenue derived by Licensee during the preceding calendar quarter. The first such statement shall be provided no later than January 15, 1995.

(b) Once in every twelve-month period, Licensee shall furnish to Licensor a detailed statement prepared by an independent certified public accountant, showing the gross sales of the licensed products covered by this Agreement.

8. **BOOKS AND RECORDS.** In the event of termination or expiration of this Agreement, Licensee shall deliver to Licensor all of its books and records with respect to gross licensing revenues earned in connection with this Agreement at such place and time as shall be designated by Licensor.

9. **INDEMNIFICATION AND INSURANCE.**

(a) Licensee agrees that it will not, during the term of this Agreement, or thereafter, challenge or in any way infringe upon the title or any rights of the Licensor in and to any of the Licensed Rights, or challenge or in any way infringe upon the validity of this Agreement.

(b) Licensee further agrees to assist Licensor to the extent necessary in the procurement of any protection for

the Licensed Rights or to protect any of the Licensed Rights, and Licensor, if it so desires, may commence or prosecute at its own expense any claims or suits in its own name or in the name of the Licensee or join Licensee as a party thereto. Licensee shall notify Licensor in writing of any infringement or imitations.

(c) Licensee hereby indemnifies Licensor and undertakes to defend Licensor from and against any claims, suits, losses and damages (including reasonable attorneys fees and expenses) arising out of any acts or omissions of Licensee in connection with this Agreement, including but not limited to the sub-license, marketing, sale, distribution, or use of the Licensed Rights.

10. COPYRIGHT AND TRADEMARK NOTICES. Licensee shall cause to be imprinted, or cause any sub-licensee to have imprinted, irremovably and legibly on each Licensed Product manufactured, distributed or sold under this Agreement, including, but not limited to, advertising, promotional, packaging, and wrapping material and any other such material whereon the Name and/or Logo of the Licensor may appear, either (i) the appropriate copyright notice, including year date, following an encircled "c," and/or (ii) the initials "TM", the letter "R" encircled, the letters "TS" encircled,

as applicable, and as may be amended from time to time by Licensor.

11. GOODWILL.

(a) Licensee recognizes the great value of the goodwill associated with the Name and Logo of Licensor, and acknowledges that such goodwill belongs exclusively to Licensor; and that said Name and Logo have a secondary meaning in the mind of the public.

(b) Licensee agrees that all elements (including all material of any nature utilizing in any way the Licensed Rights, including but not by way of limitation, all packages, cartons, point of sale material, newspaper and magazine advertisements) of any Licensed Product(s) shall be of high standard and of such style, appearance and quality as to be adequate and suited to the best advantage and to the protection and enhancement of the Licensed Rights; that the marketing of any Licensed Product(s) will be conducted in accordance with all applicable Federal, state and local laws; that any Licensed Product(s) shall be exploited to the best advantage of Licensor; and that such exploitation shall in no manner reflect adversely upon the good name of The National Football League Players Association.

12. SPECIFIC UNDERTAKINGS OF LICENSEE.

(a) Licensee agrees that every use of the Licensed Rights by Licensee or any sub-licensee shall inure to the benefit of Licensor and that neither Licensee nor any sub-licensee shall, at any time, acquire any title or interest in the Licensed Rights by virtue of any use Licensee or any sub-licensee may make of such Licensed Rights.

(b) Upon expiration, cancellation or termination of this Agreement, the Licensed Rights shall immediately revert to Licensor, and Licensee shall refrain from further use of such Licensed Rights, or any further reference thereto, direct or indirect. Licensee acknowledges that its failure to cease the use of such Licensed Rights at the termination or expiration of this Agreement will result in immediate and irreparable damage to Licensor, and to the rights of any subsequent licensee(s). This subparagraph (b) does not affect any sub-licensee arrangement entered into by Licensee under the authority of this Agreement. Any such arrangement shall be honored by Licensor in the event of expiration or termination of this Agreement.

(c) Upon expiration, cancellation or termination of this Agreement, Licensee agrees that it will cease to compete or otherwise participate in any activities involving the licensing of players' names, photographs, likenesses,

etc., except with the express written consent of Licensor, for a period of two years following such expiration, cancellation or termination.

13. **FORCE MAJEURE.** If, in the event of war, national police action, government edict, unavailability of material, act of God, or force majeure, Licensee becomes unable to perform any obligation or duty arising under this Agreement, Licensor will have no right to terminate this Agreement as a result of such inability to perform or for any non-performance. To the extent that performance under this Agreement is delayed as a result of the occurrence of one or more of the events listed above, all expiration dates in this Agreement shall be extended by a period of time equal to the period of such delay.

14. **PARTNERSHIP.** Nothing herein contained shall be construed to place Licensor and Licensee, or any sub-licensee, in the relationship of partners or joint venturers, and neither Licensee nor any sub-licensee shall have the power to obligate or bind Licensor in any manner whatsoever.

15. **WAIVER AND/OR AMENDMENT.** None of the terms of this Agreement shall be waived or amended except by an express agreement in writing signed by both parties. There are no representations, promises, warranties, covenants or

undertakings other than those contained in this Agreement. No written waiver shall excuse the performance of an act other than those specified therein. The failure of either party hereto to enforce, or delay by either party in enforcing, any of the Licensed Rights shall not be deemed a continuing waiver or amendment thereof and either party may, within the time provided by applicable law, commence appropriate legal proceeding(s) to enforce any or all of such rights.

16. **NON-ASSIGNABILITY.** Licensee shall not assign this Agreement without the prior written consent of Licensor. Notwithstanding this paragraph (16), Licensee shall have the right to authorize third parties to use the Licensed Rights in carrying out any activities that Licensee is authorized to carry out under the terms of this Agreement, except that any such third party authorization is prohibited to the extent it constitutes a "de facto" assignment of Licensee's rights under this Agreement. In general, such a third party authorization will constitute a de facto assignment if the authorization subverts, in any way, the intent of this paragraph (16) and otherwise accomplishes a result similar to a formal assignment of the Licensed Rights.

17. TERMINATION.

(a) Either party shall have the right to terminate this Agreement by providing sixty (60) days written notice if the other party has failed to substantially comply with one or more of its obligations hereunder. However, if either party corrects such non-compliance within such 60-day notice period, then no right of termination shall exist and this Agreement shall be enforced as if such non-compliance had not occurred.

(b) Upon termination of this Agreement, by lapse of time, by operation of this Paragraph (17), or otherwise, Licensor shall have the right to enter into any phase of the business of the Licensee, either alone or in conjunction with any persons or corporations, without any restrictions of any kind, and all rights of Licensee hereunder shall lapse and terminate except that any sub-licenses, contracts or other third party obligations entered into or incurred by Licensee under the authority of this Agreement shall be honored.

18. DEFENSE OF NAME. If lawsuits or other types of action are instituted against the Licensee because of its use or any sub-licensee's use of the Licensed Rights, Licensee shall notify Licensor immediately and Licensor shall cooperate with Licensee and/or such sub-licensee in the defense of any and all such suits or actions.



19. CONSTRUCTION. This Agreement is made within the District of Columbia and shall be construed in accordance with the laws of the District of Columbia and the United States of America.

20. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties and all prior agreements relative hereto which are not contained herein are terminated.

21. SEVERABILITY. This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain between the parties as expressed herein, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

IN WITNESS WHEREOF, Licensor and Licensee have caused this Agreement to be signed by their authorized representatives, all as of the day and year first above written.

National Football League  
Players Association

By: Eugene T. Upshaw, Jr.  
Eugene T. Upshaw, Jr.,  
Executive Director

National Football League  
Players, Inc.

By: Douglas F. Allen  
Douglas F. Allen, President